



**AWANBIRU TECHNOLOGY
BERHAD**

[Reg. No. 201001038336 (922260-K)]
(Incorporated in Malaysia)

**RELATED PARTY
TRANSACTION POLICIES AND
PROCEDURES**

Updated as at 26 May 2022

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1. PURPOSE

This policy is designed to ensure the Related Party Transactions (“RPTs”) which are carried out in the ordinary course of business, are made at arm’s length and on normal commercial terms which are not more favourable to the Related Party or Parties than those generally available to the public.

In formulating this policy, AwanBiru Technology Berhad (the “Company” or “Awantec”) and its subsidiaries (the “Group”) have taken into account the requirements contained in the Main Market Listing Requirements of Bursa Securities Securities Berhad (“MMLR” or the “Listing Requirement”) to ensure compliance with the obligations imposed.

2. SCOPE AND APPLICATION

- 2.1 This Policy outlines the framework and the processes for purposes of identifying, monitoring, evaluating, reporting and approving the RPTs and Recurrent Related Party Transactions (“RRPTs”). It also serves as a guide to the Audit Committee (“AC”) and Board of Directors (“Board”) of Awantec in discharging its role to provide oversight over RPTs and RRPTs within the Awantec Group.
- 2.2 The Policy applies to all directors, employees (including part time, temporary and contract employees) of the Company and its subsidiaries.
- 2.3 It is the policy of the Company to table all RPTs for review by the Audit Committee on a quarterly basis in accordance with the guidelines set forth herein.

3. DEFINITION OF RELATED PARTY & RELATED PARTY TRANSACTION

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

- (a) “Family” in relation to a person means such person who falls within any one of the following categories: -
 - i. spouse;
 - ii. parent;
 - iii. child including an adopted child and step-child;
 - iv. brother or sister; and
 - v. spouse of the person referred in point (iii) and (iv) above
- (b) “Person Connected” in relation to any person (referred to as “said person”), means such person who falls under any one of the following categories: -

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- i. a family member of the said person;
 - ii. 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;
 - iii. a partner of the said person;
 - iv. 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;
 - v. 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;
 - vi. 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
 - vii. a body corporate which is a related corporation of the said person.
- (c) **Related Party** refers to “a director, major shareholder or persons connected with such director or major shareholder”;
- (d) **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.;
- (e) **Recurrent Related Party Transaction** refers to “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”;
- (f) **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;
- (g) **Arm’s Length Basis** refers to transactions in an open and unrestricted market

between willing parties who are knowledgeable, informed, and who act independently of and without regard to any relationship with each other.

4. IDENTIFICATION

Register of Related Parties

The list of related parties (which is not exhaustive) will be kept by the Legal & Governance Department and made available on the Company's internal portal and circulated on quarterly basis to the Heads of Department.

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 an RPT, provided it fulfills the requirements stated in the Listing Requirements.

The relevant Heads of Department or officer-in-charge of the Company/subsidiaries is required to report such transaction to the Legal and Corporate Governance Department being the policy holder for RPTs.

Appendix 1 sets out the persons who are included in the definition of related party as per the Listing Requirements.

5. DISCLOSURE REQUIREMENTS

When an RPT is involved, Heads of Department ("**HoDs**") or officers-in-charge of the subsidiaries are required to be mindful of the value of the contract/transaction. Where the transaction triggers certain threshold of the percentage ratios, Awantec is required to comply with the obligations under the Listing Requirements as explained below.

5.1 Related Party Transaction ("**RPT**")

The disclosure requirements of RPT as prescribed by the Listing Requirements are governed by the percentage ratio threshold as set out in item 6 below.

The disclosure requirements are as follows: -

5.1.1 Awantec must make an immediate announcement to Bursa Securities Securities Berhad ("**Bursa Securities**"), of an 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 RM500,000 or more and is not recurrent in nature.

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- 5.1.2 If the percentage ratio for the RPT is **5% or more**, the Company must: -
- i. send a circular to the shareholders;
 - ii. obtain shareholder's approval of the transaction in a general meeting; and
 - iii. appoint an independent adviser approved by the Securities Commission ("**SC**").
- 5.1.3 If the percentage ratio for the RPT is **25% or more**, the Company must in addition to 5.1.2 above appoint a main adviser, who is a Principal Adviser approved by the SC.

The Principal Adviser must undertake the following: -

- i. advise the Company whether such transaction is carried out on fair and reasonable terms and conditions and not to the detriment of minority shareholders of the Company;
 - ii. ensure that such transaction complies with the relevant laws, regulations or guidelines, where applicable;
 - iii. ensure full disclosure of all information required to be disclosed in the announcement and circular; and
 - iv. confirm to Bursa Securities that it has discharged its responsibility with due care in regard to the transaction, after the transaction has been completed and all the necessary approvals have been obtained.
- 5.1.4 Awantec must also ensure that a director with interest, direct or indirect, abstains from deliberation and voting on the relevant resolution in respect of the RPT at the Board meeting. In a general meeting to obtain shareholders' 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. Any vote of shareholders taken at the general meeting on the resolution approving the transaction shall be **taken on a poll**.
- 5.1.5 RPT entered by a subsidiary with another person where the percentage ratio is 5% or more, and there are no other interested relationships except for a related party having an interest in the transaction, only immediate announcement is required, subject to the following conditions:
- (i) Board of Awantec 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.

5.2 Transactions not regarded as RPT

The following transactions are not normally regarded as RPT under the Listing Requirements. Reference shall be made to the Listing Requirements for a complete list of exempted transactions.

- i. The issue of securities by the listed issuer for cash (subject to paragraph 6.06 of the Listing Requirements), by way of bonus issue, grant of options and the issue of securities arising from the exercise of options under the Share Issuance Scheme, subscription of securities on a pro rata basis subdivision of shares, consolidation of shares or payment of dividend;
- ii. 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;
- iii. 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;
- iv. The provision or receipt of financial assistance or services upon normal commercial terms and in the ordinary course of business by a licensed institution whose activities are regulated by written law and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as Bursa Securities deems appropriate;
- v. Director's fees and remuneration, and employment remuneration;
- vi. 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: -
 - the goods or services are purchased, sold or rendered based on a non-negotiable fixed price or rate which is published or publicly quoted;
 - 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).

- vii. 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;
- viii. 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;
- ix. A contract that is awarded by way of public tender.

5.3 Recurrent Related Party Transaction (“RRPT”)

5.3.1 Under Paragraph 10.09 of the Listing Requirements, a Company with an issued and paid-up capital of RM60 million and above, must immediately announce an RRPT if:

- 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 the RRPT is 1% or more,

whichever is the higher.

5.3.2 However, Awantec may seek a mandate from its shareholders for the RRPTs as long as the following conditions are met:

- i. 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;
- ii. the shareholders’ 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 mandate during the financial year where the aggregate value is equal to or more than the prescribed threshold;
- iii. the circular to shareholders for the shareholders’ mandate includes the information as prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing

compliance with such information;

- iv. in a meeting to obtain the shareholders' mandate, the relevant interested party must **not** vote on the resolutions approving the transactions. An interested director or interested major shareholder must ensure that persons connected to him abstains from voting on the resolutions approving the transactions;
- v. Awantec must immediately announce to Bursa Securities when the actual value of the RRPT entered into by the AWANTEC 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
- vi. where AWANTEC has procured a shareholders' mandate, the provisions of Paragraph 10.08 on the RPT shall **not** apply.

5.3.3. Transactions not regarded as RRPT

Some of the following are **not** regarded as RRPTs and as such the shareholders' mandate does **not** apply: -

- i. the acquisition or disposal of land or land-based property except in the circumstances set out in paragraph 3.3(a) of the Practice Note 12;
- ii. the acquisition or disposal of vessels, aircraft and plants;
- iii. the entry into a lease of: -
 - a property for a period exceeding three (3) years; or
 - 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 installments);
- iv. the provision of financial assistance pursuant to paragraph 8.23 of the Listing Requirements;
- v. the acquisition or disposal of securities except in the circumstances set out in paragraph 3.3(b) of Practice Note 12;
- vi. the entry into joint ventures;

- vii. the grant or exercise of an option in relation to matters set out in subparagraph(i), (ii), (iii) and (v) herein; and
- viii. such other transactions as may be determined by Bursa Securities from time to time.

6. PERCENTAGE RATIOS

Percentage ratios mean the ratios used to determine the materiality of an RPT and are expressed as a percentage resulting from the calculations as set out in **Appendix 2**.

7. REPORTING PROCESS

Awantec has established the following processes for all RPTs and RRPTs reporting: -

7.1 RPT

- i. Before entering into a commercial contract/agreement/transaction, the HoD must define and identify the RPT elements by filling up a RPT contract requisite form (**template as per Appendix 3**).

The vendors/customers transacting with the Group will also be requested to declare to Awantec whether it is a RPT to the Group by completing and signing a declaration form provided by the Group Procurement Department (**template as per Appendix 4**) or made available on the Company's internal portal;

- ii. Details of the proposed commercial contract/agreement/ transaction and submission of the RPT Form shall be made to the Legal and Corporate Governance Department and verified by the Chief Operating Officer ("**COO**").
- iii. The Legal and Corporate Governance Department will: -
 - draft an 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 RM500,000;
 - coordinate the preparation of a draft circular to obtain Awantec's shareholders' approval and appointment of independent adviser if the percentage ratio is 5% or more;
 - coordinate the preparation of a draft circular to obtain Awantec's shareholders' approval, appointment of independent and main

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- advisors, if the percentage ratio is 25% or more;
 - update the RPT Register.
- iv. For RPT which does not require announcement, the COO shall update the Audit Committee during the quarterly Audit Committee meetings on the transactions.
 - v. Seek clearance from Awantec's Audit Committee for all RPT transactions by submitting necessary papers and supporting documents on the proposed transaction to Awantec's Audit Committee for their review;
 - vi. Awantec will then submit the matter to its Board for information. Awantec's Board is to take note of the review by Awantec's Audit Committee;
 - vii. Hold EGM to obtain shareholders' approval on the proposed transactions;
 - viii. Announcement by Management of Awantec (where necessary) to Bursa Securities;

7.2 RRPT

7.2.1 The processes are the same as the RPT reporting process under steps 7.1 (i) and (ii) above.

- Identification and checking for RRPT element and contract value. To obtain verification from the Legal and Corporate Governance Department, where necessary.
- If it is RRPT, to notify and furnish the contract/agreement/transaction to the Legal and Corporate Governance Department.

7.2.2 For RRPT with a percentage ratio of less than 1%

- (i) the relevant department/subsidiary is required to record the RRPTs and provide information on RRPTs transacted in the preceding 12 months and the expected RRPTs for the next 12 months (if any) by completing a prescribed form in **Appendix 5** provided by the Legal and Corporate Governance Department on an annual basis;
- (ii) the Legal and Corporate Governance Department will consolidate

all RRPTs entered by the Group, and if the accumulated and potential RRPTs are likely to breach the relevant percentage ratio of 1%, AWANTEC may consider obtaining a shareholders' mandate in respect of the RRPTs at a general meeting;

- (iii) the duly compiled quarterly update on RRPTs of the Awantec Group will be tabled and reviewed by the Audit Committee of Awantec on a quarterly basis;
- (iv) the update on RRPTs of the Awantec Group for the past 12 months will be compiled for the Audit Committee's review annually, after fourth quarter of the year, or when required from time to time basis;
- (v) The COO will report the RRPT updates to the Audit Committee of Awantec for review on a yearly basis or when required.

7.2.3 For RRPT with a percentage ratio of 1% or more but less than 5% (announcement to Bursa Securities is required)

- to follow the steps stated under 7.1 above and the subsequent processes are the same as the RPT reporting procedures under steps 7.1 iv – viii above.
- all RRPTs must be reviewed by the COO;
- the HoD to furnish Legal and Corporate Governance Department the details for draft announcement;
- seek clearance from the AC and seek approval from the Board of Awantec and the subsidiary (if required);
- completion and signing of letter of award/agreement/contract by Awantec/subsidiary;
- immediate announcement by Legal and Corporate Governance Department to Bursa Securities where applicable;
- update of RRPT Register by Legal and Corporate Governance Department and focal persons.

7.2.4 For RRPT with percentage ratios of 5% or more (announcement to Bursa Securities and shareholders' approval are required)

- to follow steps stated under 7.2.1 above and the subsequent processes are the same as the RPT reporting procedures under steps 7.1 iv – viii above.
- all RRPTs must be reviewed by the COO;

- the HoD to furnish Legal and Corporate Governance Department the details for draft announcement and to notify Legal and Corporate Governance Department for the preparation of draft circular to obtain Awantec's shareholders' approval;
- seek clearance from the Audit Committee;
- seek approval from the Board of Awantec and the subsidiary (if required);
- seek Awantec' shareholders' approval for transaction with a percentage ratios of 5% or more and make immediate announcement to Bursa Securities thereafter;
- completion and signing of letter of award/agreement/contract by Awantec/subsidiary;
- update of RRPT Register by Legal and Corporate Governance Department and focal persons.

8. ROLES AND RESPONSIBILITIES

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

8.1 Legal and **Corporate Governance Department**

- i. to update the Register of Related Party;
- ii. to update and advise the Heads 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 Head of Departments/subsidiaries on compliance with the disclosure requirement of the Listing Requirements with respect to RPTs and RRPTs;
- iv. to coordinate on the preparation of circular to shareholders and relevant documents for obtaining the shareholders' mandate on the new RRPTs and/or their subsequent renewals.

8.2 **Heads of Departments (HoD)/Subsidiaries**

- i. to identify the nature of each RPT/RRPT and their respective amount based on the non-exhaustive list of related parties provided by Legal and Corporate Governance Department;
- ii. to provide the COO with information of any RPT/RRPT that requires COO's review in accordance to item 7 of this Policy;
- iii. to inform the Legal and Corporate Governance Department at least five (5) days in advance of any RPT/RRPT that requires immediate announcement

- to Bursa Securities;
- iv. to prepare the board paper on the RPT/RRPT for presentation to the Audit Committee and/or the Board, if required; and
- v. to provide the RPT/RRPT updates on a quarterly basis for review by the Audit Committee of Awantec.

9. GENERAL OBLIGATION OF THE TRANSACTING PARTY

The general obligation to act in the best interests of the Company means that the transacting department/subsidiary is required to ensure that the proposed transaction is conducted at arm's length, on transaction prices and terms not more favourable to the related parties than those generally available to the public and on a commercial basis or better.

In submitting 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 transaction; and
- any other terms and conditions upon which the transaction was entered into.

The records must be similar to those maintained for transaction with non-related parties.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on its usual business practice to ensure that the RPT and RRPTs are entered into on an arm's length basis and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to Awantec.

10. LIMITS OF AUTHORITY (LOA)

The LOA is a key component of internal control system of Awantec. RPTs and RRPTs are subject to approval procedures and limits as stipulated under the LOA.

The transacting departments/subsidiaries are required to also adhere to the approval requirements under the LOA in addition to the RPT or RRPT reporting and approval under this Policy prior to entering into any RPT/RRPT.

11. MAINTENANCE OF RECORDS

Directors will be required to sign a form of declaration each quarter; which shall be kept securely by the Company Secretary and/or Legal and Corporate Governance Department. If there are any RPTs to be disclosed, the brief details of the transaction and the sums involved need to be disclosed by such director or major shareholder.

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

12. RPT QUARTERLY REVIEW

All RPTs shall be reviewed by the COO and the Legal and Corporate Governance Department from time to time to ensure compliance with the Listing Requirements and any applicable laws. The findings shall then be reported to the Audit Committee and where necessary to the Board on a quarterly basis.

13. REVIEW OF THE POLICY

This Policy shall be reviewed periodically by the Board in accordance with the needs of the Company, from time to time or when changes to regulatory requirements necessitate a revision, but at least once every three (3) years.

Last approved by the Board on 26 May 2022 upon the recommendation of the Audit Committee.

Updated and adopted by Board on: 26 May 2022

Appendix 1: List of Related Party

Appendix 2: Percentage ratios

1. The Value of the Assets which are subject matter of the transactions Net Assets of the listed issuer
2. Net Profits of the assets which are subject matter of the transaction Net Profits attributable to the owners of the listed issuer (before other comprehensive income of loss)
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
6. The Total Assets which are the subject matter of the transaction Total Assets of the listed issuer
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 is 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 5 years)

Appendix 3: RPT Contract Requisition Form

Details of contracts or arrangements or transactions	
(a)	Name(s) of the related party and nature of relationship:
(b)	Nature of contracts/arrangements/transactions:
(c)	Duration of the contracts / arrangements/transactions:
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:
(e)	Justification for entering into such contracts or arrangements or transactions:
(f)	Date of approval by the Audit Committee:
(g)	Amount paid as advances, if any:

Appendix 4: Vendor Declaration form**DECLARATION****Please (✓) whichever is applicable;**

1. I / We declare that all the information provided in this RFP Submission is certified true copy.
2. I / We also undertake to not perform any act that may result in the proposed transaction becoming a Related Party Transaction (RPT) within the Bursa Securities listing requirements during the entire duration of the Proposed Transaction and any term thereafter deemed necessary.
3. I / We declare that the proposed transaction is a Related Party Transaction (RPT) and further declare that I / we do all things necessary to ensure my / our participation would not contravene or be prohibited by any law or regulations.
4. I / We declare that it is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our dealings wherever we operate. Failing which, will disqualify us from this participation and any other future application or participation with Awantec.

Applicant's Signature : _____ Date: _____
 Name : _____
 Identity Card No. : _____
 Designation : _____
 Company Name and Address : _____

 Company Stamp : _____

Appendix 5: Information on RRPTs transacted in the preceding 12 months and the expected RRPTs for the next 12 months

Name of Company Involved	Name of Related Party/ Transacting Party	Nature of Transactions	Interested Directors/Major Shareholders/Persons Connected	*Aggregate value from XXXX to XXXX (RM'000)	*Estimated aggregate value from XXXX (date of forthcoming AGM) to the next AGM (RM'000)