



Success Transformer Corporation Berhad

[Registration No. 200301034518 (636939-W)]

(Incorporated in Malaysia)

CONFLICT OF INTEREST POLICY

1. INTRODUCTION

Success Transformer Corporation Berhad (“**STC**” or “**Company**”) and its subsidiaries (collectively referred to as “**STC Group**” or “**Group**”) recognises and is committed to maintaining, observing and practicing high ethical standards of professionalism and integrity at all times in respect of its business and operations.

The Directors, Key Senior Management and employees of the Group are expected to discharge their duties in a professional, honest and ethical manner at all times, and to avoid any conflict or potential conflict between their personal interests and the Group’s interest.

The establishment of Conflict of Interest Policy (“**COI Policy**”) is important in order to ensure that the interest of the Group is protected and that any situation which could give rise to a conflict of interest or potential conflict of interest is properly reported and managed.

2. PURPOSE

The purpose of the COI Policy is to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively. Its function is to provide guidance on how to deal with conflict of interest or potential conflict of interest situations as they arise and protect the interest of the Group, while assisting the Directors and Key Senior Management to perform with high integrity and ethical standards.

3. SCOPE

The COI Policy applies to all Directors, Key Senior Management and employees of the Group. The COI Policy applies whenever an individual recognises, or should reasonably recognise, that a conflict of interest or potential conflict of interest may arise from their current or future activities.

4. DEFINITIONS

“**Beneficial interest**” refers to the right to receive economic benefits from an asset without being the legal owner of the asset, e.g. entitlement of income from shares held through a nominee.

“**Conflict of interest**” is a situation in which an individual’s personal interest clashes with the professional interest owed to STC, potentially undermining the impartiality of the individual concerned. Conflict of interest includes actual, potential or perceived conflict of interest.

“**Family member**”, in relation to a person, means:

- i. a spouse of the person;
- ii. a brother or sister of the person, or their spouses;
- iii. a brother or sister of the spouse of the person, or their spouses;
- iv. parents or parents-in-law of the person;
- v. children (including adopted or stepchild) or children-in-law of the person;
- vi. a lineal descendant of a person referred to in (ii) and (iii) above, e.g., niece or nephew, or their spouses;
- vii. the uncle, aunt, or cousin of the person.

“**Material**” in relation to shareholding means equity ownership of 5% or more.

5. TYPES OF INTEREST

- i. **Financial interests** refer to interests that can be measured in monetary terms, such as remuneration (salary, commission, fees etc.), commercial dealings such as business contracts, consultancy fees, acquisition and/or sale of assets etc.
- ii. **Non-financial interests** include all other interests that are not measurable in monetary terms, such as directorship (or involvement in other organisations such as competing businesses, professional, charitable, religious or political bodies, etc.), accessibility to confidential information, “Family member” relationship, etc.
- iii. **Direct interests** refer to self-interest when an interested party has clear and defined rights.
- iv. **Indirect interests** refer to situations when an interested party derived benefits through a third party or an intermediary.

6. REGULATORY REQUIREMENTS

i. **Companies Act 2016 (“CA 2016”)**

Section 218 of the CA 2016 recognises situations under conflict of interest and specified that a director or officer must not do the following to gain benefit for himself or any other person, or cause detriment to the company, without the consent or ratification of a general meeting:

- a. using the property of the company;
- b. using any information acquired by virtue of his position as a director or officer of the company;
- c. using his position as such as director or officer;
- d. using any opportunity of the company which he became aware of, in performance of his functions as the director or officer; or
- e. engaging in business which is in competition with the company.

In addition to the above, Section 221 and Section 222 of the CA 2016 state that a director interested in a proposed or existing contract with the company, the director must:

- a. declare the nature of his interest at the board meeting;
- b. not participate in any discussion while the contract or proposed contract is being considered during the board meeting; and
- c. not vote on the contract or proposed contract.

Further, a director who holds any office or owns any property which may give rise to a conflict with his duties or interest as director must declare the fact and nature, character and extent of the conflict at a board meeting.

ii. Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”)

The Listing Requirements require the company to disclose the nature and extent of any conflict of interest or potential conflict of interest including interest in competing business involving directors, key senior management, legal representatives of the company in the following documents:

- a. statement accompanying notice of annual general meeting pertaining to election of directors;
- b. relevant announcement of the said person’s appointment; and
- c. annual report in the various sections including those on the profile of directors, chief executive and key senior management.

7. SITUATIONS THAT MAY GIVE RISE TO CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST

In general, a conflict of interest would arise where a person's ability to perform his/her duties effectively and impartially is potentially impaired by personal interests, considerations or relationships.

- i. Generally, conflicts of interest may be described under the following broad categories:

a. Equity ownership or participation in other organisations and/or entities

This is where a Director or Key Senior Management or any employees holds shares or equity ownership in other entities or other organisations, and in particular where they are having a business relationship with the Group, either directly or indirectly (e.g. through a family member). This does not apply to shares held in public listed/quoted companies which have a business relationship with the Group, unless such holding is considered to be material and the interest is likely to impair the objectivity of the Directors, Key Senior Management and the employees concerned.

b. Directorship, partnership or other forms of beneficial interest in entities having a business relationship with the Group

This applies to situations where a Director or Key Senior Management or employees holds a position or has an interest in entities having a business relationship with the Group, including financial interest in any of the Group's projects, contracts, sale, transactions, or other business dealing or have family members, close relatives or associates with such interests.

c. Other employment, business appointments or undertakings

A conflict of interest or potential conflict of interest may arise where a Director or Key Senior Management or employee hold other part time employment or have other business appointments, opportunities or undertakings which may interfere with the proper discharge of official duties in the Group, resulting in a negative impact on their performance or give rise to conflict of interest or potential conflict of interest with regards to their employment.

The Director or Key Senior Management or employee is expected to devote his/her time, attention and commitment during the performance of his/her duties. A conflict of interest or potential conflict of interest may also arise where the participation in any outside business interest or any non-business activity requires excessive time and attention from the Director or Key Senior Management or employee, thereby depriving the Director or Key Senior Management or employee best effort and performance on the job.

d. Personal relationships

A conflict of interest or potential conflict of interest would exist if a family member of the Director or Key Senior Management or employee has a reporting relationship with the Director or Key Senior Management.

A conflict of interest would also arise if a Director or Key Senior Management or employee has a family member with an interest (e.g. in the form of ownership, directorships, partnerships, employment, etc) in entities or organisations which have a contractual arrangement with the Group.

e. Contractual dealings with Directors or Key Senior Management or employees

This refers to situations where the Group purchases or leases property, equipment, materials, etc from Director or Key Senior Management or employee, or enters into contractual arrangement(s) with Director or Key Senior Management or employee (other than employment contracts). Such situations give rise to a conflict of interest and should be declared.

f. Dealings with competitors or business associates

If a Director, Key Senior Management or employee or their family member has financial or other interests or any involvement in the business of a competitor or business associate, or holds a directorship in a competitor or business associate, such a situation would give rise to a conflict of interest or potential conflict of interest. This does not apply to the holding of publicly quoted shares of competitor or business associate companies, unless such holding is considered to be material and the interest is likely to impair the objectivity of the Director or Key Senior Management or employee concerned.

If a Director or Key Senior Management or employee has accepted employment with a competitor or business associate, this could also result in a conflict of interest during the period which he/she is still employed with the Group, especially if the Director or Key Senior Management or employee is dealing with sensitive or confidential information. As such, the conflict of interest or potential conflict of interest must be declared immediately upon acceptance of employment with the competitor or business associate to enable the Group to take the necessary actions to manage the conflict of interest or potential conflict of interest.

g. Involvement in activities where the Director or Key Senior Management or employee concerned is the subject matter

A conflict of interest or potential conflict of interest arises if a Director or Key Senior Management or employee participates in activities where he/she is the subject of the discussion or where the decision involves him/her. An example of this situation is where an allegation is made against a Director or Key Senior Management or employee through the whistleblowing channel, and the Director or Key Senior Management or employee is part of the investigating team tasked with investigating the allegation.

- ii. Further to the above, the following are some examples of conflict of interest spelled out by Listing Requirements involving a said person which would warrant disclosure, i.e. where the said person:
 - a. uses property or resources of the listed issuer group for his or her personal purpose or business;
 - b. channels benefits or resources meant for the listed issuer group to a company which he or she has an interest in;
 - c. discloses trade secrets to a competitor where he or she has an interest in;
 - d. influences decision of the property developer listed issuer to develop an area where the said person owns property so that he or she will also enjoy the benefit either financially (e.g. capital appreciation of the property) or non-financially (e.g. convenience from the infrastructure developed) from such development;
 - e. prioritises his or her private venture by depriving the listed issuer from an identified business opportunity;
 - f. leverages on the listed issuer's business or developmental plan by acquiring adjacent lands using the said person's private company;
 - g. is involved in a business which offers similar products or services that are likely to replace or substitute the products or services offered by the listed issuer group;
 - h. holds offices or directorships in competitors of the listed issuer group; or
 - i. provides financial assistance to, or receives financial assistance from, the listed issuer group on terms and conditions which are more favourable to the said person than normal commercial terms.

- iii. A potential conflict of interest is a conflict of interest that has yet to materialise or happen, but may arise subsequently due to, among others, prevailing relationships or interests of the said person. Examples (which are not exhaustive) include the following:
 - a. The said person having similar business with that of the listed issuer group in a geographical location which the listed issuer group is not currently operating in, but which the listed issuer group may expand its venture in subsequently.
 - b. The said person purchasing substantial building materials for construction of his or her own property at a massive discount from a contractor which has been shortlisted as one of the contractors for the listed issuer's project. There could be potential conflict of interest as the said person may favour awarding the listed issuer's project to the contractor that gave him the discount.

8. GUIDING RESPONSIBILITIES

- i. All Directors, Key Senior Management and employees shall act in the best interest of the Group and in the event of any conflict between his/her duty to act in the best interest of the Group and his/her personal interest, he/she shall not subordinate his/her duty to act in the best interest of the Group against his/her personal interest.
- ii. All Directors, Key Senior Management and employees shall refrain and avoid placing themselves in a position of conflict of interest and where this is unavoidable, the Directors or Key Senior Management or employees should make the relevant declaration.
- iii. In respect of directorship/employment with other organisations/entities, exceptional consideration will be taken in relation to this where such directorship/employment/arrangement relates to family businesses or companies including unincorporated entities such as social or community related clubs or associations.
- iv. All Directors, Key Senior Management and employee must protect the confidential business information of the Group and never use it for their own benefit or the benefit of other persons or to recommend or cause a third party to do so.
- v. The business affairs and information records of the Group which includes business, financial, legal, personal data, intellectual property, contractual records and documents comprising e-mails, letters, reports, drawings, calculations, specifications, forms, licences agreements or other documents or computers software or files of whatever nature and information belonging to the Group are all confidential information belonging to the Group.
- vi. Such information is strictly private and confidential and may not be utilised, discussed with, divulged or disclosed to third parties except for legitimate official business purposes by employees authorised to do so.
- vii. All Directors, Key Senior Management and employees must not make use of his/her position in the Group to influence a business decision by the Group (where applicable) that may result in personal gain or benefit to the Director or Key Senior Management or employee, their family member or persons connected to them.
- viii. Business decisions made by a Director, Key Senior Management and employee must be based on integrity, sound judgement and ethical practices and not be influenced by personal interest.
- ix. Immediately declare the conflict of interest in accordance with the COI Policy, abstaining from the decision making process (where applicable) and not seek to influence such decisions any further.

9. DISCLOSURE AND DECLARATION

All Directors, Key Senior Management and employees are required to make a declaration by completing the Conflict of Interest or Potential Conflict of Interest Declaration Form as attached herein as **Appendix I**, as and when the conflict of interest or potential conflict of interest situation arises at the earliest opportunity, i.e., as soon as the Director or Key Senior Management or employee becomes aware of the conflict of interest or potential conflict of interest.

The declaration form must be escalated to the Audit Committee (“**AC**”) and the Board of Directors of the Company (“**Board of Directors**”) and recorded by the Company Secretary (including the deliberations in the minutes of the AC and Board of Directors’ meetings accordingly). Any information disclosed under the COI Policy shall be strictly confidential.

10. EVALUATION AND MANAGEMENT OF COI

- i. Where a Director has disclosed a COI as required, the affected Director
 - a. shall abstain from participating and/or deliberating in any part of a Board or Board Committee meeting during the discussion or consideration of the subject of the COI; and
 - b. shall refrain from voting on the subject of the COI.
- ii. Once disclosure of COI is made, regardless of the requirement for approval or ratification, the AC shall evaluate all disclosed conflicts to assess their nature, significance, and potential impact on the Group. The AC shall then report its findings to the Board.
- iii. The Board upon reviewing the recommendation by the AC, shall engage in deliberation, review the matter and decide on the next course of action.
- iv. In the process of assessing and managing conflicts of interest, the Board or the AC are authorized to seek independent advice or opinions to aid in their evaluation.
- v. When a potential COI is disclosed, the AC and the Board shall carefully evaluate the situation and may consider various feedback and actions to address the matter. The options considered shall not be limited to the following:
 - a. Request for Additional Information

If the initial disclosure lacks of sufficient detail, the AC and Board may request further information or clarification from the individual to better understand the situation.
 - b. Evaluate the Nature of the Conflict

The AC and Board will assess the disclosed conflict of interest to understand its nature and potential implications for the individual's ability to act impartially and in the best interest of the Group.

c. Determine the Impact

Assess the potential impact of the disclosed COI on the individual's ability to fulfill their duties objectively and act in the best interest of the Group.

d. Seek Independent Expertise

If necessary, the AC and the Board may seek advice from external experts or consultants with expertise in conflict management to ensure impartiality in their evaluation.

e. Mitigation Measures

Propose and implement mitigation measures to minimize or eliminate the impact of the conflict of interest of the Group. For example:

- Establishing protocols for recusal from relevant decision-making processes.
- Reallocating responsibilities to avoid potential conflicts.
- Limiting access to sensitive information in the process
- Implementing a monitoring system to ensure compliance with disclosure and conflict management.
- Executing a non-disclosure or confidentiality agreement to protect any type of confidential and proprietary information or trade secrets.

f. Enforcement

Enforce disciplinary measures in case of intentional non-disclosure or violation of the COI policy.

g. Disciplinary Actions

If the disclosed conflict poses a significant risk to the Group, the AC and Board may take necessary disciplinary actions, such as reassignment, termination, or other appropriate measures, as outlined in the Company's policies.

The AC shall report annually to shareholders in its AC Report a summary of any COI or potential COI situation reviewed by the AC (excluding a related party transaction), and the measures taken to resolve, eliminate or mitigate such conflicts.

It is essential for the AC and Board to handle potential conflicts of interest diligently, transparently, and in line with applicable laws and regulations to safeguard the Group's reputation and ensure the fair and ethical conduct of its operation.

11. IMPLEMENTATION AND REVIEW OF POLICY

The COI Policy will be subject to review and revision by the Board of Directors from time to time as and when the need arises.

The COI Policy has been adopted by the Board of Directors and shall come into force with effect from 26 November 2024.

Appendix I

SUCCESS TRANSFORMER CORPORATION BERHAD
(Incorporated in Malaysia)
(200301034518)(636939-W)

CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST DECLARATION FORM

Ref. No. : _____

I, _____ (NRIC No. _____) hereby declare no / with an actual/potential conflict of interest as follows:

CATEGORIES OF CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST
(please tick ✓ whichever is applicable)

<input type="checkbox"/>	Equity ownership or participation in other organisations and/or entities
<input type="checkbox"/>	Directorship, partnership or other forms of beneficial interest in entities having a business relationship with the Group
<input type="checkbox"/>	Other employment, business appointments or undertakings
<input type="checkbox"/>	Personal relationships
<input type="checkbox"/>	Contractual dealings with Directors or Key Senior Management or employees
<input type="checkbox"/>	Dealings with competitors or business associates
<input type="checkbox"/>	Involvement in activities where the Director or Key Senior Management or employee concerned is the subject matter
<input type="checkbox"/>	Others

DETAILS OF CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST AND PARTY(IES) INVOLVED

I hereby confirm that this is a complete disclosure of all conflicts of interest or potential conflict of interest to the best of my knowledge.

Name :
Designation :
Date of Declaration :