SRKK AI BERHAD (*FORMERLY KNOWN AS SRKK TECHNOLOGY SDN. BHD.)*

Registration No.: 202101023109 (1423409-A)

RELATED PARTY TRANSACTIONS POLICY AND PROCEDURES

1. OBJECTIVES

(a) To outline the procedures for the purpose of identifying, monitoring, evaluating, reporting and approving related party transactions and recurrent related party transactions.

(b) To comply with Part E, Rules 10.08 and 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and other applicable laws.

2. DEFINITIONS

(a) "**ARMC**" shall mean the Audit and Risk Management Committee of SRKK.

(b) "**Board**" shall mean the Board of Directors of the Company.

(c) "**Bursa Securities**" shall mean Bursa Malaysia Securities Berhad.

(d) "**Company**" or "**SRKK**" shall mean SRKK AI Berhad *(formerly known as SRKK Technology Sdn. Bhd.).*

(e) "**SRKK Group**" or "**the Group**" shall mean SRKK and its subsidiary(ies).

(f) "**Director**" shall have 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 six (6) months from the date on which the terms of the transaction were agreed upon:-

(i) a director of the listed corporation, its subsidiary(ies) or holding company; or
(ii) a chief executive of the listed corporation, its subsidiary(ies) or holding company.

(g) "**Family**" in relation to a person means such person who falls within any one (1) of the following categories:

(i) spouse;
(ii) parent;
(iii) child including an adopted child and step-child;
(iv) brother or sister; and
(v) spouse of the person referred to in points (g) (iii) and (iv) above.

(h) "**Listing Requirements**" shall mean ACE Market Listing Requirements of Bursa Securities.

(i) "**Major Shareholder**" 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 as defined under Rule 1.01 of Listing Requirements or any other corporation which is its subsidiary or holding company.

(j) “**Person connected**” in relation to a Director or Major Shareholder, means such a person who falls under any one (1) of the following categories:-

(i) family member of the Director or Major Shareholder;

(ii) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director or Major Shareholder, or family member of the Director or Major Shareholder, is the sole beneficiary;

(iii) a partner of the Director or Major Shareholder, or a partner of a person connected with that Director or Major Shareholder;

(iv) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;

(v) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;

(vi) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;

(vii) a body corporate or its directors, in accorance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;

(viii) a body corporate in which the Director or Major Shareholder, or persons connected with him/her 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

(ix) a body corporate which is a related corporation.

(k) “**Recurrent Related Party Transaction**” or “**RRPT**” shall mean 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 and which has been made or will be made by the Company and/or its subsidiaries at least once in three (3) years in the course of its business.

(l) “**Related Party**” shall mean Director, Major Shareholder or person connected with such Director or Major Shareholder of the Company, its subsidiary(ies) or holding company.

(m) “**Related Party Transaction**” or “**RPT**” shall mean a transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party.

(n) “**Transaction**” shall mean the acquisition, disposal or leasing of assets, the establishment of joint ventures, the provision of financial assistance, the provision or receipt of services or any business transaction or arrangement entered into, by the Company or its subsidiary(ies) but excludes transactions entered into between the Company (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary(ies).

3. IDENTIFICATION OF RELATED PARTIES

(a) The list of Related Parties (which is not exhaustive) will be compiled and kept by the Group Finance & Admin Department and circulated within the Group (i.e. the Group Finance & Admin Department and its head of subsidiaries) annually.

(b) The Company and all its subsidiaries are advised to understand and familiarise themselves with the list of Related Parties when entering into any transaction.

(c) In the event that the proposed transaction is to be entered into with any of the Related Parties as identified in the list of Related Parties, such proposed transaction shall be reported to the Group Finance & Admin Department to ascertain the compliance requirements under the Listing Requirements.

4. REPORTING PROCESS AND APPROVING AUTHORITY FOR RPT AND RRPT

(a) RPT

(i) Before entering into a Transaction, the originator/buyer must notify and furnish the details of the contract/agreement/transaction to the Group Finance & Admin Department for verification of whether it is a RPT.

(ii) The Group Finance & Admin Department will compute the percentage ratio in accordance with formulas that are provided in the Listing Requirements as set out in **Appendix I** and ensure the compliance requirements as set out in **Appendix II.**

(iii) RPT which is below RM200,000 in aggregate is subject to the approval of the Chief Financial Officer, Chief Executive Officer or Executive Director(s) of the Company. If the Chief Executive Officer or the Executive Director of the Company has an interest in the RRPTs, he or she shall abstain from any deliberation and decision-making procedure and approval from the Chief Financial Officer shall be sought. The Board's approval is not required for RPTs with value less than RM200,000.

(iv) RPT which is RM200,000 in aggregate shall be reviewed and approved by the ARMC and the Board before the Transaction is entered into. If any member of the ARMC or the Board has an interest in the RRPTs, approval shall be sought from the remaining non-interested members of the ARMC and the Board.

(v) The ARMC and the Board shall satisfy that the RPT is:-

- in the best interest of the Company;
- fair, reasonable and on normal commercial terms; and
- not detrimental to the interest of the minority shareholders.

(vi) Submit the announcement for the RPT to the Board for deliberation and approval based on the ARMC's recommendation when any one (1) of the percentage ratios of the RPT is 0.25% or more. The announcement is not required if the value of the consideration of the RPT is less than RM200,000 or if it is a RRPT.

(vii) If a member of the ARMC, the Board or the Board of the Company's subsidiary has any interest (direct or indirect), in the RPT, he/she shall:

- declare his/her interest in the RPT and abstain from any deliberation and decision making by the ARMC, the Board, or the Board of the Company's subsidiary(ies) in respect of such RPT and continue to abstain from voting on the resolution approving the RPT; and

- undertake that he/she will ensure that persons connected with him/her abstain from voting on the resolution deliberating or approving the proposal at the general meeting.

(viii) The Group Finance & Admin Department will maintain and update a Register of RPTs and ensure that all relevant announcements are released to Bursa Securities accordingly.

(ix) The Internal and External Auditors to review the Register of RPTs on an annual basis.

(x) The Group Finance & Admin Department shall report the RPTs to the ARMC and the Board on a quarterly basis and disclose any material RPTs in the quarterly report to Bursa Securities.

(b) RRPT

(i) Before entering into a Transaction, the originator/buyer must notify and furnish the details of the contract/agreement/transaction to the Group Finance & Admin Department for verification of whether it is a RRPT.

(ii) The Group Finance & Admin Department will:

- maintain and update the Register of RRPTs.

- monitor the threshold of the RRPT and ensure that an immediate announcement is made if:-

  - in relation to a listed corporation with a share capital of RM60 million and above -

    - the consideration, value of the assets, capital outlay or costs of RRPT is RM1 million or more; or

- the percentage ratio of the RRPT is 1% or more,

whichever is the higher.

- in relation to a listed corporation with a share capital which is less than RM60 million -
  - the consideration, value of the assets, capital outlay or costs of RRPT is RM1 million or more; or
  - the percentage ratio of the RRPT is 1% or more,

whichever is the lower.

- monitor the threshold of the RRPT and ensure that an immediate announcement is made when the actual value of RRPT exceeds the estimated value of the RRPT disclosed in the circular (shareholders' mandate for RRPT, if any) by 10% or more.

(iii) Internal and External Auditors to review the Register of RRPTs on an annual basis.

(iv) The pricing for services and products to be provided/supplied and/or received will be determined based on the Group's business practices and policies to ensure that prices and terms and conditions are based on competitive prices of similar products and services in the open market.

(v) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as a 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.

(vi) In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on prevailing market rates/prices that are agreed based on usual business practices and policies and on terms that are generally in line with industry norms in order to ensure that the RRPT is not detrimental to the Company or the Group.

(vii) The RRPT which is below RM1.0 million in in aggregate or 1% of any percentage ratios, whichever is lower, is subject to the approval of the Chief Financial Officer, Chief Executive Officer or the Executive Director of the Company. If the Chief Executive Officer or the Executive Director of the Company has an interest in the RRPTs, he or she shall abstain from any deliberation and decision-making procedure and approval from the Chief Financial Officer shall be sought.

(viii) The RRPT which is above RM1.0 million in aggregate or 1% of any percentage ratios, whichever is lower, shall be reviewed and approved by the ARMC and the Board before the transaction is entered into. If any member of the ARMC or the Board has an interest in the RRPTs, approval shall be sought from the remaining non-interested members of the ARMC and the Board.

(ix) The ARMC shall review the findings of internal audit reports relating to the RRPT (if any).

(x) Any member of the ARMC may, as he/she deems fit, request for additional information pertaining to the transaction from independent sources or advisers, including obtaining of valuation from professional valuers or advisers.

(xi) If a member of the ARMC, the Board or the Board of the Company's subsidiary(ies) has any interest (direct or indirect), in the RRPT, he/she shall:

- declare his/her interest in the RRPT and abstain from any deliberation and decision making by the ARMC, the Board or the Board of the Company's subsidiary(ies) in respect of such RRPT and continue to abstain from voting on the resolution approving the transactions; and

- undertake that he/she will ensure that persons connected with him/her abstain from voting on the resolution deliberating or approving the proposal at the general meeting.

(xvi) The Group Finance & Admin Department shall report to the ARMC and the Board on the RRPT on a quarterly basis and disclose the RRPT in the quarterly report to Bursa Securities.

(xvii) The Company may seek a mandate from its shareholders for the RRPTs subject to the following:-

- the transactions are entered into in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;

- 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 shareholder mandate during the financial year where the aggregate value is equal to or more than a prescribed threshold under subparagraph (ii) above;

- the Company's circular to shareholders for the shareholder mandate includes such information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a compliance checklist;

- at the general meeting to obtain the shareholders' mandate, the interested related party must abstain from voting on the resolution approving the RRPT. An interested related party must ensure that the persons connected with him abstain from voting on the resolution in respect of RRPT;

- The Company must immediately announce to Bursa Securities when the actual value of a RRPT, exceeds the estimated value of the RRPT as disclosed in the circular by 10% or more and must include such information as may be prescribed by Bursa Securities in its announcement; and

- Where the Company has procured the shareholders' mandate, the provisions of Rule 10.08 of the Listing Requirements on the RPT shall not apply.

5. MAINTENANCE OF RECORDS

(a) The Group Finance & Admin Department shall keep the list of Related Parties and Directors and Major Shareholders' declaration forms.

(b) The Group Finance & Admin Department shall keep the Registers of RPTs and RRPTs and ensure proper maintenance and retention of documentation. Such documentation should be readily accessible to regulators and other interested parties.

6. MODIFICATION

The ARMC and the Board reserve the right to modify or amend this Policy at any time as it may deem necessary to align the policy with Listing Requirements, the Companies Act 2016, the latest Malaysian Code on Corporate Governance and any other applicable laws enforced at the time being.

7. BOARD APPROVAL

This Policy (Version No. 1) was reviewed and adopted by the Board on 21 July 2025.