



**[Registration No. 202101026155 (1436455-A)]**

## Related Party Transactions Policy and Procedures

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## 1.0 INTRODUCTION

Wellspire Holdings Berhad ("**Wellspire**" or the "**Company**") and its subsidiaries ("**Group**") may, in the ordinary course of business, enter into transactions of revenue or trading nature with a related party or parties.

In drawing up the Related Party Transactions Policy and Procedures ("**Policy**"), the Company has taken into account the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**" or "**the Exchange**") ("**Listing Requirements**") to ensure compliance with the requirements.

## 2.0 OBJECTIVES

The main purpose of this Policy is to ensure the Related Party Transactions ("**RPTs**") are carried out at arm's length's basis and on normal commercial terms and transaction prices which are not more favourable to the related party or parties than those generally available to the public and are not detrimental to the interest of the minority shareholders of the Group.

This Policy aims to provide a guidance to the Directors and employees on the policies and procedures that need to be adhered to in identifying and treating RPTs to ensure compliance with the Listing Requirements and other applicable laws.

## 3.0 SCOPE

This Policy outlines the processes and procedures for the purpose of identifying, monitoring, evaluating, reporting and approving the RPTs and Recurrent Related Party Transactions ("**RRPTs**") to ensure such transactions are conducted on an arm's length basis with good governance.

It also serves as a guide to the Audit Committee and Board of Directors of Wellspire ("**Board**") in discharging its role to exercise oversight over RPTs and RRPTs within the Group.

This policy applies to all employees, directors, major shareholders and persons connected to the directors or major shareholders of the Group.

## 4.0 DEFINITIONS

1. "**Chief Executive**" in relation to a corporation, means the principal executive officer of the corporation for the time being, by whatever name called, and whether or not he is a director.
2. "**CMSA**" means Capital Markets and Services Act 2007.
3. "**Director**" has the meaning given in section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon:
  - (i) a director of the listed corporation, its subsidiary or holding company; or
  - (ii) a chief executive of the listed corporation, its subsidiary or holding company.
4. "**Family**" in relation to a person means such person who falls within any one of the following categories:
  - (a) spouse;
  - (b) parent;
  - (c) child including an adopted child and step-child;

- (d) brother or sister; and
- (e) spouse of the person referred to in items (c) and (d) above.

5. **“Major shareholder”** means a person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is:

- (a) 10% or more of the total number of voting shares in the corporation; or
- (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation,

and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon.

For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Companies Act 2016.

6. **“Person connected”** in relation to any person (referred to as “said Person”) means such person who falls under any one of the following categories:

- (a) a family member of the said Person;
- (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;
- (c) a partner of the said Person;
- (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
- (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
- (f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
- (g) a body corporate which is a related corporation of the said Person.

7. **“Related party”** means a director, major shareholder or person connected with such director or major shareholder.

8. **“Related party transaction”** means a transaction entered into by the listed corporation or its subsidiaries which involves the interest, direct or indirect, of a related party.

9. **“Recurrent related party transaction”** means a related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of a listed corporation or its subsidiaries.

10. **“Transaction”** includes:

- (a) the acquisition, disposal or leasing of assets;
- (b) the establishment of joint ventures;
- (c) the provision of financial assistance;
- (d) the provision or receipt of services; or
- (e) any business transaction or arrangement entered into, by a listed corporation or its subsidiaries; and

excludes transactions entered into between a listed corporation (or any of its wholly-owned subsidiaries) and its wholly owned subsidiary.

## 5.0 DISCLOSURE REQUIREMENTS

The disclosure requirements for RPTs and RRPTs are set out below.

### 5.1 RELATED PARTY TRANSACTIONS

The requirements of RPTs that must be complied by the Company are prescribed in Rule 10.08 of the Listing Requirements as follows:

No.	Percentage Ratio & Transaction Amount	Action/Requirements
i.	≥ 0.25% and ≥ RM200,000.00	The Company must make immediate announcement to Bursa Securities as soon as possible after terms of the transaction have been agreed.
ii.	≥ 5% and ≥ RM200,000.00	Subject to item 5.1.1 below, the Company must: (a) make immediate announcement to Bursa Securities; (b) engage a Sponsor or Adviser, as the case may be; and appoint an independent adviser before the terms of the transaction are agreed upon; (c) issue circular to shareholders; (d) obtain shareholders' approval in a general meeting.

**5.1.1** Where any one of the percentage ratios of a RPT entered into between a subsidiary of Wellspire and another person, is 5% or more and there are no other interested relationships, except for a related party having an interest in the transaction who is:

- (i) a director or major shareholder of such subsidiary or the holding company of such subsidiary (other than Wellspire or a holding company of Wellspire (if any)) ("**said director**" or "**said major shareholder**"); or
- (ii) a person connected with the said director or said major shareholder,

Wellspire is exempted from:

- (i) appointing an independent adviser or engaging the services of a Sponsor or Adviser;
- (ii) issuing a circular to shareholders; and
- (iii) obtaining shareholder approval of the transaction in general meeting,

provided that the Board:

- (i) approves the transaction before the terms of transaction are agreed upon; and
- (ii) ensures that the transaction is fair and reasonable to Wellspire and is in the best interests of Wellspire.

### 5.1.2 Transactions not regarded as RPT

There are certain transactions which are not normally regarded as RPT under Rule 10.08(11) of the Listing Requirements. Hence, Wellspire would be exempted from complying with certain requirements of Rule 10.08 of the Listing Requirements under the following circumstances:

- (a) the issue of securities by the Company for cash (subject to Rule 6.07 of the Listing Requirements), the issue of securities by way of bonus issue, the grant of options and the issue of securities arising from the exercise of options under a Share Issuance Scheme (subject to compliance with Chapter 6 of the Listing Requirements), subscription of securities on a pro rata basis, subdivision of shares, consolidation of shares or payment of dividend;

- (b) a transaction between the Company or any of its subsidiaries and another person, where there are no other interested relationships except for common directorships provided that the directors who have common directorships have:
  - (i) shareholdings in the other person which is less than 5% other than via the Company; and
  - (ii) no other interest such as commission or other kinds of benefits received from the Company or any of its subsidiaries or the other person in relation to the said transaction;
- (c) an acquisition or disposal by the Company or any of its subsidiaries from or to a third party of an interest in another corporation where the related party holds less than 10% in that other corporation other than via the Company;
- (d) the provision or receipt of financial assistance or services, upon normal commercial terms and in the ordinary course of business, from a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate;
- (e) directors' fees and remuneration, and employment remuneration;
- (f) a transaction between the Company or any of its subsidiaries and another person for the provision or receipt of goods or services which are Exempted Transactions where:
  - (i) the goods or services are purchased, sold or rendered based on a non-negotiable fixed price or rate which is published or publicly quoted; and
  - (ii) all material terms including the prices or charges are applied consistently to all customers or classes of customers.

For the purposes of item 5.1.2(f) -

- (i) "goods" excludes securities;
- (ii) "classes of customers" excludes such class by reason solely or otherwise that the customers are related parties of the listed corporation or its subsidiaries;
- (iii) "Exempted Transactions" means the following:
  - (aa) provision or usage of public utility services such as water, electricity, telecommunications, broadcasting services, postal or courier services, insurance, unit trusts, stockbroking services, public transport, education, medical services, provision or usage of tolled highways, hotel facilities and recreational services, provision or consumption of fuel on retail or food and beverage at eateries, provision or purchase of goods at retail outlets such as supermarkets, hypermarkets or departmental stores; and
  - (bb) such other types of transactions that may be prescribed by the Exchange from time to time;
- (g) the entry into or renewal of tenancy of properties of not more than 3 years, the terms of which are supported by an independent valuation;
- (h) a contract that is awarded by or on behalf of the Government of Malaysia or a State Government to the Company or its subsidiary provided that the Company immediately announces the contract to the Exchange and includes the information set out in Appendices 10A and 10C of the Listing Requirements in the announcement;

- (i) a contract that is awarded by way of a public tender:
    - (i) in relation to the listed awarder or its subsidiaries provided that the Company immediately announces to the Exchange the terms of the awarded contract, the value of at least the 3 closest bids or if not applicable, such lesser number of bids received, and an explanation of the basis for selecting the winning bid; and
    - (ii) in relation to the successful listed bidder or its subsidiaries provided that:
      - (aa) the awarder is listed or is a subsidiary of the Company;
      - (bb) majority of the directors and members of the audit committees of the Company (whether as the bidder or the awarder or the holding companies of the bidder or awarder subsidiaries) are different; and
      - (cc) the listed bidder immediately announces the contract to the Exchange and includes the information set out in Appendices 10A and 10C of the Listing Requirements in the announcement;
  - (j) a transaction between the Company or any of its subsidiaries and another person which involves the sharing of services or facilities provided by one of more of such parties or other similar arrangements whereby the consideration merely involves reimbursement or sharing of costs in proportion to the utilisation of the services or facilities;
  - (k) a transaction between the Company or any of its subsidiaries and another person where there are no other interested relationships except for the related party having shareholdings in the other person which is less than 10% other than via the Company;
  - (l) a transaction between the Company or any of its subsidiaries and another person where there are no other interested relationships except for:
    - (i) common major shareholders; or
    - (ii) a person connected with a major shareholder being a major shareholder of the other person,
- provided that the following conditions are satisfied:
- (i) the major shareholder and/or the person connected with the major shareholder is/are not the largest shareholder of the Company;
  - (ii) the major shareholder and/or the person connected with the major shareholder is/are not a party to the said transaction, initiator, agent or involved in any other manner in the said transaction;
  - (iii) the major shareholder does not have any representative in an executive capacity on the board of directors of the Company or any of its subsidiaries; and
  - (iv) the major shareholder is:
    - (aa) a statutory institution who is managing funds belonging to the general public;
    - (bb) a closed end fund, unit trust or investment fund (but excluding an investment holding corporation); or
    - (cc) an insurance corporation whose activities are regulated by any written law relating to insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate, and the said insurance corporation is managing its insurance

fund (together with its own shareholders' funds or otherwise). For the purpose of item 5.1.2(l)(iv)(cc), "insurance fund" has the meaning given in Section 2 of the Financial Services Act 2013;

- (m) a transaction between the Company and another person where there are no other interested relationships except for a related party who is a director or major shareholder of a subsidiary of the Company or person connected with such director or major shareholder having an interest in the transaction;
- (n) a transaction between a subsidiary of the Company ("**transacting subsidiary**") and another person where there are no other interested relationships except for a related party who is a director or major shareholder of a subsidiary of the Company (other than the transacting subsidiary or holding companies of the transacting subsidiary) or a person connected with such director or major shareholder having an interest in the transaction;
- (o) subscription to or acquisition by the Company or its subsidiaries not listed on any stock exchange, of debt securities and/or redeemable preference shares issued or guaranteed by the Government of Malaysia, Bank Negara Malaysia, a State Government or an equivalent foreign regulatory authority as the Exchange deems appropriate; or
- (p) a disposal by the Company or any of its subsidiaries of an interest in an investee corporation where a related party is also a major shareholder or person connected with a major shareholder of the investee corporation (other than via the Company), provided that:
  - (i) the related party, person connected with the related party or both, are not a party, initiator or agent to the said disposal; and
  - (ii) the disposal is effected on the Exchange where the counterparty's identity is unknown to the Company or its subsidiaries (as the case may be) at the time of the disposal.

For the purpose of item 5.1.2 (p), a "disposal" includes a disposal by the Company or any of its subsidiaries of an interest in an investee corporation on a pro-rata basis or arising from an acceptance of a take-over offer, except that item 5.1.2(p)(ii) above will not be applicable in such instances.

## 5.2 RECURRENT RELATED PARTY TRANSACTIONS

- (a) Pursuant to Rule 10.09 of the Listing Requirements, the Company with a **share capital of RM60 million and above**, must immediately announce a RRPT as follows:
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is **RM1 million or more**; or
  - (ii) the percentage ratio of such RRPT is **1% or more**,**whichever is the higher; or**
- (b) Pursuant to Rule 10.09 of the Listing Requirements, the Company with a **share capital of less than RM60 million**, must immediately announce a RRPT as follows:
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is **RM1 million or more**; or
  - (ii) the percentage ratio of such RRPT is **1% or more**,**whichever is the lower.**



### 5.2.1 Shareholders' Mandate on RRPTs

Wellspire may seek a mandate from its shareholders for RRPTs subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the prescribed threshold under item 5.2 or Rule 10.09(1) of the Listing Requirements;
- (c) The circular to shareholders for the shareholder mandate includes the information as may be prescribed by the Exchange. The draft circular must be submitted to the Exchange for perusal together with a checklist showing compliance with such information;
- (d) in a meeting to obtain a shareholder mandate, the relevant related party must comply with the requirements set out in Rule 10.08(7) of the Listing Requirements; and
- (e) the Company immediately announces to the Exchange when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in the circular by **10% or more** and must include the information as may be prescribed by the Exchange in its announcement.

Where Wellspire has procured a shareholder, the provisions of Rule 10.08 of the Listing Requirements will not apply.

### 5.2.2 Transactions not regarded as RRPTs and Shareholders' Mandate does not apply

- (a) the acquisition or disposal of land or land-based property except a listed corporation is classified under the Exchange's property sector and the transaction is a RRPT and any one of the percentage ratios is not more than 10%;
- (b) the acquisition or disposal of vessels, air crafts and plants;
- (c) the entry into a lease of:
  - (i) a property for a period exceeding 3 years; or
  - (ii) such other assets,which involve payments of rental or such consideration on a lump sum basis (i.e. other than on an equal pro-rated monthly or annual instalments);
- (d) the provision of financial assistance pursuant to Rule 8.25 of the Listing Requirements;
- (e) the acquisition or disposal of securities except a listed corporation:
  - (i) whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate; and
  - (ii) is a Participating Organisation which carries on the business of dealing in securities pursuant to the Rules of Bursa Securities;
- (f) the entry into joint ventures;

- (g) the grant or exercise of an option in relation to matters set out in item 5.2.2(a), (b), (c) and (e) above; and
- (h) such other transactions as may be determined by the Exchange from time to time

*(Reference shall be made to the Listing Requirements for a complete list of the exempted transactions.)*

### **5.2.3 Financial assistance**

Notwithstanding item 5.2.2 above and subject to Rule 10.09 of the Listing Requirements and the other provisions of Guidance Note 8 of the Listing Requirements, Wellspire may obtain a shareholders' mandate in respect of the following RRPTs:

- (a) the pooling of funds within the Group via a centralised treasury management function or such similar arrangements which entails the provision of financial assistance by Wellspire, its unlisted subsidiaries or both, on a short or medium term basis provided that -
  - (i) Wellspire in seeking such a mandate in accordance with Rules 8.25 and 10.09 of the Listing Requirements, must include in its circular, in addition to such other information as prescribed under the Listing Requirements, the estimated amounts or value of financial assistance ("**Estimate**"); and
  - (ii) notwithstanding item 5.2.1(e) above, if the actual amount of financial assistance provided or rendered exceeds the Estimate, Wellspire must immediately announce the same to the Exchange. If the percentage ratio of the amount of financial assistance provided or rendered in excess of the Estimate is 5% or more, Wellspire must comply with Rule 10.08 of the Listing Requirements.

For purposes of this item 5.2.3:

- (aa) "short or medium term basis" means for a duration not exceeding 3 years; and
- (bb) "group of companies" means the subsidiaries, associated companies of Wellspire.
- (b) provision of guarantee, indemnity or such other collateral to or in favour of another person which is necessary in order to procure a contract or secure work from the other person or to enable the other person to commence and/or complete a contract or work for Wellspire or its subsidiaries.
- (c) provision of financial assistance in respect of the business of -
  - (i) leasing, factoring or hire purchase carried out by Wellspire or its subsidiaries not listed on any stock exchange; or
  - (ii) share financing or share margin financing carried out by Wellspire or its subsidiaries not listed on any stock exchange which is a Participating Organisation; or
  - (iii) such other similar business that may be determined by the Exchange.

## 6.0 PERCENTAGE RATIOS

Pursuant to Chapter 10 of the Listing Requirements, the percentage ratios refer to the figures, expressed as a percentage, resulting from each of the following calculations:

(a)	$\frac{\text{The value of the assets which are the subject matter of the transaction}}{\text{Net assets of Wellspire}}$
(b)	$\frac{\text{Net profits of the assets which are the subject matter of the transaction}}{\text{Net profits attributable to the owners of Wellspire (before other comprehensive income or loss)}}$
(c)	$\frac{\text{Aggregate value of the consideration given/received in relation to the transaction}}{\text{Net assets of Wellspire}}$
(d)	$\frac{\text{Number of shares issued by Wellspire as consideration for an acquisition}}{\text{Total number of shares previously in issue (excluding treasury shares)}}$
(e)	$\frac{\text{Aggregate value of the consideration given/received in relation to the transaction}}{\text{Market value of all ordinary shares of Wellspire (excluding treasury shares)}}$
(f)	$\frac{\text{Total assets which are the subject matter of the transaction}}{\text{Total assets of Wellspire}}$
(g)	<p>(i) In respect of joint ventures, business transactions or arrangements:</p> $\frac{\text{Total project cost attributable to Wellspire}}{\text{Total assets of Wellspire}}$
	<p>(ii) In the case where a joint venture corporation is incorporated as a result of the joint venture:</p> $\frac{\text{Total equity participation of Wellspire in the joint venture corporation (based on the eventual issued capital of the joint venture corporation)}}{\text{Net assets of Wellspire}}$ <p>The value of the transaction should include shareholders' loans and guarantees to be given by Wellspire</p>
(h)	<p>In the case of a disposal and where the acquisition of the subject matter took place within the last 5 years:</p> $\frac{\text{Aggregate original cost of investment of the subject matter of the transaction}}{\text{Net assets of Wellspire}}$

## **7.0 IDENTIFICATION PROCESS**

- (a) The Accounting & Finance Department shall ensure proper documentation for all the RPTs and RRPTs. There should be proper segregation of processes for the preparation of documents, verification and approval.
- (b) The Accounting & Finance Department, is overseen by the Chief Financial Officer, to compile a listing of related parties, nature of RPTs and RRPTs, the estimated value of annual transactions and control(s) put in place, subject to update from time to time.
- (c) All Directors and major shareholders are required to declare and disclose any transaction in which they are deemed to have an interest and give their undertakings that all business transactions entered into between themselves and/or persons connected with them, and the group of companies are negotiated and agreed at arm's length basis based on normal commercial terms and transaction prices and are not to the detriment of the minority shareholders and favourable to the related party/parties.
- (d) The Company shall disclose the nature of the related party relationship as well as information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements. Such disclosure includes a settlement of liabilities on behalf of the entity or by the entity on behalf of another party.

## **8.0 REPORTING PROCESS**

The reporting process for RPTs and RRPTs established by Wellspire is as follows:

- (a) A list of related parties will be circulated to the Board and management of the Company. All related parties of the Company and its subsidiaries are responsible for providing written notice to the Audit Committee of any potential RPTs and RRPTs involving him/her or Person Connected to him/her, including any additional information about the transaction that the Audit Committee may reasonably request.
- (b) At least two other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group based on the usual business practices of the Group to ensure the RRPTs are not detrimental to the Group.
- (c) The Audit Committee will determine whether the transaction does, in fact, constitute a RPTs or RRPTs.
- (d) The Company may be required to engage a professional or third-party opinion on the matter.
- (e) The RPTs and RRPTs will be reviewed by the Audit Committee of the Company from time to time to ensure compliance with the Listing Requirements and applicable laws.
- (f) In reviewing the RPTs/RRPTs, the Audit Committee shall review the terms thereof to determine whether such RPTs/RRPTs will be conducted at arm's length basis, on transaction prices and on normal commercial terms in the ordinary course of business and on terms not more favourable to the related parties than those generally available to the public, and will not be detrimental to the shareholders or disadvantage to the Group. In its review and approval of such transactions, the Audit Committee may, as it deems fit,

request for additional information pertaining to the transactions from independent sources or professionals.

- (g) The announcement in respect of the RPTs and RRPTs, if any, will be submitted to the Audit Committee and the Board for consideration.
- (h) When it is approved by the Audit Committee and the Board, the announcement in respect of the RPTs and RRPTs, if any, will be submitted to Bursa Securities.
- (i) The RPTs and RRPTs listing/document will be updated by the Company.
- (j) The annual internal audit plan shall incorporate a review of all RRPTs entered into pursuant to the proposed shareholders' mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to.
- (k) The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RPTs and RRPTs have been complied with and the review shall be done annually together with the review of the financial year end results.
- (l) All RRPTs conducted pursuant to the shareholders' mandate shall be disclosed in the annual report of the Company and the Company must disclose a breakdown of the aggregate value of the RRPTs pursuant to the proposed shareholders' mandate made during the financial year in the following manner:
  - Nature / type of transactions;
  - Names of the related party/parties involved in each type of the RRPTs; and
  - Relationship of the related party/parties with the Company.
- (m) In the case of RPTs/RRPTs where any of the Director has direct or indirect interest, he shall declare his interest and abstain from all deliberations and voting in respect of the said transaction. Where any member of the Audit Committee is interested in any transactions, that member shall abstain from all deliberations and voting in any matter relating to any decision to be taken by the Audit Committee with respect to such transactions.
- (n) In a meeting to obtain shareholders' approval:
  - (i) the interested Director, major shareholder or person connected with a Director or major shareholder with any interest, direct or indirect; and
  - (ii) where it involves the interest of an interested person connected with a Director or major shareholder, such Director or major shareholder,must not vote on the resolution approving the transaction.

## **9.0 THRESHOLD OF AUTHORITY**

There is no specific threshold for approval of RPTs/RRPTs within the Group. All RPTs/RRPTs are subject to the approval of the Board after being reviewed by the Audit Committee.

## 10.0 ROLES AND RESPONSIBILITIES

- (a) Management/Accounting & Finance Department
- to update the RPT/RRPT Register and keep proper records of all the transactions;
  - to circulate a list of potential RPT/RRPT to transacting department/subsidiary(ies) and advise the transacting department/subsidiary(ies) on compliance with the disclosure requirements under the Listing Requirements in respect of such RPTs/RRPTs;
  - to update Directors and major shareholders of any new items and amendments to the Listing Requirements in relation to RPTs and RRPTs disclosure (Company Secretary to update and advise the Management of any amendment to the Listing Requirements in relation to RPTs and RRPTs disclosure as and when necessary);
  - to table RPTs/RRPTs projection to the Audit Committee for review and seek the Board's approval; and
  - to prepare a circular to shareholders and relevant documents, if any, for obtaining shareholders' mandate on the new RRPTs and/or their subsequent renewals.
- (b) Directors and Major Shareholders
- to declare and disclose any transaction in which they are deemed to have an interest and give their undertakings that all business transactions entered into between themselves and/or persons connected with them.
- (c) Transacting Company/Subsidiary
- to ensure that the proposed transaction is conducted on arm's length basis and on a commercial terms and transaction prices not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders;
  - to disclose the appropriate documentation or records to justify the transaction, the price/value of the transaction, rationale for the RPTs/RRPTs, and any other terms and conditions upon which the RPTs/RRPTs was entered into.

## 11.0 AUTHORITY OF AUDIT COMMITTEE

As the Audit Committee is entrusted by the Board with the task of executing and managing this policy, the Audit Committee is vested with the following authority:

- (a) have the adequate resources which it needs to perform its duties;
- (b) have authority to investigate any matter within its terms of reference;
- (c) have full and unrestricted access to any information which it requires in the course of performing its duties;
- (d) have direct communication channels with the Directors, executive officer(s) and major shareholder(s), the employees, external auditors, internal auditors and any persons, as the case may be, to obtain information and feedback in performing its duties;
- (e) be able to obtain the services of the external professional at the expense of the Company in carrying out its duties; and

- (f) be able to convene meetings with the external auditors, the person(s) carrying out the internal audit function or activity, or both, excluding the attendance of other directors and employees of the listed corporation, whenever deemed necessary.

## **12.0 REVIEW OF REGISTER OF RPTs/RRPTs**

The Register of RPTs/RRPTs shall be tabled and reviewed by the Audit Committee and Board on a quarterly basis and/or when appropriate for the purpose of monitoring the thresholds prescribed under the Listing Requirements.

## **13.0 MAINTENANCE OF RECORD**

If there are any related party transactions, the brief details of the transaction and the sums involved need to be disclosed by such director, major shareholder and/or person connected with them.

The transacting company/subsidiary shall ensure proper maintenance and retention of documentation, to allow the RPTs and RRPTs to be scrutinized by Audit Committee, Management/Accounting & Finance Department, regulators or auditors.

## **14.0 REVIEW OF THE POLICY**

This Policy shall be reviewed annually by the Audit Committee and the Board of Directors. Amendments shall be made from time to time to be in line with the Listing Requirements and other applicable laws. Any amendment to the Policy shall be communicated to all employees.

This Policy was adopted by the Board on [date] and is made available on the Company's website.