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RELATED PARTIES TRANSACTION POLICY & PROCEDURES		
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The Company reserves the right to review, amend or update this Policy from time to time. For any enquiries, please contact the Accounting and Finance Department.

RELATED PARTY TRANSACTIONS POLICY AND PROCEDURES

1. SCOPE

This policy applies to all Ecomate Holdings Berhad Group's ("ECOMATE or the Company") employees including part time, temporary and contract employees.

2. PURPOSE

ECOMATE is committed to the highest possible standards of ethical, moral and legal business conduct.

In line with this commitment and ECOMATE 's commitment to open communication, this policy aims to provide an avenue for employees to understand the policies and procedures that need to be adhered to in identifying and treating Related Party Transactions to ensure compliance with the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and other applicable laws.

3. POLICY

The main features of this policy are:

- To specify the principles to be adopted in relation to the conduct of a Related Party Transaction between the Company and/or its subsidiaries with a related party or parties;
- To provide guidance in the interpretation and application of those principles;
- To standardize the practices and procedures relating to the conduct of Related Party Transactions; and
- To specify the basis of proper disclosure of such Related Party Transactions.

It is the policy of the Company not to enter into any Related Party Transactions unless:

- The Audit Committee of ECOMATE reviews such transaction in accordance with the guidelines set forth herein; and
- The transaction is approved by ECOMATE /subsidiaries Board of Directors (based on the Company's Financial Management & Administrative Policy Manual's Authority Limits).

4. SAFEGUARDS

Whenever in doubt as to whether the proposed transaction is a related party transaction, employees are encouraged to contact the Accounting and Finance Department.

Although a Related Party Transaction may give rise to a conflict of interest, such a Related Party Transaction is allowed under the law, provided that the Related Party Transaction is entered into in the best interest of the Company and complies with the applicable laws.

In view of the sensitivity of a related party transaction, the transacting company/subsidiary should ensure that no preference is given to a Related Party prior to initiating the transaction. Where practicable, it may be appropriate for the transacting company/subsidiary to obtain an independent review of the Related Party Transaction. In any event, there should be proper documentation relating to the basis under which the Related Party Transaction was entered into.

5. CONCEPTUAL AND OPERATIONAL DEFINITIONS OF RELATED PARTY TRANSACTION

This policy is not intended to provide for a comprehensive definition of all areas related to the subject matter based on the following reasons:

- (a) The actual definition of Related Party Transactions (“RPTs”) and Recurrent Related Party Transactions (“RRPTs”) are contained in the Listing Requirements. Hence, their deliberation in total within this procedure will only be a replication of such definitions;
- (b) Re-writing the complete set of those definitions could result in alteration and interpretation of their actual meaning due to the absence of a complete discussion of their contextual setting; and
- (c) Frequent amendments to the Listing Requirements may render the RPT and RRPT deliberations as deliberated herein, obsolete within a short time span.

It is therefore recommended that each department/subsidiary which is directly involved in disclosing these RPT and RRPT to constantly liaise and obtain a copy of the relevant reference documents from the Accounting and Finance Department.

The following are some of the main definitions provided by the Listing Requirements:

- (a) Related Party refers to a “director, major shareholder or persons connected with such director or major shareholder” (Reference: Chapters 1 and 10 of the Listing Requirements);
- (b) Related Party Transaction refers to “a transaction entered into by the Company or its subsidiaries, which involves the interest, direct or indirect, of a related party” where the disclosure requirement is governed by percentage ratio threshold as detailed out in Part VII. The computation of the percentage ratio is provided in Part VIII. (Reference: Chapters 1 and 10 of the Listing Requirements);
- (c) Recurrent Related Party Transaction refers to 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. (Reference: Chapter 10 and Guidance Note 8 of the Listing Requirements);

- (d) Transaction includes:
- (i) the acquisition, disposal or leasing of assets;
 - (ii) the establishment of joint ventures;
 - (iii) the provision of financial assistance;
 - (iv) the provision or receipt of services; or
 - (v) any business transaction or arrangement entered into, by the Company or its subsidiaries BUT excludes transaction entered into between the Company (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiaries (Reference: Chapter 10 of the Listing Requirements);
- (e) Transaction not regarded as RPT and is exempted from any disclosure requirements is as prescribed in Part VII (2.0) (Reference: Chapter 10 of the Listing Requirements);
- (f) Transactions which are not regarded as RRPTs and therefore are to be excluded from the Circular to Shareholders are as listed in Part VII (3.0) (Reference: Guidance Note 8 of the Listing Requirements).
-

6. IDENTIFICATION

List of Related Parties

The list of Related Parties shall be kept by the Accounting and Finance Department.

As the list may change from time to time, the Accounting and Finance Department shall update the Subsidiaries on the latest directors and major shareholders' interest on semi-annual basis. In the event that the proposed transaction is to be entered with any of the parties identified as a Related Party in the list of Related Parties, the proposed transaction shall be deemed a Related Party Transaction, provided it fulfils the requirements stated in the Listing Requirements.

The relevant **organisation** is required to report such transaction to the Accounting and Finance **Department being the policy holder for RPTs**.

7. DISCLOSURE REQUIREMENTS

7-1 Related Party Transaction ("RPT")

The disclosure requirements of RPT as prescribed by the Listing Requirements are governed by percentage ratio threshold. The computation of the percentage ratio are provided for in Part VIII. The disclosure requirements are as follows:

- ECOMATE must make an immediate announcement to the Exchange, of a RPT, where the percentage ratio is 0.25% or more after the terms of the transaction has been agreed upon provided that the value of the consideration of the transaction is more than RM200,000 and it is not recurrent in nature.
- Additionally,
 - (i) If the percentage ratio for the RPT is equal to or exceeds 5%, the Company must:
 - (a) send a circular to the shareholders;
 - (b) obtain shareholder's approval of the transaction in a general meeting; and
 - (c) appoint an independent adviser, approved by the Securities Commission ("SC").

- (ii) If the percentage ratio for the RPT is equal to or exceeds 25%, the Company must in addition to (i) above appoint a main adviser, who is a Principal Adviser approved by the SC.

The Principal Adviser must undertake the following:

- (a) ensure that such transaction is carried out on fair and reasonable terms and conditions and not to the detriment of the minority shareholders of the Company. The transaction must also comply with the relevant laws, regulations or guidelines, where applicable;
 - (b) ensure full disclosure of all information required to be disclosed in the announcement and circular;
 - (c) confirm to the Bursa Malaysia Securities Berhad ("Bursa Securities") that it has discharged its responsibility with due care in regard to the transaction, once the transaction has been completed and all the necessary approvals have been obtained
- **ECOMATE to ensure that an interested director in a RPT, must inform the Board of Directors of the Company or its subsidiary, the details of the nature and extent of his interest, including all matters in relation to proposed transaction that he is aware or should reasonably be aware of, which is not in the best interest of the Company.**
 - ECOMATE must also ensure that a director with interest, direct or indirect must abstain from deliberation and voting on the relevant resolution in respect of the RPT at the Board meeting. In a general meeting to obtain shareholder's approval, a director or major shareholder, with any interest, direct or indirect, or person connected to them must not vote on the resolution approving the transaction.
 - ECOMATE must ensure that any vote of shareholders taken at the general meeting on the resolution approving the transaction is taken on a poll.
 - RPT entered by a subsidiary with another person where the percentage ratio is equal to or exceeds 5%, and the only related party having an interest in such transaction is not a related party to the Company, only immediate announcement is required, subject to the following conditions:
 - i. Board of directors approves the transaction before the terms of transaction are agreed upon;
 - ii. That the transaction is fair and reasonable and is in the best interests of the Company.

7-2 Transactions not regarded as Related Party Transaction Related Party Transaction ("RPT")

Certain specified transactions are not normally regarded as related party transactions under paragraph 10.08 (11) of the Listing Requirements. Some of these include:

- (a) The payment of dividend, issue of securities by the Company by way of a bonus issue or for cash (subject to paragraph 6.06 of the Listing Requirements), subdivision of shares, consolidation of shares or reduction in the par value of shares;
- (b) A transaction between the Company or its subsidiaries, and another person, where there are no other interested relationships except for common directorships and the directors who have common directorships having shareholdings which is less than **5%** other than

via the Company. There is 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 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 by a licensed institution upon normal commercial terms and in the ordinary course of business;
- (e) Director's fees and remuneration, and employment remuneration;
- (f) A transaction between the Company or its subsidiaries, and another person for the provision or receipt of goods and services, which are considered 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;
 - ii. all material terms including the prices or charges are applied consistently to all customers or classes of customers.
(the definition of goods, classes of customers and exempted transactions is as per the Listing Requirements).
- (g) The entry into or renewal of tenancy of properties of not more than three (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 or State Government, provided an immediate announcement of the same is made to Bursa Securities; or
- (i) A contract that is awarded by way of public tender.
- (j) A transaction between the Company or its subsidiaries and another person which involves the sharing of services or facilities provided by one or more of such parties or other similar arrangements whereby the consideration merely involves reimbursement or sharing of costs in proportion to the utilization of the services or facilities;**
- (k) A transaction between the Company or 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 its subsidiaries and another person where there are no other interested relationships except for common major shareholders or a person connected with a major shareholder being a major shareholder of the other person provided that the following conditions are satisfied:**
 - the major shareholder and/or the person connected with the major shareholder is/are not the largest shareholder of the Company;
 - 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;
 - 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.

- (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 this subparagraph, 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 taka-over offer, except that subparagraph (p)(ii) above will not be applicable in such instances.

7-3 Recurrent Related Party Transaction

Paragraph 10.09 of the Listing Requirements states that a Company with an issued and paid-up capital of RM60 million and above, must immediately announce a Recurrent Related Party Transaction (“RRPT”) if:

- a. the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
- b. the percentage ratio of the RRPT is 1% or more, whichever higher.

Nevertheless, ECOMATE may seek a mandate in respect of such RRPT from the shareholders as long as the following conditions are met:

- (a) The transactions are in the ordinary course of business, on terms not more favourable to the related parties than those generally available to the public;
- (b) The mandate is subject to annual renewal and disclosure is made in the annual report in respect of the aggregate value of transactions conducted pursuant to the shareholder’s mandate during the financial year where the aggregate value is equal to or more than the prescribed threshold;
- (c) The circular to shareholders for the shareholder’s mandate include the information as

- prescribed by Bursa Securities. The circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) In a meeting to obtain the shareholder's mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder and the interested person, must not vote on the resolutions approving the transactions. An interested director or interested major shareholder must ensure that persons connected to the interested director or interested major shareholder abstain from voting on the resolutions approving the transactions;
 - (e) ECOMATE must immediately announce to Bursa Securities when the actual value of the RRPT entered into by the ECOMATE Group, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as maybe prescribed by Bursa Securities in its announcement; and
 - (f) Where ECOMATE has procured a shareholder's mandate, the provisions of Paragraph 10.08 on the RPT shall not apply.

The mandate, will, if approved by the shareholders at the Annual General Meeting ("AGM"), be subject to annual renewal and shall continue to be in force until the conclusion of the next AGM of the Company. Thereafter, the said mandate will lapse, unless renewed.

ECOMATE is required to disclose the aggregate value of the RRPT conducted pursuant to the Mandate in the Annual Report, where a breakdown of the aggregate value of the RRPT made during the financial year must be disclosed.

Some of the following are not regarded as Recurrent Related Party Transaction and as such the Mandate does not apply:

- (a) The acquisition or disposal of land or land-based property except in the circumstances set out in paragraph 3.3 (a) of the Guidance Note 8;
- (b) The acquisition or disposal of vessels, air craft and plants;
- (c) The entry into a lease of:
 - (i) a property for a period exceeding three (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 paragraph 8.25 of the Listing Requirements;
- (e) the acquisition or disposal of securities except in the circumstances set out in paragraph 3.3(b) of the Guidance Note 8;
- (f) the entry into joint ventures;
- (g) the grant or exercise of an option in relation to matters set out in subparagraph (a), (b), (c) and (e) herein; and;
- (h) such other transactions as may be determined by Bursa Securities from time to time.;

8. PERCENTAGE RATIO:

Percentage Ratios means the ratios used to determine the materiality of a Related Party Transaction and are expressed as a percentage resulting from the following calculations (Reference: Chapter 10 of the Listing Requirements):

1. The Value of the Assets which are subject matter of the transactions
=====
- Net Assets of the listed issuer

2. Net Profits (after deducting all charges and taxation excluding extraordinary items)
attributable to the assets which are subject matter of the transaction
=====
- Net Profits of the listed issuer

3. The Aggregate Value of the consideration given or received in relation to the transaction
=====
- Net Assets of the listed issuer

4. The Equity Share Capital issued by the listed issuer as consideration for an acquisition
=====
- Equity Share Capital Previously in Issue (excluding treasury shares)

5. The Aggregate Value of the Consideration given or received in relation to the transaction
=====
- Market Value of all the Ordinary Shares of the listed issuer (excluding treasury shares)

6. The Total Assets which are the subject matter of the transaction
=====
- Total Assets of the listed issuer

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- 7.(a) In respect of joint ventures, business transactions or arrangements:

The Total Project Cost Attributable to the Listed Issuer
=====

Total Assets of the Listed Issuer

- (b) In respect of the Joint Venture Corporation, incorporated as result of the joint venture:

The Total Equity Participation of the Listed Issuer in the joint venture corporation (based on the eventual issued capital of the joint venture corporation)
=====

Net Assets of the Listed Issuer

8. The Aggregate Original Cost of Investment of the subject matter of transaction
=====
- Net Assets of the listed issuer

(in the case of a disposal and where the acquisition of the subject matter took place within five (5) years)

9. REPORTING PROCESS:

ECOMATE has established a process for all RPTs and RRPTs reporting, given as follows:

9-1 RPT

- (a) Provision of available details of the proposed commercial agreement/contract and submission of the RPT Form to Group Legal and Accounting and Finance Department of ECOMATE;
- (b) Check for RPT element and contract value;
- (c) Obtain verification from Accounting and Finance Department and Group Legal of ECOMATE;
- (d) If it is RPT, prepare draft agreement/contract by the subsidiary legal officer;
- (e) If subsidiary does not have legal officer, preparation and review will be carried out by Group Legal;
- (f) Subsidiary to furnish the following to Accounting and Finance Department of ECOMATE:
 - Draft announcement – for contract value of 0.25% or more but less than 5% of the percentage ratio. However the contract value must be more than **RM200,000**;
 - Notify the Accounting and Finance Department if the percentage ratio is 5% or more for preparation of draft circular to obtain ECOMATE's shareholders' approval;
 - Notify the Accounting and Finance Department if the percentage ratio is 25% or more for preparation of draft circular to obtain ECOMATE's shareholders' approval, appointment of independent and main advisors.

- (g) Seek clearance from subsidiary's Audit Committee("AC") for transaction with a contract value of more than RM200,000;
- (h) Seek clearance from ECOMATE's AC for transaction with a contract value of more than RM200,000 by way of submission of necessary paper on the proposed transaction to ECOMATE's AC for review;
- (i) ECOMATE will then submit the matter to its Board for information. ECOMATE's Board is to take note of the review by ECOMATE's AC;
- (j) Seek clearance from subsidiary's EXCO/Board, where necessary depending on the approving authority limit of the subsidiary;
- (k) Complete signing of agreement/contract by subsidiary;
- (l) Announcement by Accounting and Finance Department of ECOMATE (where necessary) to Bursa Securities;
- (m) **To prepare and thereafter** update RPT Register **on quarterly basis** by the Accounting and Finance Department.

The process flow chart for reporting of RPTs by the Group is attached as **Appendix A**.

9-2 RRPT

- (a) Processes are the same as RPT reporting procedures under steps (a) to (e) above:
 - Provision of available details of the proposed commercial agreement/contract and submission of the RPT Form to Group Legal and Accounting and Finance Department of ECOMATE;
 - Check for RRPT element and contract value;
 - Obtain verification from Accounting and Finance Department and Group Legal of ECOMATE;
 - If it is RRPT, prepare draft agreement/contract by the subsidiary legal officer;
 - If subsidiary does not have legal officer, preparation and review will be carried out by Group Legal;
- (b) Table to subsidiary's Audit Committee and Board/EXCO (depending on authority limits) on a quarterly basis;
- (c) Furnish RRPT transactions tabled to subsidiary's Audit Committee and Board/EXCO to Accounting and Finance Department for updating RRPT Register;
- (d) Accounting and Finance Department of ECOMATE will consolidate all RRPTs entered by the Group;
- (e) To prepare and thereafter update RRPT Register on quarterly basis by the Accounting and Finance Department.

10. ROLES AND RESPONSIBILITIES:

The roles and responsibilities of the respective departments/subsidiaries in providing the RPT/RRPT information is as follows:

(a) Accounting and Finance Department

- (i) To provide the list of directors, major shareholders and persons connected with such directors or major shareholders to the Head of Departments/subsidiaries;
- (ii) To update and advise the Head of Departments/subsidiaries of any new items and amendments to the Listing Requirements in relation to RPTs and RRPTs disclosure;
- (iii) To advise and assist the subsidiaries on compliance with the disclosure requirement

- of the Listing Requirements with respect to RPTs and RRPTs;
 - (iv) To prepare the Circular to Shareholders document for obtaining the shareholders' mandate on the new RRPTs and/or their subsequent renewals.
 - (v) To prepare the directors' declaration relating to RPTs and procure the same on half yearly basis.
- (b) Heads of Departments/Subsidiaries
- (i) To identify the nature of each RPT/RRPT and their respective amount based on the list initially provided by the Accounting and Finance Department;
 - (ii) To inform the Accounting and Finance Department within 5 market days of any proposed RPT/RRPT that requires immediate announcement to Bursa;
 - (iii) To prepare the board paper on the proposed RPT/RRPT for presentation to the Audit Committee and/or the Board.
 - (iv) To prepare RPT/RRPT Register and thereafter update the same on quarterly basis.
 - (v) To submit semi-annual updates on RPT and RRPT within 5 market days from date of Memorandum issued by Accounting and Finance Department.
 - (vi) To report past and forecast RPTs and RRPTs within 5 market days from date of Memorandum issued by Accounting and Finance Department.
-

11. GENERAL OBLIGATION OF THE TRANSACTING PARTY

The general obligation to act in the best interests of the Company means that the transacting company/subsidiary is required to ensure that the proposed transaction is conducted at arm's length and on a commercial basis or better.

In originating a report to the Audit Committee for review, the transacting company/subsidiary should disclose the following:

- Appropriate documentation or records to justify the transaction;
- The price/value of the transaction;
- Rationale for the RPT; and
- Any other terms and conditions upon which the RRPT was entered into.

The records must be similar to those maintained for transaction with non-related parties. A report by the Internal Audit Department or an independent party on the reasonableness of the terms, would be required.

12. ADDITIONAL COMPLIANCE:

In the event the proposed transaction requires an immediate announcement to be made, the procedures set out in ECOMATE's Corporate Disclosure Policies and Procedures ("CDPP") is to be adhered to.

In the event the proposed transaction requires additional compliance with the Listing Requirements, such as issuance of Circular to Shareholder or Shareholder's Approval, the matter shall be referred to the Accounting and Finance Department.

13. COMPLIANCE PROGRAMS:

It is the responsibility of each Head of Departments/Chief Executive Officer of subsidiary to set up and maintain an effective compliance program to prevent and detect violations of Related Party Transactions under the Listing Requirements and applicable laws. The compliance program should be tailored to the special circumstances of the business. The compliance program should have the following elements:

- Set standards and procedures that are reasonably capable of reducing the prospect of violations of this policy and applicable laws;
 - Assign overall responsibility for compliance to specific high personnel;
 - Screen employees and agents, to prevent discretionary authority from being delegated to persons who have demonstrated insensitivity to the requirements of this policy and the laws it covers;
 - Implement educational and training programs that will enable employees to understand the basic requirements of this policy and applicable laws;
 - Implement monitoring and auditing systems to detect violations of this policy and applicable laws;
 - Establish and communicate a procedure for promptly reporting possible violations and concerns that protects against fear of retribution;
 - Implement appropriate disciplinary mechanisms;
 - Take remedial action to correct weaknesses and prevent recurrence of failures.
-

14. MAINTENANCE OF RECORDS:

The directors and major shareholders will be required to sign a form of declaration, which shall be kept securely and confidentially by the Accounting and Finance Department.

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

Additionally, the transacting company/subsidiary shall ensure proper maintenance and retention of documentation, to allow the RPT to be scrutinized by regulators or auditors. Such documentation should be readily accessible to regulators and other interested parties.

15. QUARTERLY REVIEW

All RPT shall be reviewed by the Internal Audit Department and the Accounting and Finance Department from time to time to ensure compliance with the Listing Requirements and applicable laws. The findings shall then be reported to the Audit Committee and where necessary to the BOD.

The transacting company/subsidiary shall, during the terms of an agreement governing, a RPT, ensure that such a transaction meets and continues to meet the following criteria:

- It should be in the best interest of the Company as a whole;
- It should represent fair value and be reasonable;
- It should be properly documented;
- It should be appropriately disclosed.

16. RESOURCES

The Accounting and Finance Department will provide guidance, education, training, bulletins and procedures for implementing this policy, including requirements for reporting, monitoring and review.

17. MODIFICATIONS

ECOMATE reserves the right to modify or amend this policy at any time as it may deem necessary in order to align the policy with Listing Requirements, Companies Act 2016, Malaysian Code on Corporate Governance 2021 and any other applicable laws enforced at the time being.

ECOMATE HOLDINGS BERHAD
RELATED PARTY TRANSACTIONS POLICY AND PROCEDURES

-Appendix A-

Process Flow Chart for Reporting of Related Party Transactions ("RPT") by ECOMATE's Subsidiaries

