

1. INTRODUCTION

- 1.1** Sern Kou Resources Berhad (“the Company”) and its subsidiaries (collectively referred to as “the Group”) recognise and are committed to maintaining, observing and practicing high ethical standards of professionalism and integrity at all times in respect of its business and operations.
- 1.2** Proper identification and management of conflicts of interest ensures that business decisions are made in the best interests of the Company and the Company is protected from any consequent damage to its activities and reputation. The Directors and Key Senior Management of the Group are expected to conduct themselves with integrity, impartiality and professionalism at all times 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.
- 1.3** The establishment of a Conflict of Interest Policy (“Policy”) which sets out the framework and appropriate controls and measures to ensure systematic identification and management of such conflict of interest or potential conflict of interest in an effective and timely manner is therefore important in order to ensure that the interest of the Group are 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 this 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 identify, declare and 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 how to develop, implement and monitor actions to appropriately manage the conflict, and how to deal with breaches of this Policy to enable them to perform with high integrity and ethical standards.

3. SCOPE

This Policy applies to all Directors and Key Senior Management of the Group. It outlines the framework and the processes for the purposes of preventing any conflicts from influencing or compromising the objectivity and impartiality of the business operations, as well as to safeguard the reputation and credibility of the Company. It also serves as a guide to the Audit Committee (“AC”) and Board of Directors (“Board”) of the Company in discharging their role, which is to provide oversight and review the conflict of interest situations that arose, persist or may arise within the Group.

This 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. Meanwhile, the Key Senior Management refers to Managing Director and/or Chief Executive Officer who is not a Director, Chief Operation Officer, Chief Financial Officer and/or any other person primarily responsible for the management of the subsidiaries.

4. REFERENCE

This Policy shall be read in conjunction with the following guidance, policies and statutory provisions:-

- a. Anti-Bribery and Anti-Corruption Policy;
- b. Directors' Code of Conduct;
- c. Related Party Transaction Policy;
- d. Whistleblowing Policy;
- e. Paragraphs 3.05 & 3.06 of Guidelines on Conduct of Directors of Listed Corporations and its subsidiaries;
- f. The statutory duties and responsibilities of directors under the relevant provisions as set out under Sections 214, 217 to 219, 221, 222 and 228 of the Companies Act 2016; and
- g. Issuers Communication – Guidance on Conflict of Interest (ICN 1/2023) issued by Bursa Malaysia Securities Berhad on 26 May 2023.

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

The Directors and Key Senior Management of the Group should pay attention to the following situations to avoid any actual or potential conflict of interest:-

5.1 Equity ownership or participation in other organisations and/or entities

This is where a Director or Key Senior Management 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 (5.0% or more) and the interest is likely to impair the objectivity of a Director and/or Key Senior Management concerned.

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

This applies to situations where a Director or Key Senior Management holds a position or has an interest in entities having a business relationship with the Group, which may lead to disclosure of confidential information obtained by reason of being a Director or Key Senior Management of one company to another company of which he/she is also a Director or Key Senior Management, 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.

5.3 Other employment, business appointments or undertakings

A conflict of interest or potential conflict of interest may arise where a Director or Key Senior Management holds 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 Directors and Key Senior Management are expected to devote their time, attention and commitment during the performance of their 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 Directors and Key Senior Management, thereby depriving the Director and Key Senior Management best effort and performance on the job.

5.4 Personal relationships

A conflict of interest or potential conflict of interest would exist if a family member of the Directors and Key Senior Management have a reporting relationship with the Directors or Key Senior Management.

A conflict of interest would also arise if a Director or Key Senior Management 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.

5.5 Contractual dealings with Directors or Key Senior Management

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

5.6 Dealings with competitors

If a Director, Key Senior Management or family member of a Director or Key Senior Management has financial or other interests or any involvement in the business of a competitor, or holds a directorship in a competitor, 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 companies, unless such holding is considered to be material (5.0% or more) and the interest is likely to impair the objectivity of the Directors or Key Senior Management concerned.

If a Director or Key Senior Management has accepted employment with a competitor, 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 are 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 to enable the Group to take the necessary actions to manage the conflict of interest or potential conflict of interest.

5.7 Involvement in activities where the Director or Key Senior Management concerned is the subject matter

A conflict of interest or potential conflict of interest arises if a Director or Key Senior Management 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 through the whistleblowing channel, and the Director or Key Senior Management is part of the investigating team tasked with investigating the allegation.

For the purpose of this Policy, “family member” refers to a spouse, parents, child (including adopted child and step child), brother, sister, spouse of the Director and Key Senior Management’s child, brother or sister.

“conflict of interest” is referred to a situation in which a person has competing interests and the serving of one interest could improperly influence (direct or indirectly) the performance of duties and responsibilities, and which may be at the detriment and/or personal to another. Conflict of interest includes actual, potential, or perceived conflict of interest.

6. GUIDING PRINCIPLES

- 6.1** All Directors and/or Key Senior Management 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 company against his personal interest.
- 6.2** All Directors and/or Key Senior Management shall refrain and avoid placing themselves in a position of conflict of interest and where this is unavoidable, the Directors or Key Senior Management should make the relevant declaration.
- 6.3** 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 and Companies Limited by Guarantee (“CLBG”).
- 6.4** All Directors and/or Key Senior Management 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.

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.

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.

- 6.5** All Directors and Key Senior Management must not make use of his/her position in the Group to influence a business decision by the Group that may result in personal gain or benefit to the Director or Key Senior Management, their family member or persons connected to them.

7. MANAGING CONFLICT OF INTEREST

- 7.1 It is the duty of the Directors and/or Key Senior Management's fiduciary duty to avoid conflict of interest and comply with the relevant guidelines in respect of their fiduciary duties.
- 7.2 A Director and/or Key Senior Management, who having an interest either directly or indirectly or whether actual or potential, in any transaction or arrangement with the Group, or holding any office or possessing any property where duties or interests as Director may be created in conflict with his duties or interests as Director of the Group shall as soon as practicable after the facts have come to the Director's knowledge, or, after becoming director or possessing the property (as the case may be), declare the nature, character and extent of the Director's interest and conflict to the AC via the "*Conflict of Interest or Potential Conflict of Interest Declaration Form*" as set out in Appendix of this Policy.
- 7.3 The AC shall review the declaration make by the Director and/or Key Senior Management and propose the course of action to take to manage the conflict as well as to mitigate the impact of the conflict on the decision making processes.
- 7.4 When a determination has been made that there is a conflict of interest arose, persist or may arise, the AC must report and make recommendations to the Board to direct the conflicted party(ies) to, but not limited to the following:
- a) Withdraw from all his/her executive involvement in the Group in relation to the matter that has given rise to the conflict of interest.
 - b) The conflicted Director shall not attend Board meetings and participate in any discussion while the transaction or arrangement is being considered during the Board meeting and shall not vote on the transaction or arrangement or proposed transaction or arrangement. The conflicted Director can however be counted to meet the quorum at the Board meeting save where the sole agenda at the meeting relates to the aforementioned transaction or arrangement.
 - c) The conflicted Director may however at the request of the Chairman of the Board be present at the Board meeting to answer any questions. In circumstances where a party is determined to have a significant, ongoing and irreconcilable conflict of interest with the Group, the AC may determine that resignation of the conflicted party from the Group is appropriate and necessary.

- 7.5 The Company Secretary shall record in the minutes the details of the conflict of interest that has arisen, the declaration by the conflicted Directors and the fact that the conflicted Director was requested to leave the Board Meeting for discussion of the matter of issue. In cases, where the declaration is made outside of meeting times, the disclosure will be documented in the minutes of the subsequent meeting.
- 7.6 The semi-annual declaration form of conflict of interest by Director and/or Key Senior Management will be maintained by the Company Secretary.

8. DECLARATION, DISCLOSURE REQUIREMENT AND PROCEDURES

- 8.1 All Directors and/or Key Senior Management are required to make a declaration by completing the Conflict of Interest or Potential Conflict of Interest Declaration Form (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 becomes aware of the conflict of interest or potential conflict of interest.
- 8.2 The Declaration Form must be forwarded to the Company Secretary and the Company Secretary will escalate the Declaration Form to the AC and the Board of Directors for review and assessment. The AC will determine and provide reasonable steps and measures to manage, resolve or eliminate the conflict of interest or potential conflict of interest and mitigate the impact of the conflict of interest or potential conflict of interest on the negotiation/discussion/decision making process. The decision must ultimately be approved by the Board of Directors.
- 8.3 The conflicted Directors and/or Key Senior Management must abide and comply to the AC and Board of Directors' decision.
- 8.4 Any information disclosed under this Policy shall be strictly confidential.
- 8.5 The Declaration Form duly completed and signed by Director and/or Key Senior Management must be retained by the Company Secretary for safekeeping and record.
- 8.6 To further strengthen the actual and/or potential conflict of interest disclosure process, all Directors and/or Key Senior Management are required to make a semi-annual declaration of the conflict or interest or potential conflict of interest by completing the Conflict of Interest or Potential Conflict of Interest Declaration Form (Appendix I).

9. EXCEPTION TO THE POLICY

This Policy shall not apply to an arrangement or transaction by an entity within the Group (i) and any of its wholly-owned subsidiaries; (ii) and its holding company which holds all the issued shares of the entity within the Group; or (iii) which is a wholly-owned subsidiary of a holding company and another wholly-owned subsidiary company of that same holding company.

10. BREACH OF POLICY

Directors and/or Key Senior Management are obligated to adhere to all COI requirements as stipulated in this Policy along with any requirements set forth by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad or other relevant regulatory guidelines.

Any breach or non-compliance with this Policy will be subject to appropriate internal disciplinary action and applicable civil and criminal liability.

11. POLICY REVIEW

This Policy will be subject to review and revision from time to time as and when the need arises.

This Policy has been adopted by the Board of Directors and shall come into force with effect from 1 October 2024.

SERN KOU RESOURCES BERHAD

Registration No. 200001016496 (519103-X)
(Incorporated in Malaysia)

**CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST
DECLARATION FORM**

Ref. No. : _____

I, do hereby solemnly and sincerely declare that :-

- (i) I confirm that I have read and understood the "Conflict of Interest Policy" of Sern Kou Resources Berhad ("SKRB");
- (ii) I agree to comply with its requirements;
- (iii) I understand that I owe a fiduciary duty of care to act in the best interests of the SKRB Group and in accordance with its constitutional objects;

and I hereby declare an actual/potential conflict of interest as follows:

CATEGORIES OF CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST OR PRECEIVED CONFLICT OF INTEREST

No	Situation of Conflict of Interest, Potential Conflict of Interest or Perceived Conflict of Interest	Please indicate with a tick (/)	
		Yes	No
1	Equity ownership in entities having a business relationship with the Group		
2	Directorship, partnership or other forms of interest in entities having a business relationship with the Group		
3	Other employment, business appointments or undertakings		
4	Personal relationships		
5	Contractual dealings with Director or Key Senior Management		
6	Dealings with competitors		
7	Involvement in activities where the Director or Key Senior Management concerned is the subject matter		

***DETAILS OF CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST**

*Note: *Please provide comprehensive details regarding your interests such as the type of interest, the company name, number of shares, percentage of shareholding, the nature of the relationship, value of transactions, or/and any other pertinent information that are applicable. Additionally, kindly furnish the corresponding supporting documents or materials as needed.*

SERN KOU RESOURCES BERHAD [Registration No. 200001016496 (519103-X)]
CONFLICT OF INTEREST POLICY

Appendix 1

I hereby confirm that this is a complete and full disclosure of all known conflicts of interest or potential conflict of interest or perceived conflict of interest I have with regard to the position I hold in SKRB Group to the best of my knowledge. I acknowledge and agree to comply with, any approach identified in this form for removing or managing an actual/potential conflict of interest.

Name :
Position :
Date of Declaration :

FOR USE BY AC & BOARD OF DIRECTORS

Ref. No. : _____

Decision by AC & Board of Directors

The Audit Committee and Board of Directors have reviewed the disclosure of conflict of interest or potential conflict of interest, and the decision is as follows:-

Reviewed and Proposed by:

Name :
Chairman of AC
Date :

Approved by:

Name :
Chairman of Board of Directors
Date :