



## **RELATED PARTY TRANSACTION POLICY AND PROCEDURES**

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### **1. INTRODUCTION**

CCK Consolidated Holdings Berhad (“the Company”) recognises that Related Party Transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company’s and its shareholders’ best interests. Therefore, this policy has been adopted by the Board of Directors in order to set forth:

- (i) the procedures for which the Related Party Transactions are identified, reviewed and approved or ratified by the Audit Committee; and
- (ii) the disclosure requirements for Related Party Transactions.

### **2. DEFINITIONS**

For the purposes of this policy, the following definitions apply:

#### **(A) Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”)**

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“**Chief Executive**” means the principal executive officer of the Company for the time being, by whatever named called, and whether or not he is a director.

“**Director**” shall have the meaning given in Section 2 of the Companies Act 2016 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 or a chief executive of the Company, its subsidiaries or holding company.

“**Major Shareholder**” means a person who has an interest or interests in one (1) 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.

This includes any person who is or was within preceding six (6) months of the date on which the terms of the transactions were agreed upon, a major shareholder of the Company, its subsidiaries or holding company. For the purpose of this definition, “**interest**” shall have the meaning of “**interest in shares**” given in Section 8 of the Companies Act 2016.



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**“Person Connected”** shall have the same meaning as in Paragraph 1.01 of the Listing Requirements, means such person who falls under any one of the following categories:

- (a) a family member of the said person, includes spouse, parent, child (including adopted child and step-child), brother or sister, and spouse of child, brother or sister;
- (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 related corporation of the said Person.

**“Related Party”** means a Director, Major Shareholder or person connected with such Director or Major Shareholder.

**“Related Party Transaction”** means a transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a related party.

**“Recurrent Related Party Transaction”** means a related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of the Company or its subsidiaries.

### **(B) Pursuant to Malaysian Financial Reporting Standards (“MFRS”)**

All companies must comply with **MFRS 134, *Interim Financial Reporting*** which requires details of transactions between a related party with CCK or its subsidiaries to be disclosed in the quarterly report on Consolidated Financial Results of CCK in accordance with **MFRS 124, *Related Party Disclosures***.

A **“related party”** is a **person** or **entity** that is related to the entity that is preparing its financial statements (referred to as the **“reporting entity”**).

- (1) A **“person”** or a close member of that person’s family is related to a reporting entity if that person:



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- (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (2) An “**entity**” is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - (vi) The entity is controlled or jointly controlled by a person identified in (1);
  - (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (3) a “**related party transaction**” is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.
- (4) “**Close members of the family of a person**” are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:
- (a) that person’s children and spouse or domestic partner;
  - (b) children of that person’s spouse or domestic partner; and
  - (c) dependants of that person or that person’s spouse or domestic partner.

### 3. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

Related Party shall promptly notify the Company of any interest such person or an immediate family members of such person had, has or may have in a Related Party Transaction.

### 4. PROCEDURES FOR RELATED PARTY TRANSACTIONS

The following procedures shall in place to ensure that Related Party Transactions are conducted at arm’s length basis and on normal commercial terms consistent with the



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Company's usual business practices and policies, which are not more favourable to the Related Parties than those generally available to the public and are not prejudicial to the interests of the minority shareholders:

- (a) The Audit Committee shall review, at least on a quarterly basis, all the Related Party Transactions. The Audit Committee shall have the right of access to information on the Related Parties and is entitled to the services of an independent advisor, if required, in the discharge of their duties.
- (b) At least two (2) other contemporaneous quotations from unrelated third parties for similar product/services and/or quantities shall be used as 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.

In the event that quotations or comparative pricing from unrelated third parties cannot be obtained, the transaction price shall be determined basing on the normal margin for similar or comparable products but such that the transaction is not detrimental to the Company and its subsidiaries.

- (c) Records shall be maintained by the Company to capture all Related Party Transactions to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to.
- (d) The thresholds for the approval of Related Party Transactions within the Company and its subsidiaries are as follows:

Approving Authority	Limit of Authority
General Manager / Executive Director	Below RM100,000
Managing Director	RM100,000 - RM500,000
Audit Committee	Above RM500,000

- (e) Where any member of the Audit Committee is interested in any Related Party Transaction, that member shall abstain from deliberation and voting on any matter relating to any decisions to be taken by the Audit Committee with respect to such transactions.

## 5. DISCLOSURE

All Related Party Transactions shall be disclosed pursuant to the **Listing Requirements** and in accordance with the requirements of **FRS 124, Related Party Disclosures**.



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Director, Major Shareholder or person connected with such Director of Major Shareholder of the Company and its subsidiaries are required to disclose Related Party Transactions and Recurrent Related Party Transactions pursuant to Paragraph 10.08(8) and Paragraph 10.09 of the Listing Requirements respectively.

Percentage Ratios which are outlined under Paragraph 10.02(g) of the Listing Requirements are used to determine the materiality of, and disclosure requirements with respect to Related Party Transactions and Recurrent Related Party Transactions.

The Related Party shall complete a **Related Party Transaction Declaration Form** as set out in **Appendix** of this Policy on a quarterly basis and submit to the Company Secretary. All the Forms received shall be escalated to the Audit Committee of the Company at its quarterly meetings for review.

The Company Secretary shall record all declarations, deliberations and decisions with regard to Related Party Transactions and Recurrent Related Party Transactions in minutes of the Audit Committee Meeting.

### 6. RESPONSIBILITIES AND MAINTENANCE OF RECORDS

The Company Secretarial Department shall maintain a proper documentation including Register of Related Party, and to facilitate scrutiny of the Related Party Transactions by auditors and regulators.

The Company Secretary shall update the Directors and Major Shareholders of any new/changes/amendments to the Listing Requirements in relation to disclosure of Related Party Transactions and Recurrent Related Party Transactions, and to obtain shareholders' mandate on the new Recurrent Related Party Transactions and/or subsequent renewal, if necessary.

### 7. REVIEW

The Audit Committee shall review and reassess the adequacy of this Policy periodically, and make such amendments to this Policy as it may deem appropriate.