

RELATED PARTY TRANSACTIONS POLICY

1. DEFINITION:

“Act”	The Companies Act, 2016 and/or any statutory modification, amendment or re-enactment thereof and any and every other legislation for the time being in force made thereunder and any written law for the time being in force concerning companies and affecting the Company for the time being in force.
“ARMC”	Audit and Risk Management Committee of the Company
“Chief Executive”	Principal executive officer of the Company for the time being, by whatever name called, and whether or not he is a Director.
“CMSA”	Capital Markets and Services Act 2007
“Company”	: Handal Energy Berhad (Registration No. 200801015549 (816839-X))
“Directors”	: 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 6 months of the date on which the terms of the transaction were agreed upon: (i) a Director of Company, its subsidiary or holding company; or (ii) a chief executive of Company, its subsidiary or holding company.
“Family”	In relation to a person means such person who falls within any one 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 point (c) and (d) above.
“Group”	: The Company and its subsidiary(ies), including any other future subsidiaries to be incorporated.
“Listing Requirements”	: Main Market Listing Requirements of Bursa Malaysia Securities Berhad including any relevant practice and/or guidance notes, directives, guidelines issued pursuant thereto and any amendment, modification, supplemental to the listing requirements that may be made from time to time.
“Major Shareholder”	A person who has an interest or interests in one or more voting shares in Company and the number or aggregate number of those shares is:

- (i) 10% or more of the total number of voting shares in Company; or
- (ii) 5% or more of the total number of voting shares in Company where such person is the largest shareholder of 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.

“Person”

Includes a body of persons, corporate or unincorporate (including a trust).

“Person connected”

Any person (referred to as “said Person”) means such person who falls under any one 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.

“Proposed Shareholders’ Mandate”

A resolution or authorization sought from a Company’s shareholders for a specific purpose or decision.

“Related Party”

A Director, major shareholder or person connected with such Director or major shareholder.

“Related Party Transaction”

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”

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;

“Transaction”

Transaction include inter-alia the following:

- (i) acquisition, disposal or leasing of assets;
- (ii) establishment of joint ventures;
- (iii) provision of financial assistance;
- (iv) provision of receipt or services; or
- (v) any business transaction or arrangement entered into.

1. INTRODUCTION

It is anticipated that the Group would, in ordinary course of business, enter into transactions of revenue or trading nature with a Related Party(ies).

2. OBJECTIVES

This policy is designed to ensure the Related Party Transactions 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.

3. POLICIES AND PROCEDURES

- 3.1. The transactions with the Related Party(ies) 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).
- 3.2. The terms and conditions of the transactions will be determined by the product provider's usual commercial terms or in accordance with applicable industry norm.
- 3.3. Records will be maintained by the Company to record all the Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("**Proposed Shareholders' Mandate**") to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to.
- 3.4. The ARMC has in place adequate procedures and processes to monitor, track and identify Recurrent Transactions in a timely and orderly manner, and the frequency of review of these procedures and processes.
- 3.5. The ARMC periodically reviews the procedures set by the Company to monitor the Related Party Transactions to ensure that these transactions are carried out on normal commercial terms not more favourable to the Related Party(ies) than those generally available to the public and are not detrimental to the minority shareholders of the Company. All reviews by the ARMC are reported to the Board of the Company for further action. In its review and approval of such transactions, the ARMC may, as it deems fit, request for additional information pertaining to the transactions from independent sources or professionals.
- 3.6. All the Directors and Major Shareholders are required to declare and disclose any transaction in which they are deemed interested and such transactions must be subject to the scrutiny of the ARMC. In addition, the Directors and Major Shareholders have given their undertakings that all business transactions entered into between the Company and themselves and/or Persons 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.
- 3.7. All Related Party Transactions and Recurrent Related Party Transactions will be reviewed by Management of the Company, without the participation of the interested Related Party(ies), on monthly basis, and reported by the Chief Financial Officer of the Company to the ARMC for

review and approval or ratification at least once every quarter, during meeting of the ARMC and Board of the Company, held at least on a quarterly basis.

4. THRESHOLD FOR APPROVAL

The threshold for Recurrent Related Party Transactions will be determined by the ARMC on a yearly basis, subject to the provisions in the Listing Requirements and/or the Act, where necessary. Where any Director has an interest (direct or indirect) in any Recurrent Related Party Transactions, such Director shall abstain from deliberation and voting on the matter.

5. DISCLOSURE

Disclosure will be made in the Company's Annual Report of the breakdown of the aggregate value of Recurrent Related Party Transactions conducted, types of Recurrent Related Party Transactions made, names of the Related Party(ies) involved in each type of Recurrent Related Party Transactions and their relationship with the Company pursuant to the Proposed Shareholders' Mandate during the financial year, and in the Annual Report for the subsequent financial year that the Proposed Shareholders' Mandate continues to be in force.

6. REVIEW

This Policy is to be regularly reviewed by the Board of the Company as and when required to ensure that it continues to remain relevant and appropriate.

This Policy was adopted by the Board of the Company on 17 October 2024.