KIM HIN JOO (MALAYSIA) BERHAD

Registration No. 197801000642 (37655-U)

CONFLICT OF INTEREST POLICY

Abbreviation		Meaning
Board	:	The Board of Directors of the Company
Director	:	Includes all independent and non-independent directors, executive and non-executive directors of the Group and shall also include alternate or substitute directors.
Key Senior Management	:	Key Senior Management are Managing Director, Executive Director, Chief Financial Officer, Head of Retail, Head of Buying & Merchandising, Warehouse Manager, Head of Marketing.
KHJ Group	:	The Company and its subsidiaries, collectively
KHJ or the Company	:	Kim Hin Joo (Malaysia) Berhad [Registration No. 197801000642 (37655-U)]

1. Introduction

This policy outlines the disclosure obligations of each Director and Key Senior Management of KHJ Group with respect to conflict of interest, and the procedures to be followed when a conflict of interest arises or potentially arises to ensure systematic identification, disclosure, and management of conflict of interest in an effective and timely manner.

The objective of this policy aims to ensure that conflict of interest is handled appropriately, promoting transparency, foster a culture of honesty and accountability, and good governance within the Company and its subsidiaries.

2. Definitions

A conflict of interest arises when the interests of an individual, such as a Director, Key Senior Management interfere or appear to interfere with the interests of the Company or its subsidiaries. It may also occur when an individual's interest makes it difficult to perform their roles objectively and effectively.

A potential conflict of interest is a conflict of interest that has not yet materialised but may arise subsequently due to prevailing relationships or interests of an individual.

Interest in competing business refers to direct or indirect financial interest, non-financial interest, or competing loyalties or interests in a business that competes with the Company.

3. Scope

This policy applies to all Directors and Key Senior Management of KHJ Group. It covers conflict of interest that may arise between their personal interests and the interests of the Company or its subsidiaries. The personal interests shall include the interests of a spouse, parent, child or siblings of the Director and Key Senior Management of KHJ Group or any company, corporation owned or controlled by them in which they have substantial personal interest.

This Policy shall be read together with

- KHJ's Anti Bribery and Corruption Policy;
- KHJ's Code of Conduct and Ethics;
- KHJ's Whistleblowing Policy;

4. Circumstances which constitute or may give rise to conflict of interest

A conflict of interest may be actual or potential and may be financial or non-financial interests arising from relationships (family, business, or professional), or competing loyalties or interests.

Conflict of interest situations may take many forms. Directors and Key Senior Management should be vigilant in identifying situations that may give rise to a conflict of interest.

Examples of situations (non-exhaustive) where a conflict of interest could arise are as follows:

(a) Where a Director and Key Senior Management is interested in a contract or proposed contract with the Company or KHJ Group.

(b) Where a Director holds another office or possesses any property where duties or interests are created which may conflict with his duties and interest as a Director.

(c) Where a Director and Key Senior Management uses the Group's property, information or position for personal gain.

(d) Where a Director and Key Senior Management takes advantage of any opportunity which may be given to the Group.

(e) Channelling benefits or resources meant for the Company to a company in which the Director and Key Senior Management has an interest.

(f) Disclosing trade secrets to competitors when the Director and Key Senior Management has an interest in such competitors.

(g) Leveraging the Company's business plans for personal gain through private companies.

(h) Involvement in a business that competes with KHJ Group's products.

(i) Holding offices or directorships in companies that compete with the Company.

5. Disclosure of Conflict of Interest

(a) Any Director and Key Senior Management who becomes aware of a conflict of interest must promptly disclose the nature and extent of the conflict to the Company.

(b) Disclosure should occur as soon as practicable after the relevant facts have come to the knowledge of the individual and should be made on a periodic and regular basis, including at all board meetings.

(c) The disclosure should include all relevant details, such as the nature of interest, the relationship or transaction involved and the potential impact on the Company using the prescribed standard forms.

6. Management of Conflict of Interest

(a) The Audit Committee shall review and report any conflict of interest situations to the Board, along with the measures taken to resolve, eliminate, or mitigate such conflicts. These disclosures should be included in the Audit Committee Report.

(b) The Audit Committee’s review and disclosure must cover conflict of interest situations that arose or may arise during the financial year, as well as persisting conflict of interest from previous financial years.

(c) The Board may determine appropriate measures to address conflict of interest, including but not limited to the following:

(i) Requiring prompt and periodic declaration of conflict of interest by the Director and Key Senior Management of KHJ Group, including at board meetings and on a regular basis.

(ii) Restricting the participation of individuals with conflict of interest in relevant board, committee or general meetings, requiring them to abstain or recuse themselves from deliberation and voting on matters related to the conflicts.

(iii) Conducting an assessment of conflict of interest during annual performance appraisal and before new appointments.

(iv) Executing non-disclosure or confidentiality agreements to protect confidential and proprietary information or trade secrets.

(v) Restricting Director, and Key Senior Management from participating in businesses that compete with the Company or KHJ Group.

(vi) In cases where conflict of interest significantly affects the performance of Director and Key Senior Management requiring them to divest the conflicting interest or consider resigning from the Company or KHJ Group. Taking into the account the significance of the conflict of interest and potential ramifications of a failure to handle the conflict properly, Directors should consider whether to inform the Board not to send them board papers relating to the resolution.

7. Training

Employees of KHJ must be trained on content of this policy and the Compliance Officer shall ensure appropriate training on the policy on annual basis.

8. Records Maintenance

(a) The Company Secretary shall be responsible to record all conflict of interest disclosures by the interested Director and Key Senior Management in the minutes of meeting of the Board or in the board circular resolution as the case may be, at which the declaration was made and to maintain an updated record of such COI disclosures received.

(b) These records shall be made available for inspection by auditors or other regulatory authorities upon request.

9. Periodic Review

This policy shall be reviewed periodically or as and when necessary by the Board.

10. Breach of Policy

Failure to disclose a conflict of interest, provide complete and accurate information on the conflict or appropriately manage the conflict is a breach of this Policy and could result in disciplinary action being taken by KHJ.

Adopted by Board: 24 November 2023