



**99 SPEED MART RETAIL HOLDINGS BERHAD  
GROUP OF COMPANIES**

---

**RELATED PARTY TRANSACTIONS  
POLICY & PROCEDURES**

---

**Version #1**

**Effective Date : 22 February 2024**

## 1. INTRODUCTION

As a public listed company, 99 Speed Mart Retail Holdings Berhad (“the Company”) and its subsidiaries (collectively known as “the Group”) would, in the ordinary course of business, enter into transactions of revenue or trading in nature with a related party or parties.

In formulating this policy, the Group has taken into account the requirements contained in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) of the Listing requirements to ensure compliance with the obligations imposed.

## 2. OBJECTIVE AND SCOPE

- 2.1** This policy is to ensure that all related party transactions (“RPT”) and recurring related party transactions (“RRPT”) in the course of business are made at arm’s length and at a normal commercial term which are not more favourable to the related party(ies) than those available to the public and these terms are not detrimental to the other shareholders of the Group who are not part of the transactions.
- 2.2** This policy also serves as an avenue for employees to understand the policies that need to be adhered to in identifying and treating RPT to ensure compliance with the MMLR and other applicable laws.
- 2.3** This policy applies to the Group and any major shareholder, director and key management personnel, for the duration of the relationship with the Group, whom must comply with the guidelines and principles established in this policy.

## 3. DEFINITIONS

- 3.1** “**Directors**” refers to, in accordance with Section 2(1) of Capital Markets and Services Act 2007, any person who is or was within the preceeding 6 months of the date on which the terms of the transaction were agreed upon:
- (i) A director of the listed issuer, its subsidiary or holding company; or
  - (ii) A Chief Executive of the listed issuer, its subsidiary or holding company.
- 3.2** “**Family member**”, in relation to a person, refers to:
- a. A spouse of the person;
  - b. A brother or sister of the person, or their spouses;
  - c. A brother or sister of the spouse of the person;
  - d. A lineal ascendant or descendant of the person (e.g. parents or children, including adopted child and stepchild);
  - e. A lineal ascendant or descendant of a spouse of the person (e.g. parents-in-law);
  - f. The uncle, aunt or cousin of the person; or
  - g. The son-in-law or daughter-in-law of the person.

- 3.3** “**Major shareholder**” means a person who has interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:
- a. 10% or more of the total number of voting shares in the Company; or
  - b. 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.
- 3.4** “**Person Connected**” in relation to any person falls under any one of the following categories:
- a. a family member of the director or major shareholder;
  - b. a trustee of a trust under which the director or major shareholder is the sole beneficiary;
  - c. a partner of the director or major shareholder; or a partner of a person connected with the director or major shareholder;
  - d. a body corporate or its directors, which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder;
  - e. a body corporate in which the director or major shareholder, or persons connected with the director or major shareholder 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
  - f. a body corporate which is a related corporation of the director or major shareholder, i.e subsidiaries.
- 3.5** “**Related party**” means a director, major shareholder, person connected to the director or major shareholder.
- 3.6** “**Related party transaction (“RPT”)**” refers to the transactions entered into by the Group which involves the interest, direct or indirect, of a related party.
- 3.7** “**Recurring related party transaction (“RRPT”)**” refers to the related party transactions which are recurrent, of a revenue or trading nature which are necessary for day-to-day operations of the Group. A transaction which has been made or will be made by the Group at least once in 3 years in the course of its business will be considered recurrent. A related party transaction of a revenue nature which is necessary for day-to-day operations must either contribute directly or indirectly to the generation of revenue for the Group.
- 3.8** “**Transaction**” includes:
- a. the provision or receipt of goods or services;
  - b. the acquisition, disposal or leasing of assets;
  - c. the provision of financial assistance; or
  - d. any business transaction or arrangement entered into,
- by the Group but excludes transaction entered into between the Group of Companies.

#### 4. PROCEDURES

- 4.1** The general obligation to act in the best interests of the Group means before entering into a commercial transaction/contract/agreement, the originator/buyer must identify and check for RPT elements, contract value, and obtain verification from the Account Department, where necessary.
- 4.2** The Group to assess the pricing, quality, terms and expertise of any goods or services that the Related Party offered. These shall be compared to the same goods/services offered by the normal unrelated open market transactions including the appropriate preferential rates and discounts accorded for the same purchases in terms of the commercial terms in the standard industry norm.
- 4.3** For comparison, the Group shall procure other contemporaneous transactions/quotations from unrelated third parties for similar products/services and/or quantities, where possible to determine whether the price and terms offered to/by the related parties are fair & reasonable.
- 4.4** In the event where such comparable quotations from an unrelated third party is not available for same or similar raw materials/services, the transaction prices and commercial terms shall be determined based on the Group's usual business practices and policies to ensure that the RRPTs are not detrimental to the Group.
- 4.5** All major shareholders, directors and key management personnels are required to declare and disclose any transaction in which they are deemed to have interest and give their undertakings that all business transactions entered between themselves and/or persons connected with them and the Group are negotiated and agreed at arm's length basis based on normal commercial terms and are not to the detriment of the minority shareholders and favourable to the related party/parties on a quarterly basis.
- 4.6** At least once a year, during the annual evaluations, all major shareholders, directors and key management personnels are required to complete a questionnaire disclosing names of companies in which he/she and/or their person connected hold directorships and/or substantial shareholding and any potential RPT and RRPT, if any.
- 4.7** The Company within the Group shall maintain a record of all the RPTs and RRPTs entered into pursuant to the shareholders' mandate to ensure that the necessary approvals are obtained and proper review procedures are followed in respect of all these transactions. The Account Department, overseen by the Chief Financial Officer, shall compile a listing of related parties, nature of RPTs and RRPTs, estimated value of annual transactions and control(s) put in place, subject to update from time to time and review by the Chief Financial Officer. This register of RPTs and RRPTs will be disseminated to all Account Department's personnel and all Head of Department.

- 4.8** All the RPTs and RRPTs shall be presented to the Audit Committee (“AC”) for review to ensure these transactions are at arm’s length and within the normal commercial terms and not more favourable to any party than those generally available to the public. The AC shall then report to the Board of Directors for further action if necessary.
- 4.9** In reviewing these transactions, the AC may request for additional information from professional sources as it deems fit to ensure that the transactions are within the scope of this policy. The AC shall also review the adequacy of the processes and procedures to track and monitor these RPTs and RRPTs in a timely and orderly manner to ensure accuracy.

## **5. DISCLOSURE REQUIREMENTS**

### **5.1 Related Party Transaction (“RPT”)**

The disclosure requirements of RPT as prescribed by the MMLR are governed by percentage ratio threshold. The disclosure requirements are as follows:

- 5.1.1** The Group must make an immediate announcement to Bursa Malaysia Securities Berhad (“Bursa Securities”) 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 RM500,000 and it is not recurrent in nature.
- 5.1.2** If the percentage ratio for the RPT is 5% or more, the Company must:
- (a) appoint an independent adviser approved by the Securities Commission (“SC”) before the terms of the transaction are agreed upon;
  - (b) seek clearance from the AC on the announcement and submit the same to the Board for deliberation and approval based on AC’s recommendation;
  - (c) send a circular to the shareholders; and
  - (d) obtain shareholder's approval of the transaction in general meeting.
- 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:

- (a) 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;
- (b) ensure that such transaction complies with the relevant laws, regulations or guidelines, where applicable;
- (c) ensure full disclosure of all information required to be disclosed in the announcement and circular; and
- (d) confirm to Bursa Securities after the completion of the transaction and all the necessary approvals have been obtained, that it has discharged its responsibility with due care in regard to the transaction.

- 5.1.4 The Group must also ensure that a director with interest, direct or indirect, must abstain from Board deliberation and voting on the relevant resolution in respect of the RPT. 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.
- 5.1.5 RPT entered by a subsidiary with another person where the percentage ratio is 5% or more, 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:
- (a) the Board of the Company approves the transaction before the terms of transaction are agreed upon; and
  - (b) that the transaction is fair and reasonable and is in the best interests of the Company.

Where the transaction reaches certain threshold of the percentage ratios, the Company is required to comply with the obligations under the MMLR as explained above.

## **5.2 Recurrent Related Party Transaction ("RRPT")**

- 5.2.1 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 a 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 is the higher.

Where the transaction reaches certain threshold of the percentage ratios, the Company is required to comply with the obligations under the MMLR as explained above.

- 5.2.2 The Company may seek a Mandate from its shareholders for RRPTs which are necessary for its day-to-day operations, subject to the following:
- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
  - (b) the shareholders' Mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' Mandate during the financial year where the aggregate value is equal to or more than the prescribed threshold;

- (c) the Company's 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.
- (d) in a meeting to obtain the shareholders' Mandate, the relevant interested related party (ie. interested director, interested major shareholder or interested person connected), must not vote on the resolutions approving the transactions. An interested director or interested major shareholder must ensure that persons connected to him abstain from voting on the resolutions approving the transactions;
- (e) the Company must immediately announce to Bursa Securities when the actual value of the 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 Bursa Securities in its announcement; and
- (f) where the Company has procured the shareholders' Mandate, the provisions of Paragraph 10.08 on the RPT shall not apply.

Estimated Value in respect of RRPT mentioned in (e) above is expected to be entered into from the date of the current Annual General Meeting until the date of the next Annual General Meeting.

Any authority conferred by a shareholders' mandate will only continue to be in force until:

- (a) the conclusion of the first annual general meeting of the Group following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next annual general meeting after the date it is required to be held (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

## **6. REPORTING PROCESS**

### **6.1 RPT**

**6.1.1** Before entering into a commercial contract/agreement/transaction, the originator/buyer must identify and check for RPT element and contract value. To obtain verification from the Account Department, where necessary.

**6.1.2** If it involves RPT, to notify and furnish the contract/agreement/transaction to the Account Department, who will determine the percentage ratio of the transaction and prepare according to 6.1.3 below.

**6.1.3** The Account Department will:

- a) Prepare an immediate announcement to Bursa Securities if the percentage ratio of a RPT is 0.25% or more and the contract value is more than RM500,000; or
- b) determine if the percentage is 5% or more for the preparation of circular to obtain the Company's shareholders approval in the general meeting and appoint an independent adviser approved by the SC; or
- c) determine if the percentage ratio is 25% or more for, in addition to 6.1.3 (b) above, appointing a main adviser approved by the SC.

**6.1.4** Seek clearance from the AC on the announcement under 6.1.3 (a) and AC to confirm that the terms and conditions of the RPT are on normal commercial terms that are not more favourable to the Related Parties than those generally available to the public and are in the best interests of the Company, fair, reasonable and not detrimental to the interests of the minority shareholders.

**6.1.5** In assessing a RPT, the AC shall be provided with the material facts of all new, existing or proposed RPTs that require the AC's approval (including the terms of the transaction and the business purpose of the transaction), to consider such factors as it deems appropriate, including without limitation:

- the business reasons for the Company to enter into the RPT;
- the commercial reasonableness of the terms of the RPT;
- the materiality of the RPT to the Company;
- the terms of the transaction and whether the terms of the RPT and RRPT are at arm's length, on terms not more favourable to related party(ies) than those generally available to the public, are not to the detriment of the minority shareholders and/or would apply on the same basis if the transaction did not involve a Related Party;
- the extent of the Related Party's interest in the RPT, if applicable;
- the impact of the RPT on a non-employee director's independence;
- the actual or apparent conflict of interest of the Related Party participating in the RPT;
- the control(s) put in place; and
- Percentage ratio per Rule 10.02(g) of Listing Requirements

**6.1.6** Submit the RPT announcement to the Board for deliberation and approval based on AC's recommendation (the Board's approval is not required for RPTs with contract value less than 0.25% and no announcement will be made to Bursa Securities);

**6.1.7** Upon completion and signing of agreement/contract by the Group, the Company may proceed to make an immediate announcement to Bursa Securities, and the Account Department to update the RPT accordingly.

**6.1.8** To update Register of Related Party, IA to review all RPTs and update AC on RPT records on quarterly basis.



## **6.2 RRPT**

**6.2.1** The processes are the same as RPT reporting process under step 6.1 above:

- a) Identification and checking for RRPT element and contract value. To obtain verification from the Account Department of the Group, where necessary.
- b) If it is RRPT, to notify and furnish the contract/agreement/transaction to the Account Department.

**6.2.2** The Account Department will:

- a) update the RRPT records; and
- b) monitor if RRPT breach the threshold. Immediate announcement will be made if the percentage ratio of a RRPT is 1% or more and the contract value is RM1 million or more, whichever is the higher; or
- c) make immediate announcement when the actual value of RRPT exceeds the estimated value of the RRPT disclosed in the circular by 10% or more.

**6.2.3** To update Register of Related Party, IA to review all RPTs and update AC on RPT records on quarterly basis.

## **7. MAINTAINANCE OF RECORDS**

**7.1** Directors and major shareholders will be required to sign a form of declaration (refer to Appendix A) which shall be kept securely by the Account 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. [Practice: RPT declaration to be made annually by directors].

**7.2** Account Department shall ensure proper maintenance and retention of documentation, to allow the RPTs to be scrutinised by regulators or auditors. Such documentation should be readily accessible to regulators and other interested parties.

## **8. RPT QUARTERLY REVIEW**

**8.1** All RPTs shall be reviewed by the IA Department and the Account Department from time to time to ensure compliance with the Listing Requirements and any applicable laws. The findings shall then be reported to the AC and where necessary to the Board.

**8.2** The AC periodically reviews the procedures set by the Company to monitor RPTs to ensure that these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company. All reviews by the AC are reported to the Board for further action. In its review and approval

of such transactions, the AC may, as it deems fit, request for additional information pertaining to the transactions from independent sources or professionals.

## **9. IMPLEMENTATION AND REVIEW OF POLICY**

This policy comes into effect from 22 February 2024. The Group 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 2017 and any other applicable laws enforced at the time being.

Policy reviewed and approved by:

---

Name:

Position:

Date:



### RELATED PARTY DECLARATION FORM

*This form is required to be completed in respect of all major shareholders, directors and key management personnels of 99 Speed Mart Retail Holdings Berhad (including that of subsidiaries) who have held office as at \_\_\_\_\_ [date].*

List of transactions held between the related parties of major shareholder/director/key management personnels/person connected with the Company and subsidiaries in the last 12 months:

Name of company/ business/ person	Shareholding (where applicable)	Position held	Nature of transaction	Transaction value for the period (RM)

List of likely transactions between the related parties of major shareholder/director/key management personnels/person connected with the Company and subsidiaries in the coming 12 months:

Name of company/ business/ person	Shareholding (where applicable)	Position held	Nature of transaction	Estimated transaction value for the period (RM)

**Declared by:**

\_\_\_\_\_

**Name :**  
**Company:**  
**Position:**  
**Date:**