

KERJAYA PROSPEK PROPERTY BERHAD

Registration No. 199401001358 (287036-X)

RELATED PARTY TRANSACTION POLICY & PROCEDURES

1.0 Overview

- 1.1 The objectives of this Related Party Transaction Policy & Procedures ("**RPT Policy**") is to set out the general guidelines and the review, approval and monitoring procedures to be adopted across the Company and its subsidiaries ("**Group**") for Related Party Transaction ("**RPT**").
- 1.2 The guiding principal is that RPT undertaken by the Group are at arm's length and on normal commercial terms which will not be prejudicial to the interest of the Group and its minority shareholders.
- 1.3 Non-compliance of the Bursa Malaysia Securities Berhad Listing Requirements ("**Bursa Listing Requirements**") may lead to public reprimand, trading halt, suspension, de-listing or civil and criminal sanctions. It is therefore the responsibilities of all persons who are empowered to negotiate, transact or enter into contract with the relevant related parties, as well as those involved in the RPT process to read and be familiarised with Chapter 10 of Bursa Listing Requirements and this RPT Policy.
- 1.4 The Chief Financial Officer, chief accountant, group finance manager or any person occupying the position of financial controller of the Company by whatever name called ("**CFO**") is responsible for the implementation of the RPT procedures. The CFO shall render advice on a timely basis as and when it is being sought. In complex or unclear cases, relevant external advice will be sought.

2.0 Definitions

For the purpose of this policy, unless the context otherwise requires:-

- (a) '**Bursa Securities**' shall mean Bursa Malaysia Securities Berhad.
- (b) '**Company**' shall mean **KERJAYA PROSPEK PROPERTY BERHAD**.
- (c) '**Related Party**' shall mean director, chief executive, major shareholder or person connected with such director, chief executive or major shareholder of the Company, its subsidiary or holding company.
- (d) '**Related Party Transaction**' ("**RPT**") shall mean a transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a related party.
- (e) '**Recurrent Related Party Transaction**' ("**RRPT**") shall mean a related party transaction which is recurrent, of revenue or trading nature, which is necessary for day-to-day operations of the Company or its subsidiaries and which has been made or will be made by the Company and/or its subsidiaries at least once in 3 years in the course of its business.
- (f) '**Mandated RRPT**', shall mean RRPT which has obtained shareholders' approval in general meeting.
- (g) '**Transaction with Related Party**', shall mean the acquisition, disposal or leasing of assets, the establishment of joint ventures, the provision of financial assistance, the provision or receipt of services or any business transaction or arrangement entered into, by the Company or its subsidiaries but excludes transactions entered into between the Company (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary.

3.0 Procedures to enter into new RPT and new RRPT

(a) Obligation to Report

All Directors, Senior Management, Department and Division Heads of the Company and all other persons who are empowered to negotiate, transact or enter into contract with the relevant Related Party ("**Reporting Personnel**") are to report any new RPT and new RRPT (irrespective of the nature and amount) to the Executive Directors and CFO of the Company.

The report shall include (but not limited to) the following:

- (i) Executive summary of the transaction.
- (ii) Documents to support the transaction.
- (iii) Particulars of the Department and Division Head such as name, e-mail address and telephone number.

The CFO will alert the Executive Directors, the Audit Risk and Management Committee and Board of Directors should the value of the new RPT or new RRPT or aggregated value of the RPT or RRPT requires immediate announcement to be made to Bursa Securities and/or shareholders' approval at general meeting.

The Reporting Personnel should also report the Mandated RRPT and its value to the CFO for monitoring purposes.

All RPT and RRPT transacted shall be reported to the Audit Risk and Management Committee and Board of Directors every quarter for information.

(b) Approving Authority for RPT and RRPT

(i) RPT

RPT Value	(1) First Approval	(2) Final Approval
Below RM500,000	CFO	Executive Directors
RM500,000 and above	CFO	(i) Executive Directors; and (ii) Audit Risk and Management Committee and Board of Directors

(ii) RRPT

RRPT Value	(1) First Approval	(2) Final Approval
Below RM5,000,000	CFO	Executive Directors
RM 5,000,000 and above	CFO	(i) Executive Directors; and (ii) Audit Risk and Management Committee and Board of Directors

(iv) Mandated RRPT

RRPT Value	(1) First Approval	(2) Final Approval
Within Mandated Value	CFO	Executive Directors
Above Mandated Value	CFO	(i) Executive Directors; and (ii) Audit Risk and Management Committee and Board of Directors

If a member of the Approving Authority has an interest in the transaction, he/she shall abstain from the decision making. If all members of the relevant RPT/RRPT Approving Authority are conflicted or have interest in the transaction, then the approval from the next higher Approving Authority shall be sought.

For avoidance of doubt, the Approving Authority in ascending order is: CFO, Executive Directors, Audit Risk and Management Committee and the Board of Directors.

When determining the transaction, the following factors shall be considered:

- (i) How the terms of the overall transaction compare with those of any comparable transactions on an arm's length basis;
- (ii) The nature and content of the bargaining process;
- (iii) The impact of the transaction on the Company or its subsidiaries or registered scheme;
- (iv) Any other options available to the Company or its subsidiaries;
- (v) Any expert advice received by the Company or its subsidiaries; and
- (vi) Any other factors which the Audit Risk and Management Committee or Board of Directors or Shareholders of the Company or its subsidiaries deem fit as per requirements of Bursa Securities.

(c) Methods for Determination of Transaction Price

- (i) At least 2 other contemporaneous transactions with unrelated third parties for similar product/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 produces/services and/or quantities.
- (ii) In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), the Company and its subsidiaries' pricing will be determined in accordance with the Company and its subsidiaries' usual business practices and policies, consistent with the usual margin of the Company and its subsidiaries for the same or substantially similar type of transactions made by the Company and its subsidiaries with unrelated third parties.
- (iii) Any determination and/or negotiation on the transaction price and any contract or agreement or such other form of legal commitment to be entered into by the Company and its subsidiaries with any related party pursuant thereto shall be carried out on arm's length basis and on arm's length terms.

(d) Monitoring Processes

- (i) The Reporting Personnel are to read and familiarise with Chapter 10 of the Bursa Listing Requirements and are advised that the new RPT and new RRPT are subject to Audit Risk and Management Committee, the Board of Directors and the Shareholders' (if required, as the case may be) approval before the transactions are carried out.
- (ii) The Audit Risk and Management Committee and Board of Directors shall consider the need for shareholders' approval of any new RPT and new RRPT and if so required, the Audit Risk and Management Committee of the Company shall offer an appropriate advice on disclosure procedures as per requirements of Bursa Securities.
- (iii) The Reporting Personnel are advised to report on all new RPT and new RRPT (irrespective of the nature and amount) and comply with the policy, in particular, the methods of determining the transaction price as set forth in sub-clause 3.0 (c) above. The Mandated RRPT and its value must also be reported to the CFO for monitoring purposes.
- (iv) The Company shall keep a record of all new RPT, new RRPT and Mandated RRPT which are entered into which will be made available to the Audit Risk and Management Committee for inspection, as and when required.
- (v) The Internal Auditors of the Company shall conduct review of any or all of the new RPT and new RRPT from time to time to ascertain that the relevant approvals have been obtained and the procedures in respect of such transactions are adhered to. Any divergence shall be reported to the Audit Risk and Management Committee.
- (vi) The Audit Risk and Management Committee shall review the findings of internal audit reports (if any).
- (vii) The Audit Risk and Management Committee shall review and revise the policy and the monitoring processes on need basis as per requirements of Bursa Securities.
- (viii) Any member of the Audit Risk and Management Committee may, as he/she deems fit, request for additional information pertaining to the transaction from independent sources or advisers, including obtaining of valuation from professional valuers or advisers.
- (ix) If a member of the Audit Risk and Management Committee or Board of Directors of the Company or its subsidiaries has any interest, direct or indirect, in any new RPT and new RRPT, he/she shall:
 - (aa) proffer a written declaration of his/her interest (direct or indirect) as per requirements of Section 221 of the Companies Act 2016;
 - (bb) abstain from any deliberation and decision making by the Audit Risk and Management Committee or Board of Directors of the Company or its subsidiaries in respect of such transactions and continue to abstain from voting on the resolutions approving the transactions;
 - (cc) Undertake that he/she will ensure that persons connected with him/her abstain from voting on the resolution deliberating or approving the proposal at the general meeting.

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- (x) All employee is required to declare their interest and/or RPT and RRPT annually through the Declaration of Interest form.

Review of Policy

This Policy is subject to periodic review (subject to at least once in every 3 years) in accordance with the needs of the Company and the Board of Directors' approval shall be obtained for any amendment or changes made from time to time.

Approved on 26 May 2023.