



ASTRAL ASIA BERHAD

Registration No. 199601002254 (374600-X)
(Incorporated in Malaysia)

CONFLICT OF INTEREST

1.0 OBJECTIVES

Astral Asia Berhad (“the Company” or “AAB”) and its subsidiaries (“AAB Group”) uphold the highest standards of business practice and corporate integrity and are committed to ensuring that any ethical, legal, financial or other conflicts of interest are avoided and if they do arise, they do not conflict with the obligations to the Company.

2.0 SCOPE

This policy applies to all directors, management staff and employees (including contract employees), of AAB Group. It aims to serve as fundamental guiding principles to assist the directors, management and employees of AAB in interpreting and managing Conflict of Interest (“COI”) situations.

Head office management shall:

- Brief and communicate the COI policy and provide COI illustrations to all directors and management staff of the AAB subsidiaries;
- Request the subsidiary’s directors and senior management staff to sign off a COI compliance declaration form; and
- Communicate the Group’s Whistleblowing policy and reporting channel to the employees of the subsidiaries and assure them of the protection conferred to whistleblowers under the policy.

3.0 DEFINITION

A conflict of interest arises when an individual has private interests, whether direct or indirect, that may conflict with the Company’s interest. Hence, questions may arise about whether the individual’s actions, judgment, and decision-making can be unbiased or affected by the conflicting interest.



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Conflict of interest can be actual, potential or perceived: -

Actual conflict of interest	It arises when an individual can derive personal benefit (directly or indirectly) from actions or decisions made or not made in their official capacity.
Potential conflict of interest	It may arise when an individual's interest (directly or indirectly) may cause them when discharging their duty to make such a decision (directly or indirectly) that could conflict with the Company's interest. There is a risk that conflict will arise and inappropriate decisions will be made.
Perceived conflict of interest	It may arise when an individual has two competing interests which is likely to interfere with or undermine their ability to fulfil their responsibilities, thus, resulting in members of the public forming a view that the individual's actions may have undermined the company interests.

4.0 CONNECTED PERSONS

Persons connected to director, management and employees" shall mean:

- (a) *a member of the director's, management staff's and employee's family;*
- (b) *a body corporate which is associated with the director, management staff and employees; and*
- (c) *a partner of the director, management staff and employee or a partner of a person connected with the director, management staff and employee.*

A family member is further defined as "*the individual's spouse, parent, child, including adopted child and stepchild, brother, sister and the spouse of the individual's child, brother or sister.*"

5.0 CONFLICT OF INTEREST SITUATIONS

The following scenarios provide guidance for understanding, interpreting,



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identifying, assessing and reporting conflict of interest situations. These situations are not exhaustive. All employees should develop a good understanding of conflict of interest principles and are encouraged to share their experience with their supervisors and the Human Resource Department to enhance this Policy. Personnel are advised to consult the HR Department and/or the Management for any uncertainty about a situation of potential conflict of interest.

I. Contractual Dealings with Employees

Company may lease or purchase property, equipment or materials from directors or employees or enter into contractual arrangements with directors or employees (other than employment contracts). Under such circumstances, the said individual shall make the necessary declaration of their interest, and the Company must document the basis of decisions, including quantification of the price comparison and the benefits and advantage comprehensively and adhere to the procedures provided under the Monitoring of Conflict of Interest section.

II. Other Employment

When an employee engages in part-time employment or other business activities outside the Company's working hours, a conflict of interest may arise if the additional commitment impact negatively the employee's time, attention and commitment to work. A conflict of interest can also occur when participating in any business activity outside working hours demands excessive time and attention from the employee until it adversely impacts their performance with the Company.

III. Board Membership

An employee should not serve as a director of a non-group company without the approval of the Executive Director. Employee who holds directorship without such approval must seek approval immediately, if they wish to remain as director of other company.

The exception is where such board appointments relate to family businesses or companies/unincorporated entities formed by not-for-profit organisations (e.g. social or community-related clubs and associations).



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IV. Acceptance of Gifts, Meals or Entertainment

Accepting gratifications may affect a director or employee's objectivity and judgment. All employees must comply with the Company's Gift Policy to ensure that nothing is received/given which might create a conflict of interest or bring their integrity into question.

V. Family Members and Personal Relationships

Family members of directors or employees may be hired as employees or consultants only if the appointment is based on qualification, performance, skills and experience, and in accordance with the Group's hiring policies and procedures. A director or an employee must also disclose business activities in the Group which involve family members and refrain from any related decision making process. Any substantial interest held by the director's or employee's family members in a competing company or other related companies must be declared.

- Business entity associated with an employee who can determine the conduct of the business with the Company.
- Material transactions and contracts with another legal entity connected to an employee who can influence or decide about the transaction.

However, due care and consideration shall apply when assessing the possibility of a conflict of interest situation. For example, there should not be any concern if the Company enters into a contract with another company in which the employee's spouse is merely working as clerical staff and has no influence in negotiating and approving the contract.

VI. Dealing with Competitors

A conflict of interest situation would happen between the Company and its competitor when a director, employee, or person connected with a director or an employee has significant financial or other interests; or occupies a directorship or senior management position in the competitor companies.

In such an event, the conflict of interest must be declared immediately or



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before accepting employment with the competitor to enable the Company to take the necessary actions to manage the conflict.

6.0 MANAGING CONFLICTS OF INTEREST

All employees are responsible for identifying, reporting, and managing conflicts of interest and shall:

- i. understand the principles of conflict of interest;
- ii. discharge their duty and responsibility with integrity and professionalism and exercise sound judgement;
- iii. avoid and disclose any Conflict of Interest that may arise in the performance of their duties;
- iv. ensure business decisions are made in the best interests of the Company at all times;
- v. maintain their independence and avoid placing themselves in a Conflict of Interest position;
- vi. abstain from participating in discussion and decision-making in transactions involving their interest;
- vii. comply with this policy and other applicable policies and guidelines relating to the identification, documentation, escalation and management of conflicts of interest; and
- viii. Immediately declare their conflict of interest by completing the Conflict of Interest Compliance Declaration Form and escalate it to the Department Head for further action. In the case of Directors, the conflict must be disclosed to the Board of Directors and minutes by the Company Secretary.

In addition, the Director, management staff or employee shall not have access to sensitive documents or confidential information relating to the Conflict of Interest transactions until a decision is made.

7.0 MONITORING AND REPORTING CONFLICT OF INTEREST

- i. When employees know they are in a conflict of interest position, they must complete the Conflict of Interest Compliance Declaration Form and report to their immediate supervisor and Heads of Department ("HODs"). The HODs shall acknowledge the form and forward it to the Group Accountant ("GA") / Chief Financial Officer ("CFO") / Financial Controller ("FC") for monitoring purposes.



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- ii. If a conflict of interest transaction involves the GA / CFO / FC, the Declaration Form shall be provided to any Executive Director ("ED"). In contrast, the Declaration Form shall be extended to the Audit Committee ("AC") when the conflict of interest transaction involves directors and the ED.
- iii. Upon receiving the Declaration Form, the ED, AC or GA / CFO / FC shall review the adequacy and effectiveness of actions taken to address the conflict and decide on further action, if needed.
- iv. The register recording the conflict of interest of employees and the Declaration Form, action taken, and the relevant supporting documents shall be maintained by the Human Resources Department. For conflicts of interest involving the Directors, ED and GA / CFO / FC, the documentation shall be maintained by the Company Secretary.

8.0 NON-COMPLIANCE

In the event of a breach of this Policy, including but not limited to failure to disclose a conflict of interest, provide complete and accurate information on the conflict, or appropriately manage, the Company reserves the right to investigate and take appropriate disciplinary or legal action against the individuals. The individuals who are being investigated must provide their full cooperation in the investigation.