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**GO HUB CAPITAL BERHAD**

[Registration No. 202201019895 (1465592-V)]

(Incorporated in Malaysia)

# **RELATED PARTY TRANSACTIONS POLICY**

## **1. PREFACE**

- 1.1. Go Hub Capital Berhad ("**the Company**") is principally an investment holding company whilst its subsidiaries are principally involved in the provision of enterprise IT services, focusing on transportation IT solutions (including customised software development systems and integration of hardware and software systems) in the bus and rail segments as well as extended to include maintenance, support and terminal management services for the solutions delivered.
- 1.2. It is anticipated that the Company and its subsidiaries ("**the Group**") would, in ordinary course of business, enter into transactions of a revenue or trading nature with a related party or parties.
- 1.3. All related party transactions ("**RPT**"), as those terms are defined in this RPT Policy ("**Policy**"), shall subject to approval or ratification in accordance with the procedures set forth below.
- 1.4. This Policy is meant for internal consumption and shall be circulated to the authorised groups and related personnel to implement this Policy only.

## **2. DEFINITIONS**

- 2.1 "**Chief Executive**" in relation to a corporation, means the principal executive officer of the corporation for the time being, by whatever name called, and whether or not he is a Director.
- 2.2 "**CMSA**" means the Capital Markets and Services Act 2007.
- 2.3 "**Director**" has the meaning given in section 2(1) of the CMSA 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) a Director of the listed corporation, its subsidiary or holding company; or
  - (b) a Chief Executive of the listed corporation, its subsidiary or holding company.
- 2.4 "**family member(s)**" in relation to a person means such person who falls within any one (1) of the following categories:-
  - (a) spouse;
  - (b) parent;
  - (c) child including an adopted child and step-child;
  - (d) brother or sister; and
  - (e) spouse of the person referred in points (c) and (d) above.
- 2.5 "**major shareholder**" means a person who has an interest or interests in one (1) or more voting shares in a corporation and the number or aggregate number of those shares, is:-

- (a) 10% or more of the total number of voting shares in the corporation; or
- (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.

For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Companies Act 2016 ("**CA 2016**"). It also 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 Major Shareholder of the listed corporation or any other corporation which is its subsidiary or holding company.

2.6 "**person connected**" in relation to any person (herein referred to as "**said Person**") means such person who falls under any one (1) of the following categories:-

- (a) a family member of the said Person;
- (b) 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;
- (c) a partner of the said Person;
- (d) 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;
- (e) 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;
- (f) 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
- (g) a body corporate which is a related corporation of the said Person.

2.7 "**related party**" means a Director, major shareholder or person connected with such Director or major shareholder.

2.8 "**Recurrent Related Party Transaction**" means a RPT which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of a listed corporation or its subsidiaries ("**RRPT**").

2.9 "**related party transaction**" means a transaction entered into by the listed corporation or its subsidiaries which involves the interest, direct or indirect, of a related party.

### **3. COMPLIANCES**

It is the Group's intention to always uphold and practice good corporate governance, and all parties delegated with authorities to execute any transaction on behalf of any members of the Group are reminded that in spite of the limits of authority delegated to them, they are to ensure that good corporate governance practice are also being upheld and one (1) of the areas under corporate governance relates to transactions with related parties.

This Policy is designed to ensure the RPT 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 and are not on terms that are detrimental to the minority shareholders of the Company.

In relation to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**ACE LR**"), compliance with the ACE LR is one (1) of the pre-requisites for a company to continue to be listed. This Policy is intended to comply with Chapter 10 of the ACE LR. Notwithstanding anything herein to the contrary, this Policy shall be interpreted only in such a manner as to comply with Chapter 10 of the ACE LR. Failure to comply with the ACE LR will amount to a breach in respect of which actions may be taken or penalties may be imposed or both.

In any circumstance where this statement of policies and procedures differs from any existing or newly enacted law, rule or regulation governing the Company, the law, rule or regulation will take precedence over these policies and procedures until such time as the policies and procedures are being updated to conform to the law, rule or regulation.

Pursuant to Rule 10.08 of the ACE LR:-

- (1) Where any one (1) of the percentage ratios of a RPT is 0.25% or more, a listed corporation must announce the RPT to the Exchange as soon as possible after terms of the transaction have been agreed, unless:-
  - (a) the value of the consideration of the transaction is less than RM200,000; or
  - (b) it is a RRPT.
- (2) Where any one (1) of the percentage ratios of a RPT is 5% or more, in addition to Rule 10.08(1), a listed corporation must:-
  - (a) engage the services of a Sponsor or Adviser, as the case may be and appoint an independent adviser, before the terms of the transaction are agreed upon;
  - (b) send a circular to the shareholders. The circular must be submitted to the Exchange together with a checklist; and
  - (c) obtain its shareholders' approval of the transaction in a general meeting.

Pursuant to Rule 10.09 of the ACE LR:-

- (1) Notwithstanding Rule 10.08(1)(b), a listed corporation must immediately announce a RRPT as follows:-
  - (a) in relation to a listed corporation with a share capital of RM60 million and above:-
    - (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 such RRPT is 1% or more,whichever is the higher; or
  - (b) in relation to a listed corporation with a share capital which is less than RM60 million:-
    - (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 such RRPT is 1% or more,whichever is the lower.
- (2) A listed corporation may seek a mandate from its shareholders for RRPT.

#### **4. POLICIES AND PROCEDURES**

- 4.1. The transactions with the related party or parties will only be entered into after taking into account the pricing, quality of product, expertise and other related factors. The transaction prices will be determined by market forces which will depend on the supply and demand of the products and subject to the availability of the products in the market or at prices similar to those prices for transactions with unrelated third parties including, where appropriate, preferential rates and discounts accorded for bulk purchases (the same as are accorded to third party bulk purchase).
- 4.2. The terms and conditions of the transactions will be determined by the product provider's usual commercial terms or in accordance with applicable industry norms.
- 4.3. Records will be maintained by the Company to record all the identified related parties and transactions entered into with the related party or parties. In the event that the proposed transaction is to be entered into with any of the related parties, such proposed transaction shall be reported to the Finance Director/ Chief Financial Officer/ Head of Finance to ascertain the compliance requirements under the ACE LR. For RRPT, it is pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to.
- 4.4. At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related party or 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.

4.5. There are many ways to analyse the pricing of a product or service. To in line with the Group's transfer pricing documentation, some of the techniques recommended include:-

- **Comparison of Competitive Bids**

This is one (1) of the best means for validating price. By asking two (2) or more suppliers for their quotations of the same products/services, we can determine if a particular price is reasonable. A brief statement as to why a particular quotation is being selected is required.

- **Comparison of Published Price List**

This method should only be used for materials that are sufficiently similar to items or services that are available to the general public and whose price would appear in a published price list. However, when comparing these price lists, it is also important to consider standard industry discounts applicable for the items or services.

- **Prices Set by Law or Regulation**

Some prices are set by a law or regulation. When this occurs, there is usually a "pronouncement" of some form type that references the pricing structure. This must be referenced when procuring such items.

- **Similar Item Comparison**

When an item or service is fairly unique, it is possible to compare items that are similar to those being purchased. A statement as to why the common item will not meet the specification should accompany the price comparison.

4.6. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), it is vital to state how the transaction price will be determined and ensure that the RRPT is not detrimental to the Company or the Group.

4.7. All Directors are required to declare and disclose immediately any transaction in which they are deemed interested and such transactions must be subject to the scrutiny of the ARMC.

Major shareholders are required to declare and disclose any transaction in which they are deemed interested as and when required and such transactions must be subject to the scrutiny of the ARMC.

In addition, the Directors and major shareholders have to give their undertakings that all business transactions entered into between the Group and themselves and/or Person Connected with them shall be negotiated on and agreed at arm's length basis on normal commercial terms which are not

more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

- 4.8. The ARMC reviews and monitor RPT/RRPT on a quarterly basis to ensure that these transactions are carried out on fair, reasonable and 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 as well as in the best interest of the Company. All reviews by the ARMC are reported to the Board for further action. In its review and approval of such transactions, the ARMC may, as it deems fit, request additional information pertaining to the transactions from independent sources or professionals.

## **5. THRESHOLD FOR APPROVAL**

The threshold for RPT and/or RRPT shall be in accordance with the ACE LR.

The authority is granted to the Chief Executive Office of the Company to consider and approve a transaction with the value of the consideration less than RM200,000.00, considering provide flexibility to the daily operation within the ordinary course of business of the Group.

Management or Directors need to notify the ARMC immediately when there is any RPT. Where any Director has an interest (direct or indirect) in any transactions, such Directors shall abstain from deliberation and voting on the matter.

## **6. REPORTING AND DISCLOSURE**

Disclosure will be made via announcement to Bursa Securities as soon as possible after the terms of the transaction have been agreed or in the Company's Annual Report in accordance with the ACE LR.

## **7. GOVERNANCE AND CUSTODIAN OF THIS POLICY**

7.1 The Finance Director/ Chief Financial Officer/ Head of Finance or any designated officer identified by the Chief Executive Officer shall be the custodian of this Policy and be responsible to propose any update to this Policy for the consideration of the ARMC, in tandem with any regulatory changes or trend on related party disclosures.

7.2 In line with the CA 2016, Malaysian Code on Corporate Governance, as well as the ACE LR, this Policy has been established to formalise the process and procedures for the disclosure of the RPT and/or RRPT disclosures. As the designated Board Committee overseeing the risk management framework of the Group, the ARMC shall oversee the governance and relevance of this Policy.

**8. REVIEW OF THIS POLICY**

The ARMC shall review regularly and assess the appropriateness of this Policy. Any requirement for amendment shall be deliberated by the ARMC and any recommendation for revisions shall be highlighted to the Board for approval.

**9. REVISION OF THIS POLICY**

The provisions of this Policy can be amended and supplemented from time to time as recommended by the ARMC to the Board for consideration and approval.

**10. EFFECTIVE DATE**

This Policy is effective from 19 September 2023.

History:-

<b>Document No.</b>	<b>Version No.</b>	<b>Board's Approval Date</b>	<b>Effective Date</b>
GO-015	1.0	19 September 2023	19 September 2023

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