

## Related Party Transactions Policy

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### THIS POLICY APPLIES TO:

- MST Golf Group Berhad (Registration No.: 199301009307 (264044-M))
- MST Golf Sdn Bhd (Registration No.: 198901011987 (189294-P))
- MST Golf Management Sdn Bhd (Registration No.: 200101013452 (549209-A))
- MST Golf Arena Sdn Bhd (Registration No.: 199801015399 (471528-D))
- MST Golf (Singapore) Pte Ltd (Registration No.: 200002124N)
- PT MST Golf Distribution (Registration No. 1309230100973)
- PT MST Golf Indonesia (Registration No. 809230095096)
- Unless otherwise specified, any other companies that may become subsidiaries of MST Golf Group Berhad after the effective date of this document.

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### ADOPTION & REVISION HISTORY:

Rev.	Effective Date	Description	Approved by
0	27 May 2024	Formal Adoption	Board of Directors

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## 1. INTRODUCTION

- 1.1. MST Golf Group Berhad ("Company") and its subsidiaries as listed in the cover page of this document (collectively including the Company, "Group") adopt this Related Party Transactions ("Policy") to ensure that all related party transactions ("RPT") and recurring RPT ("RRPT") shall be undertaken on an arm's length basis on transaction price and on normal commercial terms that are not more favourable to the Related Party(ies) than those generally available to the public and not to the detriment of the minority shareholders.
- 1.2. This Policy takes into account all RPT requirements as prescribed under the Companies Act 2016 (the "Act") and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").
- 1.3. All capitalized words and phrases used in this Policy, unless otherwise herein defined, shall carry the same definition as used in Chapter 10 of the MMLR.

## 2. GENERAL PRINCIPLES

- 2.1. This Policy shall be read and complied with in conjunction with Chapter 10 or the MMLR. In the event of discrepancy between the contents of this Policy and those the MMLR, the latter shall prevail.
- 2.2. The Group shall only enter into RPT or RRPT after taking into account the pricing, quality, delivery schedules, and other related factors which shall be determined based on prevailing rates/prices of the goods and services according to their usual commercial term. In the event that quotation or comparative pricing from third parties cannot be obtained, the transaction price shall be determined by our Group based on applicable industry norms and at rates not more favourable to the Related Parties than those generally available to the public.
- 2.3. Where practical or feasible, at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities shall be used as comparison, 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. However, for certain transactions, the terms of the transactions (including pricing) cannot be compared with unrelated third parties, the terms of these transactions are negotiated on a willing buyer willing seller basis and based on the Group's usual business practices. Nevertheless, the Group shall ensure that the RPTs and RRPTs are not detrimental to the Group.
- 2.4. The transacting department/subsidiary shall ensure that no preference is given to a Related Party prior to initiating the transaction. Where practicable, the transacting department/subsidiary shall obtain an independent review of the RPT. In any event, there should be proper documentation relating to the basis under which the RPT was entered into.

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

### **3. IDENTIFICATION OF RELATED PARTIES**

- 3.1. Every director and senior management of the Group shall:

3.1.1. at the time of appointment;

3.1.2. periodically as required by the Company; and

3.1.3. whenever there is any change in the information already submitted,

provide the Group's finance department ("Finance Dept") with the requisite information about his/her related parties and all firms, entities, body corporates, in which he/she is interested, whether directly or indirectly, to the Group.

- 3.2. The Finance Dept shall ensure the latest register of Related Parties is circulated to all heads of departments ("HOD") and published in the Group's intranet.

- 3.3. If a proposed transaction is to be entered with any of the parties identified as a Related Party, the proposed transaction shall be deemed a RPT unless it is not regarded as RPT under the MMLR. The relevant HOD or officer-in-charge of the companies (the "Relevant Personnel") is required to report such a transaction to the Group's Chief Finance Officer ("CFO").

- 3.4. The Finance Dept is to be contacted whenever in doubt as to whether the proposed transaction is an RPT.

### **4. APPROVALS OF RELATED PARTY TRANSACTIONS**

- 4.1. In addition to the shareholders' approvals as required by Chapter 10 of the MMLR, the Group's RPTs and RRPTs shall also be subject to the authorized approval as stipulated in the Group's Delegation & Limits of Authority ("DLOA"). Under the DLOA, all RPTs and RRPTs that require shareholder's approval outside of the shareholders' mandate or that require to be disclosed to Bursa Malaysia shall be subject to prior approvals by the Board, while the rest of the RPTs and RRPTs require the joint approvals of any two of the Executive Directors.

- 4.2. The transacting department/subsidiary shall ensure authorized approvals are obtained as per the DLOA (section titled "Related Party Transactions") prior to entering into or committing to enter into any RPT or RRPT.

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### **5. REVIEW OF RELATED PARTY TRANSACTIONS**

- 5.1. All RPTs and RRPTs which are entered into shall be recorded by the Finance Dept and shall be reviewed by the ARMC on a quarterly basis.
- 5.2. In reviewing the RPTs and RRPTs, the ARMC, if necessary, may request additional information from independent sources or advisors.
- 5.3. If a member of the Board or ARMC has an interest (whether direct or indirect) in any RRPTs, he/she (or his alternate, where applicable) shall abstain from any decision making by the Board or ARMC in respect of such transactions and will continue to abstain from voting on such resolutions approving the transactions.
- 5.4. The annual internal audit plan shall incorporate a review of all RRPTs entered into pursuant to the Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures are followed. Any divergence will be reported to the ARMC.

### **6. ROLES AND RESPONSIBILITIES**

- 6.1. The follow stipulates the roles and responsibilities with regards to RPT and RRPT:
  - 6.1.1. Finance Dept:
    - (a) To ensure that the Register of RPT and RRPT is up-to-date at all times; and
    - (b) The CFO shall table the updated Register of RPT and RRPT to the ARMC on a quarterly basis.
    - (c) To seek Shareholders' mandate for RRPT every year.
  - 6.1.2. Company Secretary
    - (a) To update and advise the Board, ARMC and Senior Management of any amendments to the MMLR in relation to RPT and RRPT; and
    - (b) To advise and assist the Board, ARMC and Senior Management on compliance with the disclosure requirement of the MMLR with respect to RPTs and RRPTs.
  - 6.1.3. Head of subsidiaries and HODs:
    - (a) To identify the nature of each RPT/RRPT and their respective values based on the register of Related Party;
    - (b) Monitor the actual value of each RPT and RRPT and update the Finance Dept on the same on a monthly basis;

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- (c) To notify the Finance Dept at least 5 business days in advance of any RPT/RRPT that requires or may require immediate announcement to Bursa Securities; and
- (d) To provide the necessary information to the Finance Dept and internal/external auditors to facilitate review of RPTs and RRPTs.

### 6.1.4. Internal and External Auditors:

- (a) To conduct annual review of the RPTs and RRPTs entered into within the financial year to ensure that:-
  - i. The RPTs/RRPTs entered into by the Group comply with this Policy as well as the MMLR.
  - ii. The records made in the Register of RPT and RRPT are accurate and complete and supported by the relevant documents; and
  - iii. Adequate and effective RPT internal controls are in place.
- (b) To report any deviation to the Policy and the findings of the annual review to the ARMC.

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