



**RT PASTRY HOLDINGS
BERHAD
AND ITS SUBSIDIARIES**

Registration No. 201801014342 (1276358-V)

(Incorporated in Malaysia)

**RELATED PARTY TRANSACTION
POLICIES AND PROCEDURES**

RT PASTRY GROUP



Table of Contents

Abbreviations & Definition:	1
1.0 Purpose and Introduction	2
2.0 Scope	2
3.0 Key Risk Area	2
4.0 Procedures	3
5.0 Disclosure Requirements.....	4-5
6.0 Maintenance of Records.....	5
7.0 RPT Quareterly Review	5-6
8.0 Review of Policy	6



RT PASTRY GROUP

1.0 Introduction and Purpose

- 1.1 The purpose of this Policy is to provide guidance, direction assistance and supervision to ensure RT Pastry Holdings Berhad (“the Company”) and its subsidiaries (collectively known as “RT Pastry Group” or “the Group”) manages its related party transaction with best practices.
- 1.2 To ensure that proper guidelines are established to ensure that a sound system of governing the related party transaction and to ensure all transactions are being performed in accordance to arm’s length principles.
- 1.3 In formulating this policy, the Group has taken into account the requirements contained in the Ace Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) to ensure compliance with the obligations imposed.

2.0 Scope

- 2.1 This policy is to ensure that all RPT and 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.

The related party(ies) is:

- i) A person or other entity that has control or significant influence, direct or indirectly through one or more intermediaries, over the reporting entity;
 - ii) Another entity over which the reporting entity has control or significant influence, direct or indirectly through one or more intermediaries; and
 - iii) Another entity that is under common control with the reporting entity through having:
 - Common controlling ownership
 - Owners who are family members
- 2.2 This Policy applies to the Group and any major shareholder, director and key management personnel, for the duration of their relationship with the Group, whom must comply with the guidelines and principles established in this policy.

However, this policy does not generally apply to business transactions made in the ordinary course of business between entities controlled by the Group.

3.0 Key Risk Area

- 3.1 The risk involved in identifying related party transactions are as set out below:
 - i) Failure to prevent illegal and improper activities
 - ii) Inadequate disclosure of related party activity in financial reports
 - iii) Lending of resources to related parties without proper approval
 - iv) RPTs may not be given accounting recognition or lead to fraudulent financial reporting
 - v) Not easy to identify RPT as the persons involved might try to conceal the matter
 - vi) Complicated organization structure
 - vii) Lack of awareness of RPT

RT PASTRY GROUP



4.0 Procedures

- 4.1 The Board should review all transactions that are carried out by the Group and make sure that they comply with principles of honesty, equality, publicity, fairness, and shall not be against the interest of the Group and the shareholders.
- 4.2 The Compliance or Finance Department shall review all directorships and current suppliers and customer data to identify any potential RPT.
- 4.3 Transactions between the Group and related parties should involve a written agreement, which clearly states the rights and obligations of each party and their legal responsibilities.
- 4.4 The Group should not approve and decide on any related party transaction if:
 - i) The object of transaction is unclear; or
 - ii) the transaction price is unconfirmed.
- 4.5 The Board and key senior management of the Group have the obligation to follow closely and disclose where there are problems of misappropriation of funds by related parties or other violations of the interests of the Group.
- 4.6 If the occupation of transfer of funds, assets or other resources by the related party results in any loss, or possible loss of the Group, the Board of the Group can seek consultation from the company solicitors for advice in preservation of property and other protective measures to avoid or reduce loss. Legal action can be taken when necessary.
- 4.7 If there is any new purchase request in between the Group and related party(ies), approval on that request can only be given when the following conditions are met:
 - i) Supported by at least three (3) quotations with two (2) quotations issued from external parties; and
 - ii) The quotation is not the highest among three (3) quotations.
- 4.8 Whenever the cumulative purchase transactions exceed RM100,000 for the past twelve (12) months, any exceeded transactions must obtain approval from the Board.
- 4.9 All the RPTs and RRPTs shall be presented to the Audit and Risk Management Committee (“ARC”) for review to ensure that 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 ARC shall then report to the Board of Directors for further action if necessary.
- 4.10 In reviewing these transactions, the ARC 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 ARC 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.

RT PASTRY GROUP



5.0 Disclosure Requirements

5.1 RPT

5.1.1 The Group must make an immediate announcement to Bursa Securities of a RPT, where the percentage ratio is 0.25% or more after the terms of the transaction has been agreed, unless:

- i) the value of the consideration of the transaction is less than RM200,000.00; or
- ii) it is a RRPT

5.1.2 If the percentage ratio for the RPT is 5% or more, the Company must:

- i) make an immediate announcement to Bursa Malaysia Securities as soon as possible after terms of the transaction have been agreed.
- ii) furnish the Bursa Securities, in a separate letter, the percentage ratios applicable to such transactions.
- iii) sub rules (i) and (ii) of the above do not apply to a transaction where the value of consideration of the transaction is less than RM200,000.00

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

- i) appoint a Sponsor or Adviser, as the case may be, before the terms of the transaction are agreed upon;
- ii) issue a circular to the shareholders; and
- iii) obtain the shareholders' approval of the transaction in a general meeting.

5.2 RRPT

5.2.1 Under paragraph 10.09 of the Listing Requirements, the Company with an issued and paid-up capital of RM60 million and above, must immediately make an announcement of a RRPT if:

- i) the consideration, value of the assts, capital outlay or costs of the RRPT is RM1 million or more; or
- ii) the percentage ratio of such RRPT is 1% or more

whichever is the higher.

5.2.2 Under paragraph 10.09 of the Listing Requirements, the Company with an issued and paid-up capital of RM60 million and below, must immediately make an announcement of a RRPT if:

- i) the consideration, value of the assts, capital outlay or costs of the RRPT is RM1 million or more; or
- ii) the percentage ratio of such RRPT is 1% or more

whichever is the lower

5.2.3 The Company may seek a Mandate from its shareholders for RRPTs which are necessary for its day-to-day operations, subject to the following:

RT PASTRY GROUP



- i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party(ies) than those generally available to the public;
- ii) 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;
- iii) 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;
- iv) 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;
- v) 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
- vi) where the Company has procured the shareholders' Mandate, the provisions of Paragraph 10.08 of the AMLR on RPT shall not apply.

6.0 Maintenance of Records

- 6.1 The Board and major shareholders will be required to sign a form of declaration (refer to Appendix A) which shall be kept securely by the Compliance 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].
- 6.2 Compliance 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.

7.0 RPT Quarterly Review

- 7.1 All RPTs shall be reviewed by the the Compliance Department from time to time to ensure compliance with the Listing Requirements and any applicable laws. The findings shall then be reported to the ARC and where necessary to the Board.
- 7.2 The ARC 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.

RT PASTRY GROUP



- 7.3 All reviews by the ARC are reported to the Board for further action. In its review and approval of such transactions, the ARC may, as it deems fit, request for additional information pertaining to the transactions from independent sources or professionals.

8.0 REVIEW OF POLICY

- 8.1 This Policy may be reviewed and amended, at the Board of Directors' discretion from time to time, as and when necessary, to ensure its relevance and effectiveness in keeping with the Company's changing business environment, administrative or operational needs as well as changes to legislations. Changes to the Policy, if any, shall only be made with the Board of Directors' approval in writing.

This Related Party Transaction Policy was adopted by the Board of the Company on (DD/MM/YYYY).



Related Party Declaration Form



This form is required to be completed in respect of all major shareholders, directors and key management personnels of RT Pastry 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 had transacted and/or likely to have transaction with the Company and subsidiaries.

Name of related party	Relationship	Shareholding (where relevant)	Position Held	Nature of Transactions	Transaction value (RM)	Period

(A) Past 12 months

(A) Future 12 months

Name of related party	Relationship	Shareholding (where relevant)	Position Held	Nature of Transactions	Transaction value (RM)	Period

Declared by:

 Name :
 Company:
 Position:
 Date: