



RELATED PARTY TRANSACTIONS AND RECURRENT RELATED PARTY TRANSACTIONS POLICY AND PROCEDURE

QL Resources Berhad and its subsidiaries



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1. INTRODUCTION

The Board of Directors and Management recognises that Related Party Transactions ("RPTs") and Recurrent Related Party Transactions ("RRPTs") may present actual, potential or perceived conflict of interest and may raise questions as to whether such transactions are in the best interest of the Company and its stakeholders. In view thereof, this RPTs and RRPTs Policy and Procedure ("Policy") serves as a guideline to be adopted and applied across QL Group.

This Policy was drawn up in accordance with the requirements under the Act and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

2. APPLICATION

This Policy outlines the processes for identifying, monitoring, evaluating, reporting and approving new RPTs and RRPTs and serves as a guide to the Board and the Board Committees in discharging their role to provide oversight over RPTs and RRPTs within the Group.

3. DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Policy:

Words	Meanings
Act	: Companies Act 2016, as amended from time to time and any re-enactment thereof.
Applicable Laws	: All laws, by-laws, regulations, rules, orders and/or official directions for the time being in force affecting the Company and QL Group, including but not limited to the Act, the applicable securities laws, and every other law for the time being in force concerning companies and affecting the Company and QL Group and any other directives or requirements imposed on the Company and QL Group by the relevant regulatory bodies and/or authorities.
Board	: The Board of Directors of QL.
EC	: Executive Chairman of QL.
GCEO	: Group Chief Executive Officer of QL.
Employee	: Employee(s) of QL Group.



Electronic Address/ Email	: Any address or number used for the purpose of sending or receiving documents or information by electronic means.
Director(s)	: For the purpose of RPT, "Director" has the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director of QL, its subsidiary or holding company or a chief executive of QL, its subsidiary, or holding company.
	For the purpose of Section 210 of the Act, Director also includes chief executive, chief financial officer, chief operating officer or any person primary responsible for the management of the Company.
Major Shareholder(s)	: A person who (includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon) has an interest or interests in one or more voting shares in the Company (or any other corporation which is its subsidiary or holding company) and the number or the aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in the Company (or any other corporation which is its subsidiary or holding 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 (or any other corporation which is its subsidiary or holding company).
	For the purpose of this definition, "interest in shares" has the meaning given in Section 8 of the Act.
Person(s) Connected	: In relation to a Director or Major Shareholder (referred to as "said Person"), means such person who falls under any one of the following categories: (i) a family ¹ 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;

¹ Means a person who is a spouse, parent, child (including an adopted child and stepchild), brother, sister and the spouse of the child (including an adopted child and stepchild), brother or sister.



- (iii) a partner² 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.

QL or Company	:	QL Resources Berhad [Registration No. 199701013419 (428915-X)].
QL Group or Group	:	QL and its subsidiaries collectively.
Related Party	:	A Director, Major Shareholder or person connected with such Director or Major Shareholder.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

² In relation to a Director, Major shareholder, or a person connected with the Director or Major Shareholder, means a person with whom the Director, Major Shareholder or person connected with the Director or Major shareholder, is in or proposes to enter into partnership with. "Partnership" for this purpose refers to a "partnership" as defined in section 3 of the Partnership Act 1961 or "limited liability partnership" as defined in section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or a person with whom the Director, Major Shareholder or person connected with a Director or Major Shareholder has entered or proposes to enter into a joint venture, whether incorporated or not.



4. OBJECTIVES

This Policy is established to ensure that all employees of QL Group understand the requirement of RPTs/RRPTs that need to be adhered to ensure compliance with MMLR, and are guided on the procedures to be observed in ensuring that RPTs/RRPTs within the QL Group.

RPT refers to a transaction entered into by QL or its subsidiaries, which involves the interest, direct or indirect, of a Related Party where the disclosure requirement is governed by percentage ratio thresholds as detailed in Clause 6.1.

RRPT refers to a related party transaction which is recurrent, of a revenue or trading nature which is necessary for day-to-day operations of QL or its subsidiaries and is carried out at arm's length and on normal commercial terms which are not more favourable to the Related Party where the disclosure requirement is governed by percentage ratio thresholds as detailed in Clause 6.2.

5. PROCEDURES

5.1 Identification of Related Parties

Every Director of the Company and its subsidiaries or joint ventures or jointly controlled entities or associates shall (i) at the time of appointment; (ii) periodically as required by the Company; (iii) whenever there is any change in the information submitted, provide requisite information about his or her related parties and all firms, entities, body corporates, in which such Director is interested, whether directly or indirectly, to the Company or the subsidiary or joint venture or jointly controlled entity or associates (as the case may be).

The Corporate Secretarial department will maintain and update the list of all related parties ("Related Party List") and circulate to the respective Accounts/Finance personnel of the Group and operating units ("Accounts/Finance") as and when there are any changes. The Company shall regularly verify and update the Related Party List and review and confirm (at least once a quarter) in accordance with the Act and MMLR.

The Accounts/Finance must promptly notify and update the Corporate Secretarial department in writing including email on any new entities/parties related to the Directors and Major Shareholders of QL Group and Persons Connected to them. This enables the Corporate Secretarial team to maintain an accurate and updated Related Party List.

All operating units involved in contracting and payments management are advised to fully understand and familiarise themselves with the Related Party List that may be considered as RPT and RRPT.

5.2 Initiation of Transactions

- (i) Before registering the business account for a new customer or supplier, the Accounts/Finance shall take reasonable steps in identifying whether the new customer or supplier is a Related Party based on the Related Party List circulated within the Group.

(ii) Once the new customer/supplier has been identified as a Related Party, the Accounts/Finance is required to immediately notify and obtain consent from the EC or GCEO before proceeding with on-boarding and initiating any transactions with the said Related Party to ensure proper monitoring and control. Any proposal for approval is required to indicate total amount, period and nature of the transaction in accordance with the Group's Limit of Authority.

5.3 RPT/RRPT Process

- (i) At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be obtained for comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.
- (ii) In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties and on terms which are generally in line with industry norms in order to ensure that the RPT/RRPT is not detrimental to the Company or the Group.
- (iii) The Accounts/Finance will prepare and submit the RPT/RRPT report together with summary of comparison to the Corporate Secretarial department on quarterly basis. The said report will be compiled, checked and signed by the relevant parties in charge and kept by Corporate Secretarial department.
- (iv) All RPTs are subject to the approval of the EC or GCEO before the transactions are entered into by QL Group and there is no minimum threshold limit for such approval.
- (v) The RPT/RRPT report will then be circulated and tabled to the Executive Committee ("EXCO") and Audit Committee for review. The Audit Committee shall review the RPT/RRPT report to ensure that the RPT/RRPT has been transacted on arm's length basis and on commercial terms not detrimental to the Group, before reporting the same to the Board for further action if necessary. All members of the Board and/or Audit Committee who are directly or indirectly interested in any of the RPT/RRPT shall declare their interest in such transaction and abstain from deliberations and voting in respect of the RPT/RRPT.
- (vi) The Audit Committee shall also have the right to access the information on the Related Parties concerned and is entitled to the services of independent advisers, if required, in the discharge of their duties in reviewing the RPT/RRPT.
- (vii) Accounts/Finance must notify the Corporate Secretarial department in writing or via email if the aggregated transacted amount of RPT/RRPT is reaching the required threshold pursuant to MMLR.



- (viii) The RPT/RRPT shall be reviewed by the Internal Auditor in accordance with the Internal Audit Plan approved by the Audit Committee to ensure the relevant controls are adequate and operating effectively. The outcome and findings of the internal audit will be reported to the Audit Committee and where necessary to the Board.
- (ix) Details of the RPT/RRPT in respect of the transactions conducted pursuant to the Shareholders' mandate during the financial year will be disclosed in the Company's Integrated Annual Report accordingly.

5.4 Roles and Responsibilities

- (i) All Directors within QL Group shall individually be responsible for the following:
 - (a) To declare his/her directorship, shareholdings or other interests in any other companies as well as the interest of Person(s) Connected to them as defined in this Policy; and
 - (b) To declare and disclose his/her direct and indirect interest in any known or potential RPT/RRPT to be entered into by QL Group in a timely manner pursuant to Paragraphs 10.08(6) to (8) of the MMLR.
- (ii) All Directors, Chief Executive Officers, Head of Business Units and Departments ("the Originator") are responsible for identifying and disclosing any known or potential RPTs/RRPTs to be entered into by QL Group prior to execution of any contracts, agreements or transactions. The Originator is also responsible to notify and furnish details of the transactions to the GCEO, Group Chief Financial Officer and Company Secretary for verification whether it is a RPT/RRPT. The Originator is responsible to prepare the proposal paper for the EXCO, Audit Committee and the Board to approve any RPTs/RRPTs.
- (iii) The EXCO shall discuss and ensure terms of the RPT/RRPT's proposals to be entered into by the QL Group are arm's length and on normal commercial terms, and on terms which are not more favourable to the Related Party or Parties than those generally available to the public and the RPT/RRPT is in accordance with this Policy, prior to recommending such proposal to the Audit Committee for review.
- (iv) The Audit Committee shall be responsible to review and evaluate the terms of the proposal put forth in relation to RPT/RRPT to be entered into by the QL Group and to advise the Board that the RPT/RRPT is in accordance with this Policy.
- (v) The Board shall be responsible in deliberating and approve the proposal papers on the RPT/RRPT and if required pursuant to MMLR, to recommend for the shareholders' approval.

5.5 Monitoring and Review

- (i) The Audit Committee will periodically review the Policy and ensure that both the RPT and RRPT is:
 - (a) in the best interest of the Company;
 - (b) fair, reasonable and on normal commercial terms; and
 - (c) not detrimental to the interest of the minority shareholders.
- (ii) All reviews by the Audit Committee will be reported to the Board for further action.
- (iii) Any amendments to this Policy shall be approved by the Board.

6. DISCLOSURE REQUIREMENTS

6.1 RPT: Paragraph 10.08 of MMLR

The disclosure requirements of RPT as prescribed by MMLR are governed by percentage ratio thresholds under Part D Chapter 10 of the MMLR. The disclosure requirements are as follows:

Value of RPT/ Percentage Ratio	Requirements
≥0.25%	QL must make immediate announcement as soon as possible after terms of the transaction have been agreed unless: <ul style="list-style-type: none">• the consideration value is <RM500,000; or• it is a RRPT.
≥5% <25%	Unless exempted, QL must: <ul style="list-style-type: none">• appoint an independent adviser who is a corporate finance adviser within the meaning of the Securities Commission Malaysia's ("SC") Principal Adviser Guidelines, before the terms of the transaction are agreed upon;• immediate announcement as soon as possible after terms of the transaction have been agreed upon;• send a circular to shareholders; and• obtain shareholders' approval in a general meeting.
≥25%	Unless exempted, QL must: <ul style="list-style-type: none">• appoint an independent adviser who is a corporate finance adviser within the meaning of the SC's Principal Adviser Guidelines, before the terms of the transaction are agreed upon;• appoint a main adviser, who is a Recognised Principal Adviser before the terms of the transaction are agreed upon;• immediate announcement as soon as possible after terms of the transaction have been agreed upon;• send a circular to shareholders; and• obtain shareholders' approval in a general meeting.



	<p>The Recognised Principal Adviser:</p> <ul style="list-style-type: none">(i) must advise QL whether such transaction is carried out on fair and reasonable terms and conditions, and not to the detriment of minority shareholders of QL;(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 after the transaction has been completed and all the necessary approvals have been obtained, that it has discharged its responsibility with due care in regard to the transaction.
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Other compliances:

- (i) Director with interest, direct or indirect ("Interested Director") in a RPT must inform the Board of the company approving the transaction, the details of the nature and extent of his interest, including all matters in relation to the proposed transaction that he is aware or should be aware of, which is not in the best interest of QL and its Group, as the case may be.
- (ii) RPT entered into by the Company's subsidiary with another person where the percentage ratio is $\geq 5\%$, and the only Related Party having an interest in such transaction is not a Related Party to the Company, only immediate announcement is required, provided that the Board of the Company:
 - (a) approves the transaction before the terms of transaction are agreed upon; and
 - (b) ensure that the transaction is fair and reasonable to the Company and is in the best interests of the Company.

The Company must still comply with MMLR, Paragraph 10.07, Part F or Part F(A), as the case may be, if the percentage ratio for the transaction is $\geq 25\%$.

6.2 RRPT: Paragraph 10.09 of MMLR

Type of Action	Action Required
Immediate announcement	<p>Immediate announcement must be made where:</p> <ul style="list-style-type: none">(i) the consideration, value of the assets, capital outlay or cost for the RRPT is $\geq RM 1$ million; or(ii) the percentage ratio of such RRPT is $\geq 1\%$ whichever is the higher.

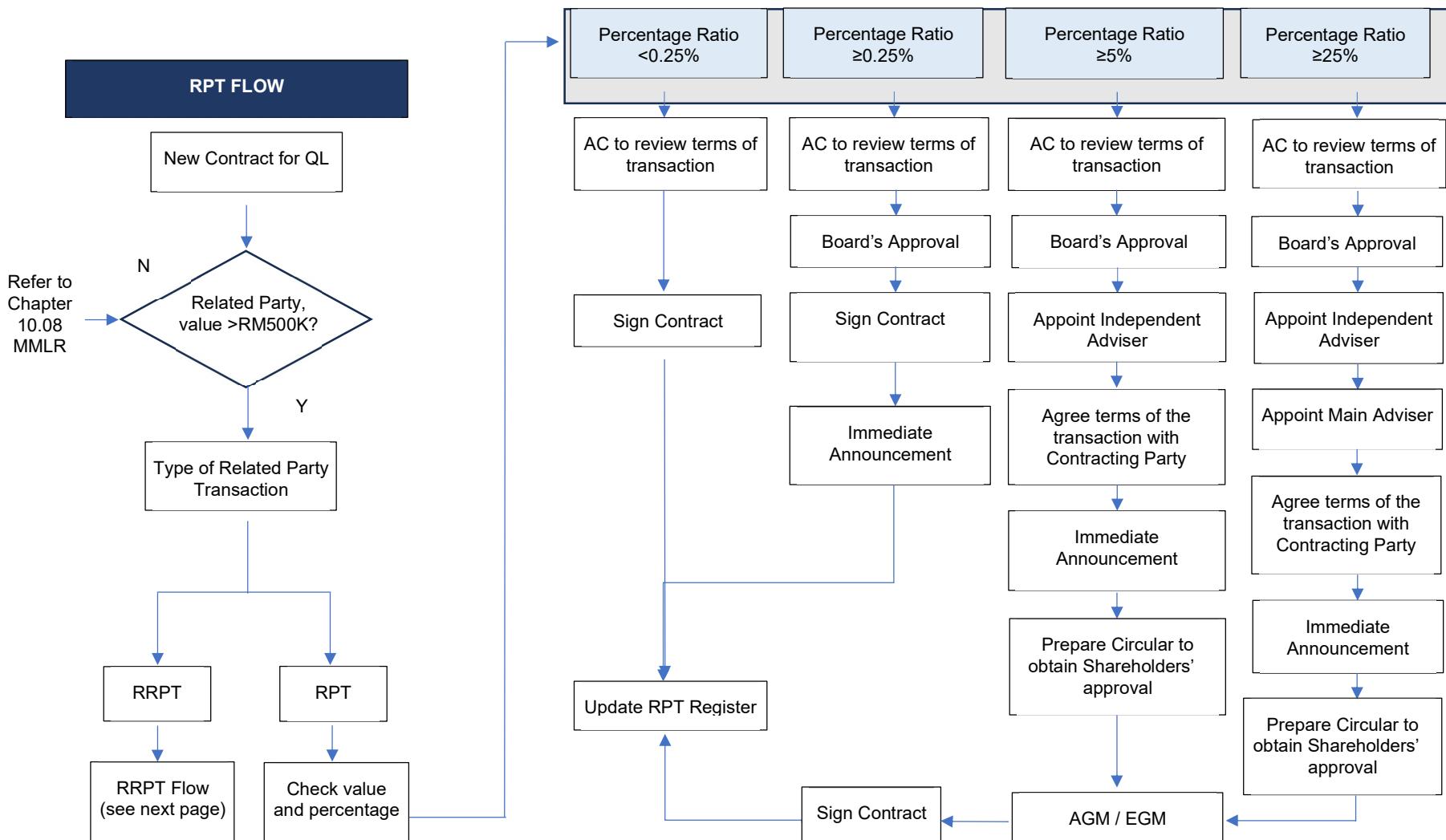
Shareholders' Mandate	<p>Where an RRPT $\geq 5\%$ of the percentage ratio, the Company must seek general mandate from shareholders for the RRPT subject to the following:</p> <ul style="list-style-type: none">(a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;(b) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under subparagraph 10.09(1) of MMLR;(c) the Company's circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities;(d) in a meeting to obtain shareholder mandate, the relevant related party must comply with the requirements set out in Paragraph 10.08(7) of MMLR; and(e) the Company must immediately announce to Bursa Securities when the actual value of the RRPT entered by the Company exceeds the estimated value of the RRPT disclosed in the circular by $\geq 10\%$ and must include the information as may be prescribed by the Bursa Securities in its announcement. <p>The mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions. Interested parties and their connected persons are to abstain from voting at the general meeting.</p>
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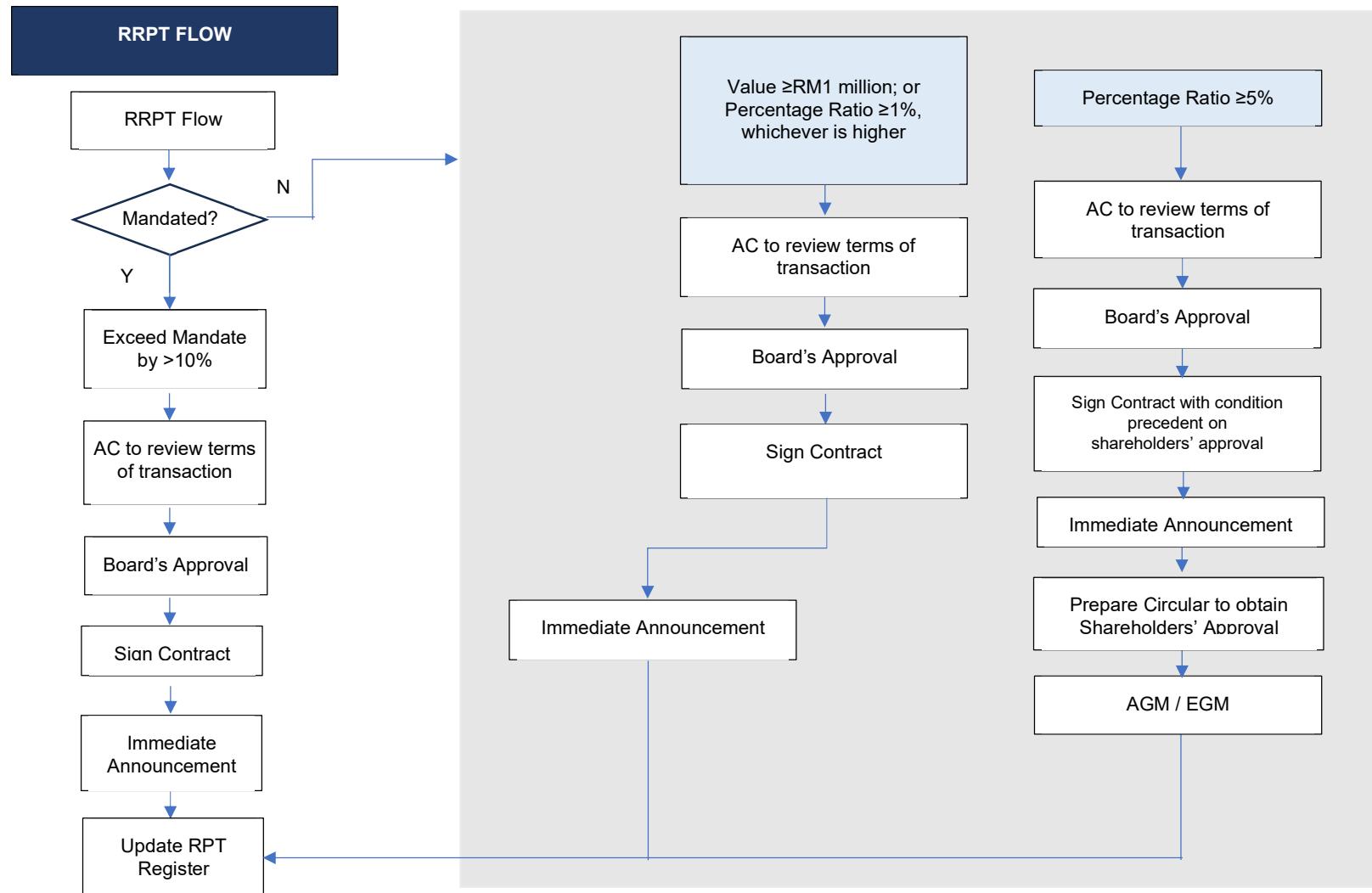
Non-compliance to the disclosure requirement may lead to (among others):

- (i) Private reprimand by Bursa Securities on the Company and/or the Directors
- (ii) Public reprimand by Bursa Securities on the Company and/or the Directors
- (iii) Trading halt
- (iv) Suspension
- (v) De-listing
- (vi) Civil or criminal sanctions on the Company and/or the Directors.

6.3 Overview Diagram for the RPT and RRPT disclosure

An overview of the RPT and RRPT disclosure requirement is depicted in the diagram below:







7. ABSTAIN FROM DECISION MAKING

An Interested Director must abstain from deliberation and voting on the resolution in respect of the RPT/RRPT at the Board meeting. In a general meeting to obtain shareholders' approval, a Related Party with any interest, direct or indirect, including Person Connected to them must not vote on the resolution approving the transaction.

8. POLICY REVIEW

This Policy shall be reviewed by the Board of QL periodically and at least once in every three (3) years.

This Policy was approved and adopted by the Board of QL on 27 February 2025.