



# **Related Party Transaction Framework**

Duopharma Biotech Berhad

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## **Table of Contents**

1.0	Introduction.....	1
1.1	Policy statement .....	1
1.2	Scope and application .....	1
1.3	Safeguards .....	1
1.4	Abbreviation and Definitions.....	2
2.0	Disclosure Requirements .....	5
2.1	Related Party Transaction (“RPT”).....	5
2.2	Transactions not regarded as RPT .....	6
2.3	Recurrent Related Party Transaction (“RRPT”) .....	6
3.0	Procedures and Guidelines.....	8
3.1	Review Procedures .....	8
4.0	Review and Amendment .....	10
5.0	Appendices.....	11
	Appendix A - Computation of Percentage Ratios for Related Party Transaction (Para 10.02(g) of MMLR) .....	11
	Appendix B – Process Flow to Determine Disclosure Requirement of RPT/RRPt.....	12
	Appendix C – Guidelines and Procedures to Determine/Disclosure Requirement of RPT/RRPT .....	16
	Appendix D – Transactions not Normally Regarded as RPT (Para 10.08(11) of MMLR) .....	23

## 1.0 Introduction

### 1.1 Policy statement

- 1.1.1 The Board of Directors (the “Board”) of Duopharma Biotech Berhad (“Duopharma Biotech”) is committed to ensuring compliance by Duopharma Biotech and its subsidiaries (hereinafter Duopharma Biotech and its subsidiaries are collectively referred to as the “Group”) with the requirements contained in the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and other applicable laws.
- 1.1.2 The objective of the Related Party Transaction Framework (“this Framework”) is:
- (a) to outline the procedures for purpose of identifying, monitoring, evaluating, reporting and approving related party transaction (“RPT”) and recurrent related party transaction (“RRPT”) to ensure that such transactions are conducted on arm’s length basis and in accordance with the MMLR and applicable laws.
  - (b) to outline guidelines to assist the Board and Audit Committee in discharging its role, which is to provide oversight over RPT and RRPT within the Group; and
  - (c) to ensure similar understanding and to provide consistency of actions within the Group in identifying, monitoring, evaluating, reporting and approving RPT and RRPT to ensure compliance with the MMLR and applicable laws.
- 1.1.3 The Company Secretary is the owner of this Framework and is responsible for the following:
- (a) to ensure that this Framework is circulated to the Directors and Officers of the Group for their adoption and implementation; and
  - (b) to maintain and update this Framework on a timely basis.

### 1.2 Scope and application

- 1.2.2 This Framework must be read together with the relevant enumerations encapsulated in the following legislations (as amended from time to time): -
- (a) the MMLR;
  - (b) Practice Notes, Amendments to the MMLR, Forms, Templates and Undertaking Letters, Directives and Clarifications, Guidelines, Legislations, Circulars, and FAQs issued by Bursa Securities in relation to the RPT/RRPT;
  - (c) the Companies Act 2016; and
  - (d) the Capital Markets and Services Act 2007.
- 1.2.2 This Framework applies to all the Directors and Officers of the Group.

### 1.3 Safeguards

Employees are encouraged to contact the Group Legal & Secretarial Department (“GLSD”) whenever there is doubt as to whether a proposed transaction is a related party transaction.

Although a RPT and RRPT may give rise to a conflict of interest, such a RPT and RRPT is allowed under the law, provided that the RPTs and RRPTs is entered into in the best interest of Duopharma Biotech and the Group and complies with the MMLR and the applicable laws.

In view of the sensitivity of a RPT and RRPT, the transacting company/subsidiary should ensure that no preference is given to a Related Party prior to initiating the transaction. Where practicable, it may be appropriate for the transacting company/subsidiary to obtain an independent review of the Related Party Transaction.

In any event, there should be proper documentation relating to the basis under which the RPTs and RRPTs was entered into.

All RPTs and RRPTs shall be reported to the AC on a quarterly basis for review in accordance with the requirements outlined above.

## 1.4 Abbreviation and Definitions

1.4.1 The abbreviations used in this Framework are as follows:

Abbreviations	Definition
"Audit " or "AC"	the Audit Committee of Duopharma Biotech;
"Board"	the Board of Directors of the Company and the Board of Directors of subsidiaries of Duopharma Biotech (as the case may be);
"Bursa Securities"	Bursa Malaysia Securities Berhad;
"Chief Executive"	the principal executive officer of the corporation for the time being, by whatever name called, and whether or not he is a Director;
"CMSA"	the Capital Markets and Services Act 2007;
"Duopharma Biotech" or "Company"	Duopharma Biotech Berhad;
"Group"	Duopharma Biotech Berhad and its subsidiaries;
"SC"	Securities Commission of Malaysia;

1.4.2 The definitions used in this Framework are as follows:

Words	Definition
"director"	has the meaning given in section 2(1) of the CMSA 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 –  (a) a director of Duopharma Biotech, its subsidiary or holding company;  (b) the chief executive of Duopharma Biotech, its subsidiary or holding company.

	<p>Under section 2(1) of the CMSA, “director” has the meaning assigned to it in the Companies Act 2016, and includes a reference to –</p> <ul style="list-style-type: none"> <li>(a) a person occupying or acting in the position of director of a corporation, by whatever name called and whether or not validly appointed to occupy, or duly authorised to act in, the position;</li> <li>(b) a person in accordance with whose directions or instructions the directors of a corporation are accustomed to act;</li> <li>(c) an alternate or substitute director; or</li> <li>(d) in the case of a corporation formed or incorporated outside Malaysia – <ul style="list-style-type: none"> <li>(i) a member of the corporation’s board of directors or governing body;</li> <li>(ii) a person occupying or acting in the position of a member of the corporation’s board, by whatever name called and whether or not validly appointed to occupy, or duly authorised to act in the position; or</li> <li>(iii) a person in accordance with whose directions or instructions the members of the corporation’s board are accustomed to act.</li> </ul> </li> </ul>
“family”	<p>in relation to a person means such person who falls within any one of the following categories:</p> <ul style="list-style-type: none"> <li>(a) spouse;</li> <li>(b) parent;</li> <li>(c) child including an adopted child and step-child;</li> <li>(d) brother or sister; and</li> <li>(e) spouse of the person referred in point (c) and (d) above.</li> </ul> <p><i>(see Paragraph 1.01 MMLR)</i></p>
major shareholder	<p>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 - a major shareholder of Duopharma Biotech as defined under paragraph 1.01 of the MMLR or any other corporation which is its subsidiary or holding company.</p> <p><i>(See paragraph 10.01 MMLR)</i></p> <p>Under paragraph 1.01 of the MMLR, “major shareholder” means a person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is –</p> <ul style="list-style-type: none"> <li>(a) 10% or more of the total number of voting shares in the corporation; or</li> <li>(b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.</li> </ul>

"officer"	any person who has been designated as an "executive officer" of Duopharma Biotech or its subsidiaries.
"person connected"	in relation to any person (referred to as "said Person"), means such person who falls under any one of the following categories: <ul style="list-style-type: none"> <li>a. a family member of the said Person;</li> <li>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;</li> <li>c. a partner of the said Person;</li> <li>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;</li> <li>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;</li> <li>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</li> <li>g. a body corporate which is a related corporation of the said Person.</li> </ul>
"related party"	means a director, major shareholder or person connected with such director or major shareholder;
"related party transaction" or "RPT"	means a transaction entered into by Duopharma Biotech or its subsidiaries which involves the interest, direct or indirect, of a related party;
"Recurrent Related Party Transaction" or "RRPT"	a related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of Duopharma Biotech or its subsidiaries;
"transaction"	includes - <ul style="list-style-type: none"> <li>(a) the acquisition, disposal or leasing of assets;</li> <li>(b) the establishment of joint ventures;</li> <li>(c) the provision of financial assistance;</li> <li>(d) the provision or receipt of services; or</li> <li>(e) any business transaction or arrangement entered into,</li> </ul> <p>by the Company or its subsidiaries, but excludes transactions entered into between the Company (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary;</p>

## 2.0 Disclosure Requirements

### 2.1 Related Party Transaction (“RPT”)

- 2.2.1 The disclosure requirements of RPT as prescribed by the MMLR are governed by percentage ratio threshold. The percentage ratios are prescribed by paragraph 10.02(g) of the MMLR and are set out in Appendix A of this Framework. The disclosure requirements are as follows:

Percentage Ratio (%)	Obligation
Equal to or more than 0.25%	To make an immediate announcement (if value of transaction is RM500,000 or more)
Equal to or more than 5%	(a) To make an immediate announcement (b) To send a circular to shareholders (c) To obtain approval of the shareholders at a General Meeting (d) To appoint an independent adviser (who is permitted to carry on the regulated activity of advising on corporate finance under the CMSA) before the terms of the transaction are agreed upon.
Equal to or more than 25%	(e) To make an immediate announcement (f) To send a circular to shareholders (g) To obtain approval of the shareholders at a General Meeting (h) Before the terms of the transaction are agreed upon, to appoint an independent adviser (who is permitted to carry on the regulated activity of advising on corporate finance under the CMA). (i) Before the terms of the transaction are agreed upon, to appoint a main adviser who is a Recognised Principal Adviser (under the SC’s Licensing Handbook).

However, the above does not apply if the transaction is less than RM500,000 or if it is a recurrent related party transaction (provided that the provisions governing recurrent related party transactions are complied with).

With respect to the computation of the percentage ratios as set out in Chapter 10.02(g) of the MMLR, business units should contact Finance Department to work out the computation properly.

- 2.2.2 A director with any interest, direct or indirect, (“interested director”) must abstain from Board deliberation and voting on the relevant resolution in respect of the RPT. In a general meeting to obtain shareholders’ approval, a director or major shareholder with any interest, direct or indirect, and person connected to them must not vote on the resolution in respect of the RPT.
- 2.2.3 Where any one of the percentage ratios of a RPT entered into between a subsidiary of Duopharma Biotech and another person, is 5% or more and there are no other interested relationships except for a related party having an interest in the transaction who is –
- (a) a director or major shareholder of such subsidiary or the holding company of such subsidiary (other than Duopharma Biotech or a holding company of Duopharma Biotech) (“said director” or “said major shareholder”); or
  - (b) a person connected with the said director or said major shareholder,

only immediate announcement is required, subject to the following conditions:

- (i) the Board of Duopharma Biotech approves the transaction before the terms of transaction are agreed upon; and
- (ii) the Board of Duopharma Biotech ensures that the transaction is fair and reasonable to Duopharma Biotech and is in the best interests of Duopharma Biotech.

2.2.4 Where the transaction reaches certain threshold of the percentage ratios, the Company is required to comply with the obligations under the MMLR as explained above.

2.2.5 An interested director in a related party transaction, must inform the relevant board of directors approving the transaction, the details of the nature and extent of his/her interest, including all matters in relation to the proposed transaction that he/she is aware or should reasonably be aware of, which is not in the best interest of Duopharma Biotech or its subsidiary, as the case may be.

## 2.2 Transactions not regarded as RPT

2.2.1 Paragraph 10.08(11) of the MMLR prescribed those transactions that are not normally regarded as RPT. These transactions are set out in Appendix D.

## 2.3 Recurrent Related Party Transaction (“RRPT”)

2.3.1 Under paragraph 10.09(1) of the MMLR, the Company must immediately announce a RRPT if:

- (a) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
- (b) the percentage ratio of such RRPT is 1% or more,

whichever is the higher.

Percentage Ratio (%)	Obligation
Equal to or more than 1% or RM1 million whichever is higher	To make an immediate announcement if shareholder mandate has not been obtained.
Equal to or more than 1% or RM1 million whichever is higher	<ul style="list-style-type: none"> <li>(a) To obtain a shareholder mandate at a general meeting; subject to annual renewal of the mandate.</li> <li>(b) To comply with the disclosure of information in the annual report.</li> <li>(c) To make an immediate announcement if the actual RRPT transacted exceeds the shareholder mandate by 10% or more.</li> </ul>

The threshold applicable for each financial year will be computed based on the latest audited financial statements.



From time to time, business units may enter into RRPT for which a shareholder mandate was not obtained at the latest AGM. Where the value of the transactions over a 12 month period is expected to exceed RM1 million, the respective of the business units shall notify the Finance Department and the GLSD for an immediate announcement to be made to Bursa Malaysia.

2.3.2 In considering whether a transaction is a RRPT, paragraph 3.1.1 of Practice Note 12 issued by Bursa Securities explained that a transaction which has been made or will be made by the listed issuer at least once in 3 years in the course of its business will be considered recurrent.

2.3.3 The Company may seek a mandate from its shareholders for RRPTs subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (b) the shareholder 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 the prescribed threshold referred to in paragraph 3.1.1 above;
- (c) the Company's circular to shareholders for the shareholder mandate includes the information as prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain the shareholder mandate, the relevant interested related party, must not vote on the resolution in respect of the shareholder mandate being sought. An interested director or interested major shareholder must ensure that persons connected to him/her abstain from voting on the resolution in respect of the shareholder mandate being sought;
- (e) the Company must immediately announce to Bursa Securities when the actual value of the RRPT entered into by the Group, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement; and
- (f) where the Company has procured a shareholder mandate, the provisions of Paragraph 10.08 of the MMLR on RPT shall not apply.

2.3.4 The following transactions are not regarded as RRPTs and therefore, the shareholder mandate does not apply:

- (a) the acquisition or disposal of vessels, air crafts and plants;
- (b) the entry into a lease of:
  - (i) a property for a period exceeding three (3) years; or
  - (ii) such other assets, which involve payments of rental or such consideration on a lump sum basis (i.e. other than on an equal pro-rated monthly or annual instalments);
- (c) the provision of financial assistance pursuant to paragraph 8.23 of the MMLR;
- (d) the entry into joint ventures;
- (e) the grant or exercise of an option in relation to matters set out in subparagraph (a), and (b) above; and
- (f) such other transactions as may be determined by Bursa Securities from time to time.

whilst the transactions highlighted in that paragraph are not considered RRPTs, they are nevertheless RPTs and it is necessary to comply with the rules relating to these RPTs.

## 3.0 Procedures and Guidelines

### 3.1 Review Procedures

The AC is tasked with the review of the RPT and RRPT to ensure that the Company undertakes such transactions on an arm's length basis and on normal commercial terms and to review the existing internal control procedures of the Group in respect of the RPT and RRPT.

The following guidelines will apply to the review and approval of RPT and RRPT to ensure that the terms of the RPT and RRPT are not more favourable to the related parties than those generally available to the public and the RPT and RRPT are not detrimental to the minority shareholders of the Company:

- (a) Any tender, quotation or contract received from or proposed to be entered into with related parties will not be approved unless:
  - i. the pricing of the Group for the services, products, materials, plant, equipment and/or machinery to be provided, supplied, received and/or purchased is determined in accordance with the Group's usual business practices and policies, and consistent with the usual margins of the Group with unrelated third parties;
  - ii. the terms are not more favourable to the related parties than those extended to unrelated third parties and available to the public and the RPT and RRPT are not detrimental to the minority shareholders of the Company; and
  - iii. in respect of the provision, supply and/or purchase of services, products, materials, plant, equipment and/or machinery after taking into account factors such as pricing, quality, delivery schedules and, where applicable, preferential rates, rebates or discounts accorded for bulk purchases, the terms offered are fair, reasonable and on the Group's commercial rates.

The Company will use its best endeavours to identify 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 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. Where quotations or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Company based on those offered by/to other unrelated third parties for the same or substantially similar type of transaction to ensure that the RRPT are not detrimental to the minority shareholders of the Company.

- (b) All RPT and RRPT are subject to the approval of the appropriate levels of authority based on the Limits of Authority ("**LOA**") of the Group. The LOA has been duly approved by the Board and contains the prescribed approval limits towards ensuring consistent good business practices and governance. The thresholds for approvals of RPT and RRPT within the Group are consistent with transactions entered into with non-related parties.
- (c) The AC may, as it deems fit, request for additional information pertaining to the transactions from independent sources or advisers.

- (d) In addition to the guidelines set out above, the AC will also undertake the following:
    - (g) review from time to time RPT and RRPT being undertaken by the Group;
    - (iii) carry out an annual review to ascertain that the established guidelines and procedures for RPT and RRPT have been complied with; and
    - (iv) consider from time to time whether the established guidelines and procedures for RPT and RRPT have become inappropriate and/or are unable to ensure that the transactions will be on normal commercial terms, and/or will prejudice the interests of shareholders generally.
  - (e) Details of related parties are to be collated and updated twice yearly and they will be distributed to all accountants and Finance Managers in the Group for monitoring purposes to enable the Company to assess whether the RPT and RRPT warrant any announcement and/or shareholders' approval in a timely manner. At the same time, the Group Internal Auditor will conduct reviews on RPT and RRPT at various operating companies during their course of audit.
  - (g) The Company will maintain a record of RRPT. The AC will review the said record on a quarterly basis to ensure that they are within the mandated amount under any shareholder mandate obtained and/or within the relevant/applicable thresholds prescribed by the MMLR. Additionally, other RRPT entered into by the Group with related parties that are outside any shareholder mandate, are also to be reviewed.
  - (g) Further, where any director or person connected to the director has an interest (direct or indirect) in any RPT or RRPT, such Director shall abstain from voting on the matter. Where any member of the AC is interested in any transactions, that member shall abstain from voting on any matters relating to any decisions to be taken by the AC with respect to such transactions.
- 3.2 The Chief Financial Officer shall be the custodian and responsible for the implementation and compliance of the aforesaid review procedures by the Group.
- 3.3 Please refer to the procedure flow chart as set out in Appendices B and C for summary guidance on determination of RPT or RRPT and the procedures to be undertaken.

#### 4.0 Review and Amendment

The Company Secretary shall ensure that the provisions of this Framework continue to comply with the requirements contained in the MMLR of Bursa Securities and other applicable laws applicable to the Group and, if necessary, shall suggest amendments to the Framework for consideration by the Board.

All revisions or amendments to this Framework shall be approved by the Board.

Version	Release Date	Summary of Changes	Prepared by	Reviewed by	Approved by
1.0	16.08.2022	Initial Version	Cik Shazrin Erma binti Azmi, Assistant Manager, Company Secretary	Encik Leonard Ariff bin Abdul Shatar, Group Managing Director  Encik Ibrahim Hussin Salleh, Chief Legal Officer & Group Company Secretary	YBhg. Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir, Non-Independent Non-Executive Chairman  Encik Razalee bin Amin, Chairman of the Audit Committee, Independent Non-Executive Director

## 5.0 Appendices

### APPENDIX A - COMPUTATION OF PERCENTAGE RATIOS FOR RELATED PARTY TRANSACTION (PARA 10.02(g) of MMLR)

Percentage ratios are figures, expressed as a percentage, used to determine the materiality of RPT resulting from each of the following formulas:

- (1) 
$$\frac{\text{The Value of the Assets which are subject matter of the transaction}}{\text{Net Assets of the listed issuer}}$$
- (2) 
$$\frac{\text{Net Profits of the assets which are subject matter of the transaction}}{\text{Net Profits attributable to the owners of the listed issuer (before other comprehensive income of loss)}}$$
- (3) 
$$\frac{\text{The Aggregate Value of the consideration given or received in relation to the transaction}}{\text{Net Assets of the listed issuer}}$$
- (4) 
$$\frac{\text{The number of shares issued by the listed issuer as consideration for an acquisition}}{\text{Total number of Shares Previously in Issue (excluding treasury shares)}}$$
- (5) 
$$\frac{\text{The Aggregate Value of the Consideration given or received in relation to the transaction}}{\text{Market Value of all the Ordinary Shares of the listed issuer (excluding treasury shares)}}$$
- (6) 
$$\frac{\text{The Total Assets which are the subject matter of the transaction}}{\text{Total Assets of the listed issuer}}$$
- (7) (i) In respect of joint ventures, business transactions or arrangements:
 
$$\frac{\text{The Total Project Cost Attributable to the listed issuer}}{\text{Total Assets of the listed issuer}}$$
- (ii) In respect of the Joint Venture Corporation is incorporated as result of the joint venture:
 
$$\frac{\text{The Total Equity Participation of the Listed Issuer in the joint venture corporation (based on the eventual issued capital of the joint venture corporation)}}{\text{Net Assets of the listed issuer}}$$

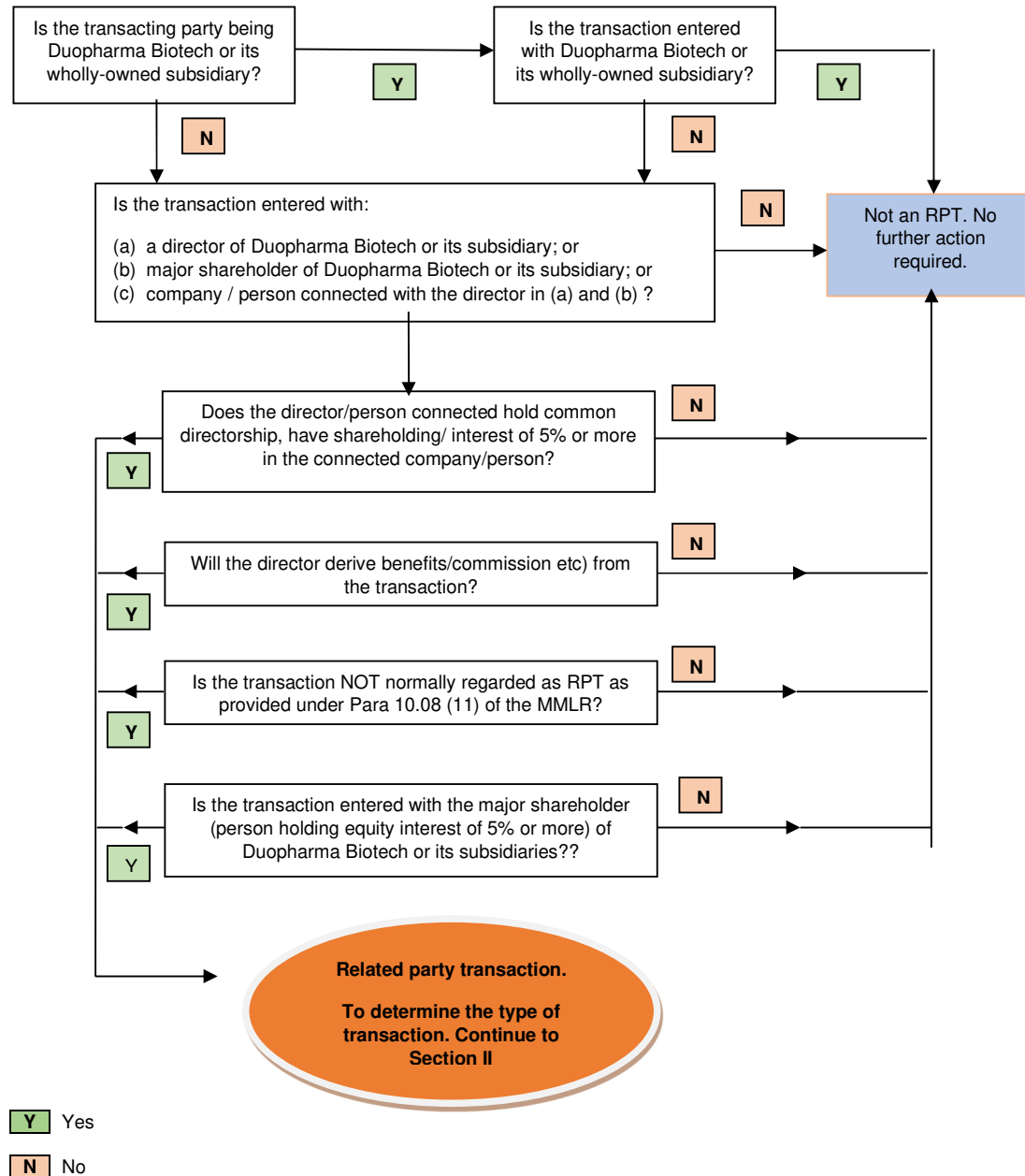
*(The value of the transaction should include shareholders' loans and guarantees to be given by the listed issuer;)*
- (8) 
$$\frac{\text{The Aggregate Original Cost of Investment of the subject matter of transaction}}{\text{Net Assets of the listed issuer}}$$

*(in the case of a disposal and where the acquisition of the subject matter took place within last 5 years)*

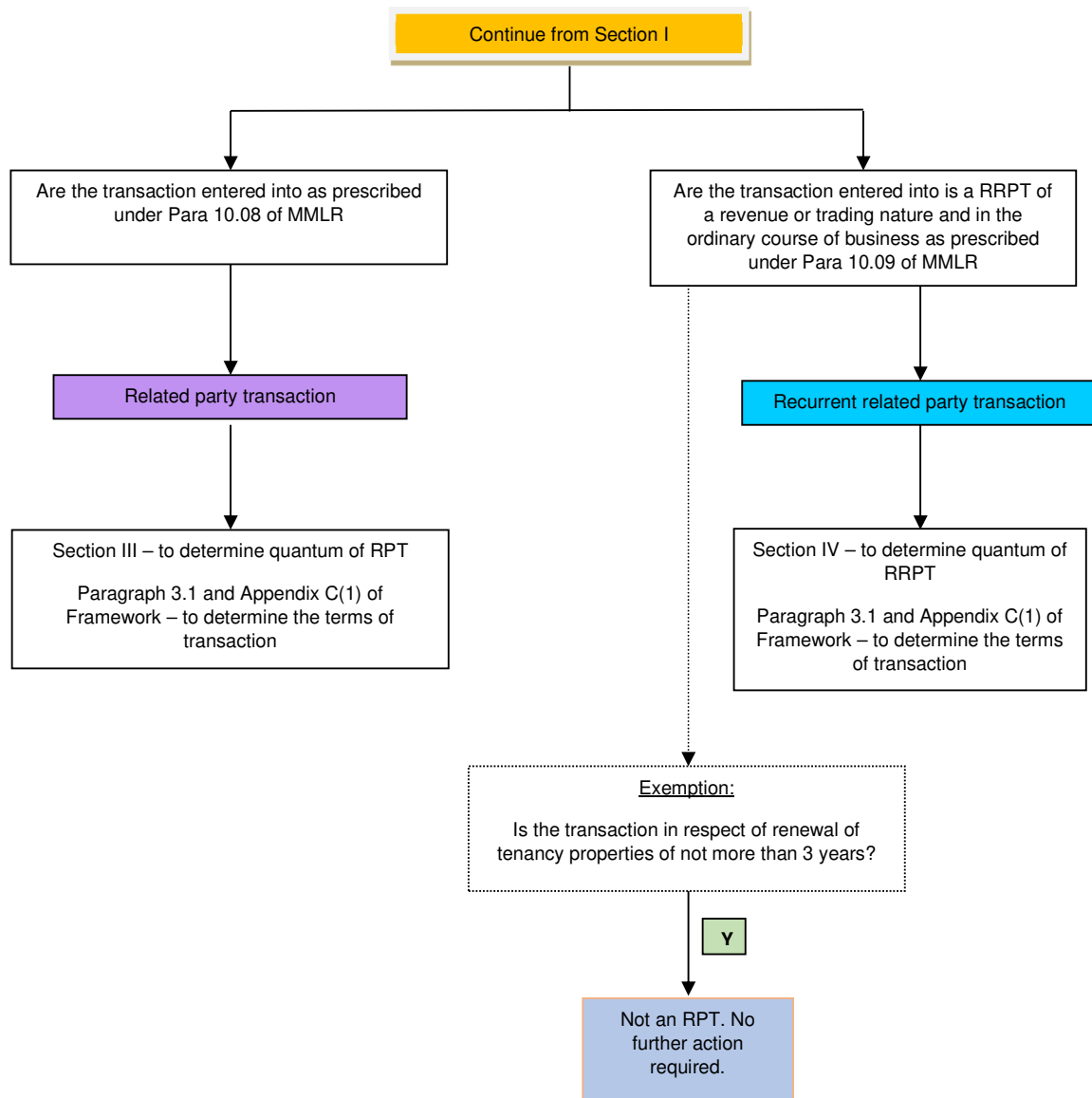
The formula to be used depending on the type of contract/transaction. In some cases, a single transaction may necessitate the computation of percentage ratios using multiple formulas. As a result, all formulas must be evaluated as if any one of the percentage ratio values is met, the applicable duties under the MMLR will be invoked.

## APPENDIX B – PROCESS FLOW TO DETERMINE DISCLOSURE REQUIREMENT OF RPT/RRPT

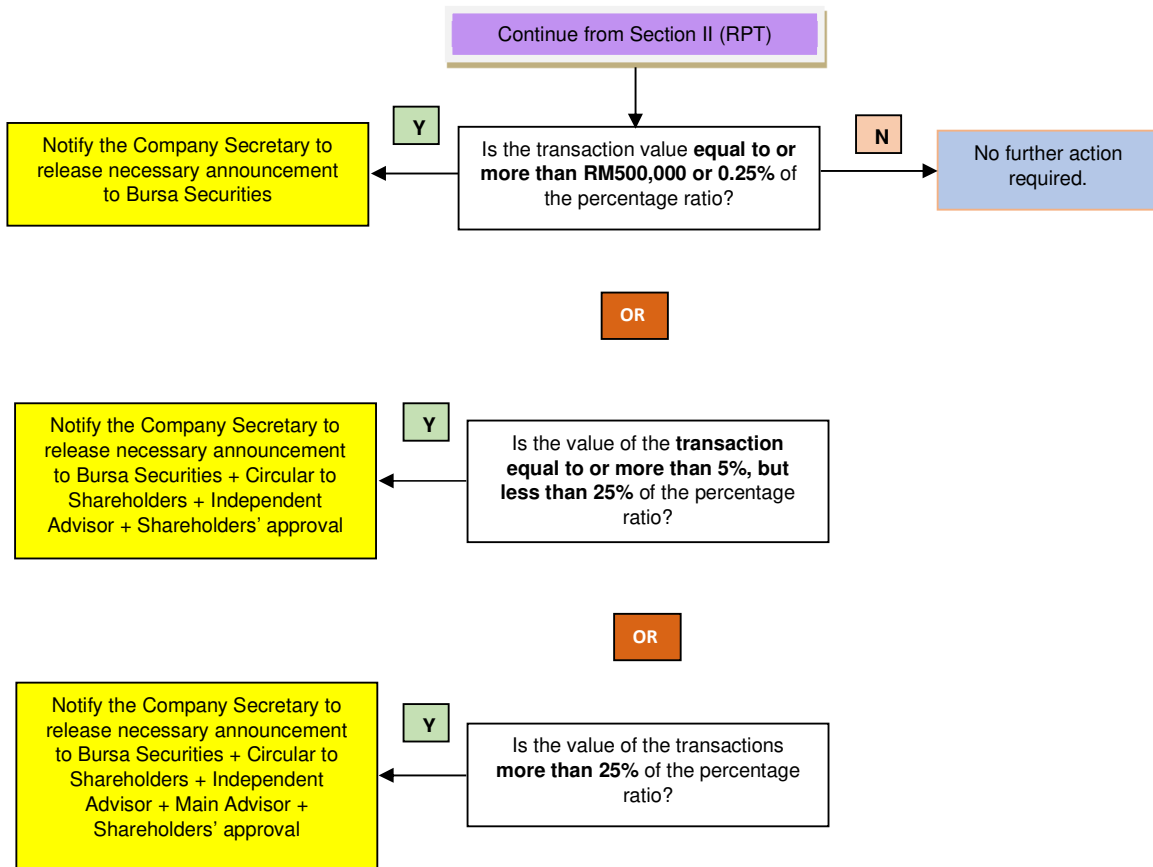
### Section I - To identify the transacting party



Section II - To determine the type of transaction

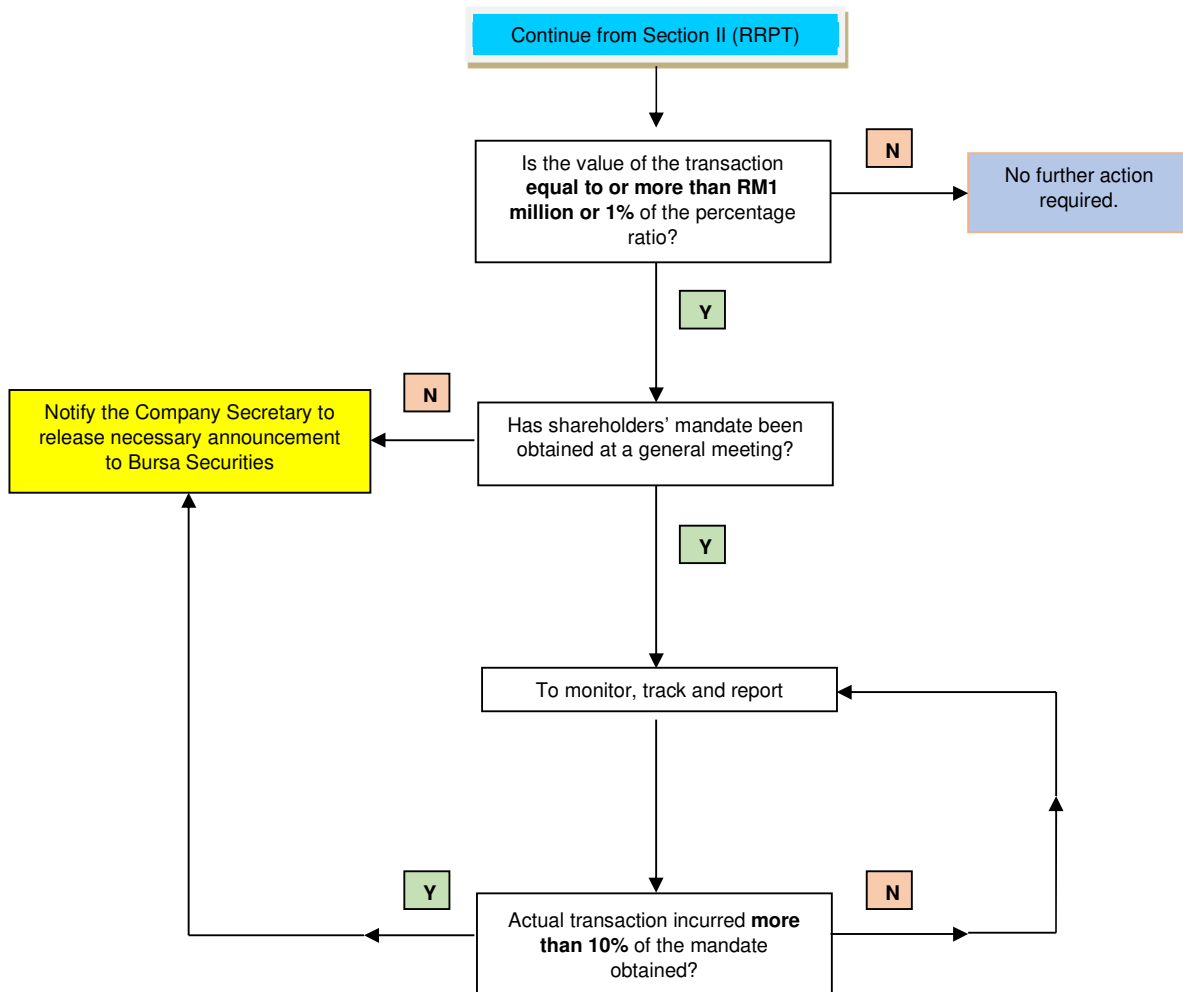


Section III - To determine the quantum of the RPT (to refer Para 10.08 of MMLR)





Section IV - To determine the quantum of the RRPT (to refer Para 10.09 of MMLR)



## APPENDIX C – GUIDELINES AND PROCEDURES TO DETERMINE/DISCLOSURE REQUIREMENT OF RPT/RRPT

Transactions entered into between Duopharma Berhad (or any of its wholly owned Subsidiaries) and its wholly owned Subsidiaries are not considered RPT nor RRPT and are not covered under the guidelines and procedures set out below:

No.	Guidelines and Procedures	Timeline	Action by
1.	<b>Pricing for services and products:</b>		
	All RPT and RRPT must be undertaken on arm's length basis and on normal commercial terms, that is on terms which are not more favourable to the related parties than those generally available to the public and the RRPT are not detrimental to the minority shareholders of the Company:		
	(a) Any tender, quotation or contract received from or proposed to be entered into with related parties will not be approved unless:	Ongoing – Before entering into transaction or contractual obligation	Chief of Business Units/ Head of Business Units/ Head of Procurement/ Head of Purchasing/ Head of Sales
	(i) the pricing of the Group for the services, products, materials, plant, equipment and/or machinery to be provided, supplied, received and/or purchased is determined in accordance with the Group's usual business practices and policies, and consistent with the usual margins of the Group with unrelated third parties;	Ongoing – Before entering into transaction or contractual obligation	Chief of Business Units/ Head of Business Units/ Head of Procurement/ Head of Purchasing/ Head of Sales
	(ii) the terms are not more favourable to the related parties than those extended to unrelated third parties and available to the public and the RRPT are not detrimental to the minority shareholders of the Company; and	Ongoing – Before entering into transaction or contractual obligation	Chief of Business Units/ Head of Business Units/ Head of Procurement/ Head of Purchasing/ Head of Sales



	(b) All RRPT are subject to the approval of the appropriate levels of authority based on the LOA of the Group. The LOA has been duly approved by the Board and contains the prescribed approval limits towards ensuring consistent good business practices and governance. The thresholds for approvals of RRPT within the Group are consistent with transactions entered into with non-related parties.	Ongoing – Before entering into transaction or contractual obligation	Chief of Business Units/ Head of Business Units/ Head of Procurement/ Head of Purchasing/ Head of Sales
<b>2.</b>	<b>Notification of RPT and/or RRPT:</b>		
	<p>To notify Finance Department the following:</p> <p>(i) any RPT; or</p> <p>(ii) RRPT (other than those which were included in the mandate obtained from the shareholders at the annual general meeting)</p> <p>which will be entered into or has been entered into. Due care to be exercised also prior to entering into contracts with related party that may give rise to RPT or RRPT.</p> <p>Any enquiries, to consult Chief Financial Officer (“CFO”) /Finance Department/ GLSD for clarification.</p>	Immediately as such transaction or potential transaction is known.	Director, Chief of Business Units/ Head of Business Units/ Head of Procurement/ Head of Purchasing/ Head of Sales
<b>3.</b>	<b>Communication of Listing Requirements to employees:</b>		
	To ensure that the MMLR pertaining to RPT and RRPT transactions are communicated to all relevant personnel in subsidiary company/business unit who are involved in the day-to-day operations.	Continuously	Chief of Business Units/ Head of Business Units/ Head of Procurement/ Head of Purchasing/ Head of Sales/GLSD
<b>4.</b>	<b>Responsibility and obligations of Major Shareholders and Directors:</b>		
	To inform all major shareholders (i.e. with equity interest exceeding 5%) and directors of their responsibilities and obligations with respect to RPT and RRPT through written communication.	On annual basis	GLSD

5.	Responsibility and obligations of Audit Committee:		
	<p>(a) AC should undertake:</p> <p>(i) review from time to time RRPT being undertaken by the Group;</p> <p>(ii) carry out review to ascertain that the established guidelines and procedures for RRPT have been complied with; and</p> <p>(iii) consider whether the established guidelines and procedures for RRPT have become inappropriate and/or are unable to ensure that the transactions will be on normal commercial terms, and/or will prejudice the interests of shareholders generally.</p> <p>(c) To review the existing internal control procedures of the Group in respect of the RRPT.</p> <p>(d) The AC to review the record to ensure that they are within the mandated amount under any shareholder mandate obtained and/or within the relevant/applicable thresholds prescribed by the MMLR. Additionally, other RRPT entered into by the Group with related parties that are outside any shareholder mandate, are also to be reviewed.</p> <p>(e) Where any member of the AC is interested in any transactions, that member shall abstain from voting on any matters relating to any decisions to be taken by the AC with respect to such transactions.</p>	<p>Quarterly basis /as required</p> <p>On annual basis</p> <p>As required</p> <p>Quarterly basis</p> <p>Quarterly basis</p> <p>Immediately</p>	<p>AC</p> <p>AC</p> <p>AC</p> <p>AC</p> <p>AC</p> <p>AC</p>

<b>6.</b>	<b>Responsibility and obligation of operating units:</b>		
	(i) To inform all Chiefs/ Business Units/ Procurement of their responsibilities and obligations to ensure proper identification, tracking and reporting of RPT and RRPT (through email or circular).	On annual basis	Finance Department
	(ii) A copy of the circular to shareholders in connection with the Shareholder Mandate (if any) is shared to the Finance/ Accounting, Chiefs/ Business Unit/ Procurement (if any).	1 <sup>st</sup> Quarter of the financial year	Finance Department/GLSD
<b>7.</b>	<b>Tracking and monitoring of RRPT:</b>		
	(a) RRPT for which mandate has already been obtained:		
	(i) To ensure that the actual transaction values during the financial year are tracked for disclosure in the Annual Report.	Ongoing – Quarter update to be tabled to the AC/Board for review.	Finance Department
	(ii) To ensure that the actual transaction values entered into does not exceed the Mandated Amount by 10% or more.	Ongoing – Quarter update to be tabled to the AC/Board for review.	Chief of Business Units/ Head of Business Units/ Head of Procurement/ Head of Purchasing/ Head of Sales
	(iii) Where the actual transaction value exceeded 10% or more of the mandate obtained at general meeting, to provide explanation and notify GLSD to release immediate announcement to Bursa Securities.	Ongoing – Quarter update to be tabled to the AC/Board for review.	Chief of Business Units/ Head of Business Units/ Head of Procurement/ Head of Purchasing/ Head of Sales
	(b) RRPT not included in the Shareholder Mandate:		
	For RRPT that are not included in the mandate but are expected to exceed RM1 million in a 12 months period:	Immediate	Finance Department

	To ensure that the transaction values during the last 12 months are tracked for immediate announcement to Bursa Malaysia.	Immediate	Finance Department
<b>8.</b>	<b>Reporting of RRPT:</b>		
	(a) RRPT for which mandate has already been obtained:		
	(i) To ensure that the actual transaction values during the financial year are disclosed in the Annual Report.	The date of issuance of Annual Report	Finance Department/GLSD
	(ii) Where actual transaction values are more than the Mandate by 10% or more, to announce to Bursa Malaysia immediately.	Immediately	Finance Department/GLSD
	(b) RRPT not included in the Shareholder Mandate:  For RRPT that are not included in the mandate and have exceeded RM1 million in a 12 months period – to ensure that the transaction values during the last 12 months are announced immediately to Bursa Malaysia.	Immediately	Finance Department/ GLSD
<b>9.</b>	<b>Record keeping of RRPT information:</b>		
	To maintain a record of RRPT.	Immediately	Finance Department
<b>10.</b>	<b>Renewal of mandate and extension of mandate to new RRPT:</b>		
	(a) Compilation of transaction values (including proposed Mandate) to be released for verification by internal audit.	By 31 December yearly	Finance Department
	(b) Circular to shareholders.	AGM	Finance Department/ GLSD
	(c) Necessary application for exemption in respect of shareholders' mandate or RRPT may be made to Bursa Securities.	As required	Finance Department/ GLSD

<b>11.</b>	<b>Directors' interests:</b>		
	(a) To update Company Secretary of changes of interest in other companies.	Within 14 days of date of change	Directors of Duopharma Biotech and/or its subsidiaries
	(b) Where any director or person connected to the director has an interest (direct or indirect) in any RRPT, such Director shall abstain from voting on the matter.	Immediately	Directors of Duopharma Biotech and/or its subsidiaries
<b>12.</b>	<b>Details of related parties:</b>		
	(a) Details of related parties will be collated and distributed to all accountants and Finance Managers in the Group for monitoring purposes to enable the Company to assess whether the RRPT warrant any announcement and/or shareholders' approval in a timely manner.	To be collated and updated twice yearly	GLSD
	(b) The Group Internal Auditor ("GIA") will conduct reviews on RRPT at various operating companies.	During course of audit	GIA
<b>13.</b>	<b>Custodian and Responsible for the Implementation:</b>		
	The Chief Financial Officer shall be the custodian and responsible for the implementation and compliance of the aforesaid review procedures by the Group.	Immediately	Chief Financial Officer
<b>14.</b>	<b>Revision and Amendment:</b>		
	The Company Secretary shall ensure that the provisions of this Framework continue to comply with the requirements contained in the MMLR of Bursa Securities and other applicable laws applicable to the Group and, if necessary, shall suggest amendments to the Framework for consideration by the Board.	As required	GLSD
<b>15.</b>	<b>Approval of Amendment and/or Revision:</b>		
	All revisions or amendments to this Policy shall be approved by the Board.	As required	The Board of Directors of Duopharma Biotech



**APPENDIX D – TRANSACTIONS NOT NORMALLY REGARDED AS RPT (PARA 10.08(11) of MMLR)**

The following transactions are not normally regarded as related party transactions:

- (a) the issue of securities by the listed issuer for cash (subject to paragraph 6.06), the issue of securities by way of bonus issue, the grant of options and the issue of securities arising from the exercise of options under a Share Issuance Scheme (subject to compliance with Chapter 6), subscription of securities on a pro rata basis, subdivision of shares, consolidation of shares or payment of dividend;
- (b) [deleted]
- (c) a transaction between the listed issuer or any of its subsidiaries and another person, where there are no other interested relationships except for common directorships provided that the directors who have common directorships have –
  - (i) shareholdings in the other person which is less than 5% other than via the listed issuer; and
  - (ii) no other interest such as commission or other kinds of benefit received from the listed issuer or any of its subsidiaries or the other person in relation to the said transaction;
- (d) an acquisition or disposal by the listed issuer or any of its subsidiaries from or to a third party of an interest in another corporation where the related party holds less than 10% in that other corporation other than via the listed issuer;
- (e) the provision or receipt of financial assistance or services, upon normal commercial terms and in the ordinary course of business, from a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate;
- (f) directors fees and remuneration, and employment remuneration;
- (g) a transaction between a listed issuer or any of its subsidiaries and another person for the provision or receipt of goods or services which are Exempted Transactions where-
  - (i) the goods or services are purchased, sold or rendered based on a non-negotiable fixed price or rate which is published or publicly quoted; and
  - (ii) all material terms including the prices or charges are applied consistently to all customers or classes of customers; For the purposes of this subparagraph –
    - (i) "goods" excludes securities;
    - (ii) "classes of customers" excludes such class by reason solely or otherwise that the customers are related parties of the listed issuer or its subsidiaries;
    - (iii) "Exempted Transactions" means the following:
      - (aa) provision or usage of public utility services such as water, electricity, telecommunications, broadcasting services, postal or courier services, insurance, unit trusts, stockbroking services, public transport, education, medical services, provision or usage of tolled highways, hotel facilities and recreational services, provision or consumption of fuel on retail or food and beverage at eateries, provision or purchase of goods at retail outlets such as supermarkets, hypermarkets or departmental stores; and

- (bb) such other types of transactions that may be prescribed by the Exchange from time to time;
- (h) the entry into or renewal of tenancy of properties of not more than 3 years, the terms of which are supported by an independent valuation;
- (i) a contract that is awarded by or on behalf of the Government of Malaysia or a State Government to the listed issuer or its subsidiary provided that the listed issuer immediately announces the contract to the Exchange and includes the information set out in Appendices 10A and 10C in the announcement;
- (j) a contract that is awarded by way of a public tender –
  - (i) in relation to the listed awarder or its subsidiaries provided that the listed issuer immediately announces to the Exchange the terms of the awarded contract, the value of at least the 3 closest bids or if not applicable, such lesser number of bids received, and an explanation of the basis for selecting the winning bid; and
  - (ii) in relation to the successful listed bidder or its subsidiaries provided that –
    - (aa) the awarder is listed or is a subsidiary of a listed issuer;
    - (bb) majority of the directors and members of the audit committees of the listed issuers (whether as the bidder or the awarder or the holding companies of the bidder or awarder subsidiaries) are different; and
    - (cc) the listed bidder immediately announces the contract to the Exchange and includes the information set out in Appendices 10A and 10C in the announcement;
- (k) a transaction between a listed issuer or any of its subsidiaries and another person which involves the sharing of services or facilities provided by one or more of such parties or other similar arrangements whereby the consideration merely involves reimbursement or sharing of costs in proportion to the utilisation of the services or facilities;
- (l) a transaction between the listed issuer or any of its subsidiaries and another person where there are no other interested relationships except for the related party having shareholdings in the other person which is less than 10% other than via the listed issuer;
- (m) a transaction between the listed issuer or any of its subsidiaries and another person where there are no other interested relationships except for –
  - (i) common major shareholders; or
  - (ii) a person connected with a major shareholder being a major shareholder of the other person, provided that the following conditions are satisfied:
    - (aa) the major shareholder and/or the person connected with the major shareholder is/are not the largest shareholder of the listed issuer;
    - (bb) the major shareholder and/or the person connected with the major shareholder is/are not a party to the said transaction, initiator, agent or involved in any other manner in the said transaction;

- (cc) the major shareholder does not have any representative in an executive capacity on the board of directors of the listed issuer or any of its subsidiaries; and (dd) the major shareholder is –
  - (A) a statutory institution who is managing funds belonging to the general public;
  - (B) a closed end fund, unit trust or investment fund (but excluding an investment holding corporation); or
  - (C) an insurance corporation whose activities are regulated by any written law relating to insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate, and the said insurance corporation is managing its insurance fund (together with its own shareholders' funds or otherwise). For the purposes of this subparagraph, "insurance fund" has the meaning given in section 2 of the Financial Services Act 2013;
- (n) a transaction between the listed issuer and another person where there are no other interested relationships except for a related party who is a director or major shareholder of a subsidiary of the listed issuer or person connected with such director or major shareholder having an interest in the transaction;
- (o) a transaction between a subsidiary of a listed issuer ("transacting subsidiary") and another person where there are no other interested relationships except for a related party who is a director or major shareholder of a subsidiary of the listed issuer (other than the transacting subsidiary or holding companies of the transacting subsidiary) or a person connected with such director or major shareholder having an interest in the transaction;
- (p) subscription to or acquisition by a listed issuer or its subsidiaries not listed on any stock exchange, of debt securities and/or redeemable preference shares issued or guaranteed by the Government of Malaysia, Bank Negara Malaysia, a State Government or an equivalent foreign regulatory authority as the Exchange deems appropriate; or
- (q) a disposal by a listed issuer or any of its subsidiaries of an interest in an investee corporation where a related party is also a major shareholder or person connected with a major shareholder of the investee corporation (other than via the listed issuer), provided that –
  - (i) the related party, person connected with the related party or both, are not a party, initiator or agent to the said disposal; and
  - (ii) the disposal is effected on the Exchange where the counterparty's identity is unknown to the listed issuer or its subsidiaries (as the case may be) at the time of the disposal.

For the purpose of this subparagraph (q), a "disposal" includes a disposal by a listed issuer or any of its subsidiaries of an interest in an investee corporation on a pro-rata basis or arising from an acceptance of a take-over offer, except that subparagraph (q)(ii) above will not be applicable in such instances.