



**YONG TAI**  
永大集团

**CONFLICTS OF  
INTEREST POLICY FOR  
DIRECTORS**

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## 1.0 INTRODUCTION

- 1.1 The objective of this COI policy is to maintain and enhance public confidence and trust in the integrity, objectivity and impartiality of YTB and its Directors.
- 1.2 This COI Policy seeks to:
- (a) minimise the possibility of conflicts of interest arising in the performance of a director's duties to YTB, including the perception of such conflicts; and
  - (b) ensure that if any conflict does arise, it will be identified, declared, managed and resolved appropriately.
- 1.3 Conforming to this policy does not absolve a Director from the responsibility to take such additional actions as may be necessary to avoid or, if need be, resolve any conflict of interest or, from any requirement to comply with a statutory, common law or contractual obligation or prohibition.
- 1.4 All Directors should review this policy on a regular basis and satisfy themselves that they have taken or are taking such actions as may be required for compliance with it.

## 2.0 DEFINITIONS

- 2.1 In this policy, words have the meaning given to them under the Act (unless otherwise defined in this policy). The following words and expressions have the following meaning:


<b>Words</b>	<b>Definitions</b>
Board	Board of Directors of YTB
Connected Person	a director's spouse, children, including adopted and step children, siblings & their spouses, parents or any person over whom a director exercises or is able to exercise significant influence in relation to that person's financial affairs, for any reason whatsoever
Designated Person	in the case of: (a) the Chairman of the Board, the Chairman of the Audit & Risk Management Committee; and (b) all other Directors, the Chairman of the Board;
Director	any director of YTB

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Words	Definitions
hospitality	includes invitations to attend an event (including sporting and cultural events), meals or other similar occasion with someone who works for or represents a member institution, or an actual or potential supplier or service provider of YTB, where it can be reasonably perceived that a director who attends such an event is representing YTB
interest in a share	beneficial ownership, direct or indirect, of a share or any part thereof, provided that a director will be considered to have an interest in a share beneficially owned, directly or indirectly, by a Connected Person if: <ul style="list-style-type: none"> <li>i. that Connected Person acquired that ownership using money or moneys worth directly or indirectly supplied by the Director and the Director is aware of the Connected Person's ownership of the share; or</li> <li>ii. the Director exercises or is able to exercise significant influence over that Connected Person's affairs, for any reason whatsoever and the Director is aware of the Connected Person's ownership of the share;</li> </ul>
key management position	any position having authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly (C suite level)
YTB" or the "Corporation	Yong Tai Berhad
person	includes a body of persons, corporate or unincorporated
share	includes an accepted subscription for a share, a warrant for a share, a right to acquire or require the issuance of a share or a warrant by the conversion of or in exchange for other property and an option right to acquire or require the issuance of any of the foregoing.

2.2 A "**conflict of interest**" involves a conflict between: -

- (a) the official duties of a Director to YTB and his or her private interest, in which the Director has private-capacity interest which could improperly influence the performance of his or her official duties and responsibilities. When a private interest has in fact compromised the proper performance of a director's official duties, this could constitute misconduct or even amount to an offence depending on the circumstances; or
- (b) the official duties of a Director to YTB and his or her duties to another organization, whether public or private, due to the Director's role with the other organization.

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Such a conflict could arise, for example, as a result of a director’s membership on multiple boards. Conflicts of interest that this policy seeks to organization and address may be real, apparent or potential.

A real conflict means the conflict actually exists.

An apparent conflict may be said to exist where it appears that a director’s private interest or his or her duties to another organization could improperly influence the performance of his or her official duties to YTB but this is not in fact the case.

A potential conflict arises where a director has private interests or duties to another organization which are such that a conflict of interest would arise if the Director were to become involved in conflicting official responsibilities in the future.


2.3 “**Private interest**” includes but is not limited to: -

- (a) financial or pecuniary interest;
- (b) an interest which generates a direct personal benefit to a director; or
- (c) an otherwise legitimate private-capacity activities, personal affiliations and associations and family interests, if the interest could reasonably be considered likely to improperly influence a director’s performance of his or her official duties to YTB.


### 3.0 PRINCIPLES

3.1 Directors are required to observe the following principles in the performance of their duties and responsibilities to YTB:

<b>Principle 1: Promoting individual responsibility and personal example</b>	
a)	A Director must uphold the highest ethical standards so that public confidence and trust in the integrity, objectivity and impartiality of the Corporation are maintained and enhanced. In this connection a director is expected to demonstrate his or her commitment to integrity and professionalism through his or her application of conflict-of-interest policies and practices.
b)	A Director is responsible for, and must manage his or her private affairs or any other duties he or she may have in a manner designed to prevent real, potential or apparent conflicts of interest from arising, but if a conflict does arise it must be resolved in a manner satisfactory to the Board.

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<b>Principle 2: Serving the public interest</b>	
c)	A Director should dispose of, or restrict the operation of his or her private interests or any other duties he or she may have that could compromise official decisions in which he or she participates. Where this is not feasible, a Director should abstain from involvement in official decisions which could be compromised by his or her private interests and affiliations, or duties to another organisation.
d)	A Director must not knowingly take advantage of, or benefit from, any information obtained by reason of his or her position as a Director and which is not generally available to the public.
e)	A Director must not use his or her position or YTB's resources for private gain.
f)	A Director must not directly or indirectly use, or allow the use of, YTB's property or facilities for anything other than officially approved activities.
g)	A Director must not, directly or indirectly, solicit or accept economic benefits, other than incidental gifts, customary hospitality or other benefits of nominal value, except pursuant to enforceable contractual or property rights of the Director.
h)	A Director must not, after ceasing to be a member of the Board, act in such manner as to take improper advantage of his or her former position as a Director.
<b>Principle 3: Supporting Transparency and Scrutiny</b>	
i)	A Director has an obligation to carry out his or her duties to YTB and exercise his or her powers as a Director, and to manage his or her private affairs or any other duties he or she may have in a manner that will withstand the closest public scrutiny, an obligation that is not fully discharged simply by acting within the law.
j)	A Director's private interests and affiliations or duties to another organisation that could compromise the objective performance of his or her official duties to YTB should be disclosed appropriately, to ensure transparency and enable adequate control and management of a resolution.
<b>Principle 4: Confidentiality</b>	
k)	Except as permitted by law, a director must, both while serving as and after ceasing to be a member of the Board, treat as confidential all information regarding the business or affairs of YTB, or any person dealing therewith which is obtained by reason of his or her serving as a member of the Board and which are not generally available to the public.

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- 3.2 The other provisions of this policy are not to be interpreted to derogate from, or to be exhaustive of the actions which may be necessary to observe the principles in paragraph 3.1.

#### 4.0 DUTIES OF A DIRECTOR

- 4.1 Under the Companies Act 2016 (CA), every director of a company is under a fiduciary duty to, at all times exercise his/her powers for a proper purpose and in good faith in the best interest of the company.
- 4.2 A director must also exercise reasonable care, skill and diligence with the knowledge, skill and experience which may be reasonably expected of a director having the same responsibilities, together with the additional knowledge, skill and experience which the director in fact has.
- 4.3 The CA 2016 provides that directors of companies are primarily responsible to ensure:
- the financial statements of the company are prepared;
  - that the accounts of the company are sufficiently kept and that the transactions and financial position of the company can be adequately explained and disclosed for auditing;
  - that the financial statements are circulated to the shareholders of the company;
  - for a public company, that its annual general meeting is held; and
  - the making of such other disclosures as prescribed in the CA 2016, such as when there is a change in the company's directors, company secretary or shareholding.
- 4.4 The CA 2016 further describes the manner in which a director is expected to make business judgements. Under Section 214 CA 2016, a director is deemed to meet the statutory duties in CA 2016 and any other equivalent duties under the common law and in equity, if the director:
- makes a business judgement for a proper purpose and in good faith;
  - does not have a material personal interest in the subject matter of the business judgment;
  - is informed about the subject matter of the business judgment to the extent the director reasonably believes to be appropriate under the circumstances; and
  - reasonably believes that the business judgement is in the best interest of the company.

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## 5.0 STEPS TO OBSERVE IN DEALING WITH CONFLICTS OF INTEREST SITUATIONS


### 5.1 CONTRACTS WITH THE GROUP

Directors are permitted to deal with the Group on the condition that full disclosure is made to the Group Company and shareholder approval is obtained where required under the CA and the Listing Requirements (LR) and/or any relevant regulatory requirements. The CA & LR also provide specific criteria and thresholds which, when triggered, will require the consent of shareholders of the Company at general meeting.

### 5.2 DISCLOSURE OF DIRECTOR'S INTERESTS AND CONFLICT OF INTEREST

- a) The CA 2016 provides that every director, who is in any way, directly or indirectly, interested in a contract or proposed contract with the company, shall as soon as practicably possible having become aware of such fact, declare the nature of his/her interests at a meeting of the board of directors; and where a director who holds any office or possesses any property where his duties or interests may create a conflict with his/her duties or interests as director, such director shall declare the fact, nature, character and extent of the conflict at a meeting of the board of directors.
- b) The CA further provides that where a director has a direct or indirect interest in a contract entered into or to be entered into by the company, such a director is not allowed to participate or vote in any discussion while the contract or proposed contract is being deliberated at the board meeting unless:
  - the director's interest in the matter is not required to be disclosed under Section 221 of the CA;
  - the matter involves a private company, which is not a subsidiary of a public company;
  - the matter involves a private company which is a subsidiary of a public company and the contract entered into, or proposed to be entered into is within its own group of companies;
  - the contract is for the indemnity against any loss which any director may suffer by reason of being or becoming the surety for the company;
  - or the contract entered into, or to be entered into involves a public company or a subsidiary of a public company and in which the interests of the director solely consist of him/her being a director of the company and the shareholder of not more than the number or value as is required to qualify him for the appointment as a director;
  - or in him/her having an interest in not more than five per cent (5%) of the company's paid-up capital.



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- c) A Director shall disclose to the Board the nature and extent of his interest, whether directly or indirectly, in any transaction or arrangement with the YTB as soon as practicable after the relevant facts have come to his/her knowledge; and if the transaction or arrangement or proposed transaction or arrangement is being deliberated at a board meeting, before the commencement of that deliberation, by way of a written notice to all members of the Board and the Company Secretary.
- d) The interested Director shall not be present at the Board meeting where the transaction or arrangement is being deliberated by the Board.
- e) Where there is any change in the nature and extent of the Director's interest subsequent to the disclosure, the Director shall make a further disclosure of such changes.
- f) YTB shall not carry into effect any material arrangement or material transaction where a director has an interest unless shareholders' approval is obtained at a general meeting.
- g) If a director is in doubt whether he/she has a conflict of interest, he/she should seek advice from the Company Secretary.


### **5.3 COMPLIANCE WITH CA & LR REQUIREMENTS**

The interested Director shall comply with all conflict-of-interest requirements under the CA, and to the extent that the interest of the Director give rises to a Related Party Procedures and Guidelines, requirements under the LR or any other relevant regulatory requirements, where applicable.

## **6.0 CIRCUMSTANCES WHICH CONSTITUTE OR MAY GIVE RISE TO CONFLICTS OF INTEREST**

Conflicts situations can take many forms which include, but not limited to the following:

- 6.1 Holding another office including being a Director of another company; e.g., a Director must not divulge confidential information obtained by reason of being a Director of one company to the second company of which he/she is also a Director.
- 6.2 Having an interest in a contract with the company; e.g., the Director enters into a contract to sell property to the company or buy property from the company. In the case of a contract to sell property to the company, there is a conflict between the personal interest of the Director (which is to obtain the highest price possible for the property) and the

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Director's duty to act in the interest of the company (which is to ensure that the company buys the property at the lowest price possible).

- 6.3 Use of the company's property; e.g., using company's property, information or position for personal gain.
- 6.4 Taking advantage of any opportunity which may be given to the company; e.g., a Director must not take a business opportunity which the company is currently considering or which it might reasonably be expected to be interested to take, given the company's current line of business.


## 7.0 GIFTS, HOSPITALITY AND OTHER BENEFITS

- 7.1 A Director must not, whether for himself or herself or any Connected Person, solicit or accept, directly or indirectly, any gift (whether in cash or in kind), hospitality or other benefit arising out of any activity associated with his or her responsibilities with YTB unless:
  - (a) it is within the bounds of propriety, a normal expression of courtesy or within the normal standards of hospitality, and the acceptance is not such as to cast suspicion on the Director's objectivity and impartiality, and will not compromise YTB; or
  - (b) it is provided by YTB itself.
- 7.2 Where a gift, hospitality or other benefit that is prohibited under paragraph 7.1 is provided unexpectedly and it is not practicable or offensive to decline the gift, hospitality or other benefit, the Director must disclose the matter to the Designated Person. On receiving such a disclosure, the Designated Person may require that the gift, hospitality or benefit, or its reasonable equivalent, be returned to the giver, if practicable, or turned over to YTB, or be disposed of for charitable purposes.

## 8.0 POST-DIRECTORSHIP ACTIVITIES

A former Director must not, either personally or through or in the name of any other person, act for or on behalf of any person in any proposed or ongoing proceeding, transaction, negotiation, arrangement or case to which YTB is a party if:

- (a) the former Director was involved at any time during his tenure as a director in that matter; or
- (b) the former Director has or may have an advantage, benefit or special knowledge by virtue of his or her former tenure as a director.

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## 9.0 DIRECTORSHIPS, KEY MANAGEMENT POSITIONS OR INTERESTS IN YTB'S CONTRACTORS

- 9.1 Every Director will be advised by Management about the types of entities with which YTB conducts business, has contractual relationships, or with which YTB is likely to conduct business or have contractual relationships ("YTB's Contractor(s)").
- 9.2 Every Director must, on a confidential basis, upon being appointed as a member of the Board or as soon as practicable and annually thereafter, advise the Corporate Secretary in writing if he or she holds any directorship, key management position or interest in any of YTB's Contractors or any entity undertaking a similar business as YTB's Contractors. If there are none, the Director shall confirm with the Corporate Secretary in writing, on a confidential basis, that he or she holds no such position or interest.
- 9.3 A Director, on assuming any directorship or key management position or acquiring any interest in any of YTB's Contractor, must additionally and on a confidential basis disclose this information in writing to the Corporate Secretary within thirty (30) days from the date of appointment or acquisition (whichever the case may be).

## 10.0 BOARD PROCEEDINGS


If a conflict of interest arises during a Board or Board Committee meeting, it shall be dealt within accordance with Part 6 of the Corporate By-Law.

## 11.0 CERTIFICATION

Every Director must, upon taking up office as such and annually thereafter (or at such other times as required under the Act or by YTB), sign and provide to the Designated Person a document, substantially in the form set out in the *Appendix I*, certifying that he or she has read and understands and is abiding by the applicable provisions of this policy.

## 12.0 REVIEW

The Board shall review and reassess the adequacy of this policy biannually and make such amendments to this policy as the Board may deem appropriate.

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### 13.0 NON-COMPLIANCE WITH THIS POLICY

- 13.1 If a director has reasonable cause to believe that an interested Director has failed to disclose an actual or potential conflict of interest, he/she should inform the Chairman of the Board and such interested Director of the basis for such belief.
- 13.2 If the interested Director is the Chairman of the Board, the Director should inform the Chairman of the Audit & Risk Management Committee.
- 13.3 The Chairman of the Board or the Audit & Risk Management Committee (as the case may be) shall bring the matter to the Board and the Board shall afford such interested Director an opportunity to explain the alleged failure to disclose. If, after hearing the response and making such further investigation as may be warranted by the circumstances, the Board determines that such interested Director has in fact failed to disclose an actual or potential conflict of interest, it shall take appropriate action which may include removal from the Board (subject to relevant regulatory authorities' approval), as appropriate, as well as reconsideration of whether the material transaction or material arrangement was made in the best interests of and fair and reasonable to the YTB at the time it was undertaken, and decide whether such transaction / contract is voidable or / and should be discontinued / terminated.

### 14.0 RECORDS MAINTENANCE

- 14.1 The Company Secretary shall be responsible for maintaining updated records in the Conflicts of Interest Register for Directors (*refer Appendix III*) on each Director's conflicts of interest and to share a copy of the register to YTB Head of Internal Auditor.
- 14.2 These records shall be made available for inspection by auditors or other regulatory authorities upon request.

YONG TAI BERHAD  
Updated @ Feb 2022

## **Appendix I: Certification**

To the Designated Person\*

I hereby certify that: -

- (1) I have reviewed and understand the Conflict of Interest Policy for Directors of Yong Tai Berhad;
- (2) I understand that I am required to comply with the principles and other provisions of the policy applicable to me;
- (3) I have considered my personal and family affairs in sufficient detail to be able to be satisfied in this regard; and
- (4) I am and will remain in compliance.

\_\_\_\_\_  
Director's signature

\_\_\_\_\_  
Director's name (type or print)

Date: \_\_\_\_\_

*\*The Chairman of the Board, for all Directors except the Chairman. In the latter's case, the Designated Person is the Audit & Risk Management Committee Chairman*

## **Appendix II: SOURCES OF LAW AND RELATED GUIDELINES**

The corporate governance framework in Malaysia is built on several pieces of legislations and guidelines which mainly includes, but is not limited to, the following: -

Companies Act 2016 (“CA 2016”)

Capital Markets and Services Act 2007 (“CMSA 2007”)

Financial Services Act 2013 (“FSA 2013”)

Malaysian Code on Corporate Governance 2017 (“MCCG 2017”), by the Securities Commission of Malaysia

Guidelines on Corporate Governance (“BNM GL”), by the Central Bank of Malaysia (“BNM GL”)

Main Market, Ace Market and Leap Market Listing Requirements, by Bursa Malaysia Berhad (“Listing Requirements”)

Code of Ethics for Company Directors/Company Secretaries, by the Companies Commission of Malaysia (“Code of Ethics”)

*Besides the sources set out above, corporate governance in Malaysia is supplemented by a few more legislations, to name a few, **Employment Act 1955, the Occupational Safety and Health Act 1994, the Environmental Quality Act 1974, the Anti-Money Laundering and Anti-Terrorism Financing Act 2001, the Personal Data Protection Act 2010, and the Whistle-blower Protection Act 2010 (“WPA”).** These statutes impose direct and indirect responsibility on directors and officers of companies to ensure that no unethical misconduct or illegal activities take place in a company, and that proper procedures are set in place to ensure that companies are properly and transparently governed in accordance to the law.*

