

RELATED PARTY TRANSACTIONS POLICY

1. Objective

The objective of this Policy on Related Party Transaction (“**the Policy**”) are –

- I. As a guide for EI Power Berhad (“**the Company**”) and its subsidiaries’ employees to understand the policies and procedures that need to be adhered to in identifying and treating Related Party Transaction (“RPT”).
- II. To ensure that all RPTs occurring in the course of business are made at an arm’s length basis and at normal commercial terms which is not more favourable to the related party than those available to the public and that these terms are not detrimental to the Company, its subsidiaries or to other shareholders of the company who are not part of the transactions.
- III. To ensure compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**AMLR**”) and other applicable laws with regard to Related Party Transaction.

2. The Related Party Transaction Policy

The Company recognizes that Related Party Transaction can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company’s and its stockholders’ best interests.

It is the policy of the Company not to enter into any Related Party Transactions unless:

- The Audit & Risk Management Committee (“**ARMC**”) of the Board of Directors has reviewed and approved or ratified such transactions in accordance with the guidelines; and
- The disclosure and procedural requirements of AMLR for Related Party Transaction are complied with.

3. Scope of the Policy

Adherence and compliance to this Policy on Related Party Transaction is mandatory and applies to all of the Company’s and its subsidiaries employees including part-time, temporary and contract employees.

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

- “**Director**” has the meaning given in section 2(1) of the Capital Markets and Service Act (CMSA) 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 Name], it's subsidiary or holding company; or
 - ii) a chief executive of [Company Name], it's subsidiary or holding company
- “**Major Shareholder**” means a person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares is:

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- i) 10% or more of the total number of voting shares in the corporation; or
 - ii) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.
- “Person Connected” in relation to any person (referred to as, “said Person”) means such person who falls under any one of the following categories:
 - i) a family member of the said Person;
 - ii) 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;
 - iii) a partner of the said Person;
 - iv) 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;
 - v) 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;
 - vi) 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
 - vii) a body corporate which is a related corporation of the said Person.
 - “Related Party Transaction” (“RPT”) means a transaction entered into by the Company and/or its subsidiaries which involves the interest, direct or indirect, of a related party pursuant to Chapter 10 of the AMLR.

4. Related Party Transaction Disclosure under Listing Requirement of the AMLR

This Policy is in accordance with the requirements of Part E of Chapter 10 of the AMLR and all affected parties, who may be exposed to possible related party transactions, should familiarize themselves with the salient information highlighted as follows –

- I. Sub-rule 10.08(1) of the AMLR states that where any one of the percentage ratios of a related party transaction is 0.25% or more, a listed corporation, the Company, must announce the related party transaction 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 Recurrent Related Party Transaction.

The content of the aforementioned announcement would include amongst other information set out in the Appendices of the AMLR, (i) the calculation of the percentage ratio; (ii) the pro forma impact or effect of the transaction on the Company’s financial (iii) Rationale & Benefits of the transaction; (iv) Risks of the transaction; and others.

- II. Sub-rule 10.08(2) provide that, subject to the provisions of sub-Rules (9) and (10) below, where any one of the percentage ratios of a related party transaction is 5% or more, in addition to sub-Rule (I) above, the Company will be required to –

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- a)
 - (i) engage the services of a Sponsor or Adviser, as the case may be; and
 - (ii) appoint an independent adviser,
before the terms of the transaction are agreed upon.

 - b) send a circular which includes the information set out in Appendix 10B and Appendix 10D to the shareholders; and

 - c) obtain the Company's shareholder approval of the transaction in a general meeting.
- III. Sub-rule 10.08(3)
- (a) states that the role of the independent adviser as referred to in sub-Rule 2(a) above must –
 - i) be a person who is permitted to carry on the regulated activity of advising on corporate finance under the Capital Markets and Services Act 2007 ("CMSA") under the Securities Commission's Principal Adviser Guidelines; and
 - ii) if appointed during the Sponsorship Period, be a person other than the Company's Sponsor.

 - (b) The independent adviser must, in relation to the transaction –
 - i) comment as to –
 - aa) whether the transaction is fair and reasonable so far as the shareholders are concerned; and
 - bb) whether the transaction is to the detriment of minority shareholders; andsuch opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;

 - ii) advise minority shareholders on whether they should vote in favour of the transaction; and

 - iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in sub-Rules (i) and (ii) above.
- IV. Sub-rule 10.04 spells out the duty and responsibility of the Sponsor or Adviser referred to in sub-Rule II(a) above to –
- (a) advise the Company whether such transaction is carried out on fair and reasonable terms and conditions, and not to the detriment of minority shareholders of the Company;
 - (b) ensure that such transaction complies with the relevant laws, regulations or guidelines, where applicable;

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- (c) ensure full disclosure of all information required to be disclosed in the announcement and circular;
 - (d) submit a copy of the draft circular to the Exchange for perusal together with a checklist showing compliance with Appendix 10B and Appendix 10D; and
 - (e) confirm to the Exchange after the transaction has been completed and all the necessary approvals have been obtained, that it has discharged its responsibility with due care in regard to the transaction.

- V. Sub-rule 10.08(5) provides that the Exchange has the discretion not to allow an independent adviser to continue to act or be appointed as an independent adviser if, in its opinion, the adviser is deemed not to be independent.

- VI. Sub-rule 10.08(6) states that 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 related party transaction.

- VII. Under sub-rule 10.08(7), in a meeting to obtain shareholder approval –
 - a) A related party with any interest, direct or indirect ("interested related party") must not vote on the resolution in respect of the related party transaction;
 - b) an interested related party who is a director or major shareholder must ensure that persons connected with it abstain from voting on the resolution in respect of the related party transaction; and
 - c) where an interested related party is a person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution in respect of the related party transaction.

- VIII. Sub-rule 10.08(8) states that an interested director in a related party transaction must inform the board of directors of the Company or its subsidiary, as the case may be, the details of the nature and extent of his interest, including all matters in relation to the proposed transaction that he is aware or should reasonably be aware of, which is not in the best interest of the Company or its subsidiary, as the case may be.

- IX. Sub-rule 10.08(9) states that where anyone of the percentage ratios of a related party transaction entered into between a subsidiary of the Company 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 the Company or the holding company of the Company) ("the said director" or "said major shareholder"); or
 - b) a person connected with the said director or the said major shareholder;and the Company is exempted from –

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- i) appointing an independent adviser or engaging the services of a Sponsor or Adviser;
- ii) issuing a circular to shareholders; and
- iii) obtaining shareholder approval of the transaction in general meeting,

Provided that the board of directors of the Company –

- (aa) approves the transaction before the terms of the transaction are agreed upon; and
- (bb) ensures that the transaction is fair and reasonable to the Company and is in the best interests of the Company.

- X. Sub-rule 10.08(10) state that sub-rule II, III, IV and IX above do not apply to related party transaction where value of the consideration of the transaction is less than RM200,000.
- XI. Sub-rule 10.08(11) specifically states that the following transactions are not normally regarded as related party transactions:
 - a) the issue of securities by the Company for cash (subject to Rule 6.07), the issue of securities by way of a 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, a subdivision of shares, consolidation of shares or payment of a dividend;
 - b) a transaction between the Company 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 Company; and
 - ii) no other interest such as commission or other kinds of benefits received from the Company or any of its subsidiaries or the other person in relation to the said transaction;
 - c) an acquisition or disposal by the Company 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 Company;
 - d) 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;
 - e) directors' fees and remuneration, and employment remuneration;

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- f) insurance coverage and indemnities for directors as permitted under Companies Act;
- g) a transaction between the Company 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 sub-rule, the following definitions shall apply –

- 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 corporation 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
 - ab) 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 Company or its subsidiary provided that the Company 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 Company 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 the Company;
 - bb) majority of the directors and members of the audit committees of the Company (whether as the bidder or the awarder or the holding companies of the bidder or awarder subsidiaries) are different; and

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- 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 the Company 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 Company 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 Company;
- m) a transaction between the Company 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 Company;
 - 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 [Company Name] 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).
- n) a transaction between the Company 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 Company or person connected with such director or major shareholder having an interest in the transaction;

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- o) a transaction between a subsidiary of the Company (“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 Company (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 the Company 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) disposal by the Company 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 Company), provided that –
 - i) the related party, a 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 Company or its subsidiaries (as the case may be) at the time of the disposal.

For the purpose of this sub-rule (q), “**Disposal**” includes disposal by a listed corporation 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 sub-Rule (q)(ii) below will not be applicable in such instances.

Sub-Rule 10.09 Recurrent Related Party Transactions

- (1) Pursuant to Rule 10.09(1), notwithstanding Rule 10.08(1)(b) above, the Company must immediately announce a Recurrent Related Party Transaction in the following –
 - a) if the Company’s share capital is more than RM60 million and above –
 - i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or
 - ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more, whichever is the higher; or
 - b) if the Company’ share capital is below RM60 million –
 - i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transaction is RM1 million or more; or
 - ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more, whichever is the lower.

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- (2) The Company may seek a mandate from its shareholders for Recurrent Related Party Transactions subject to the following –
- a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party 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 threshold prescribed under sub-Rule (1) above;
 - c) the Company's circular to shareholders for the shareholder mandate includes the information as may be prescribed by the Exchange. The draft circular must be submitted to the Exchange for perusal together with a checklist showing compliance with such information;
 - d) in a meeting to obtain a shareholder mandate, the relevant related party must comply with the requirements set out in Rule 10.08(7) above; and
 - e) the Company immediately announces to the Exchange when the actual value of a Recurrent Related Party Transaction entered into by the Company, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by the Exchange in its announcement.
- (3) Where the Company has procured a shareholder mandate pursuant to sub-rule 10.09(2) above, the provisions of rule 10.08 will not apply.

This means, during the period of validity of the Mandate, the disclosure obligation as set out in Rule 10.09(1), as well as the obligation to procure shareholder approval as set out under Rule 10.08 will not apply to the Recurrent Related Party Transactions which are comprised in the Mandate.

5. Guidelines of this Policy

A. Identification Process

- a) Finance Department shall ensure proper documentation for all related party transactions. There should be proper segregation of processes for the preparation of documents, verification and approval.
- b) The Finance Department, overseen by the Chief Financial Officer or the Head of Finance, is to compile a listing of related parties, nature of Related Party Transaction, the estimated value of annual transactions and the control(s) put in place, subject to update from time to time.

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- c) All Directors and major shareholders are required to declare and disclose any transaction in which they are deemed to have an interest and give their undertakings that all business transactions entered between themselves and/or persons connected with them and the Group of Companies are negotiated and agreed at arm's length basis based on normal commercial terms and are not to the detriment of the minority shareholders and favourable to the related party/parties.
- d) The Company shall disclose the nature of the related party relationship as well as information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship in the financial statements. Such disclosure includes a settlement of liabilities on behalf of the entity or by the entity on behalf of another party.

B. Reporting Process

The Board of Directors shall ensure that adequate procedures are established by the Group to ensure that any Related Party Transaction is undertaken on an arm's length basis and on the Group's normal commercial terms, consistent with the Group's usual business practices and policies, which are generally available to the public and are not detrimental to the minority shareholders. The procedures are as follows –

- a) A list of Related Parties will be circulated to the Board and management of the Company. All Related Parties of the Company and its subsidiaries are responsible for providing written notice to the ARMC of any potential Related Party Transaction involving him/her or Person Connected to him/her, including any additional information about the transaction that the ARMC may reasonably request;
- b) The ARMC will determine whether the transaction does, in fact, constitute a Related Party Transaction, and if it is determined that it is a related party transaction, the following criteria are to be fulfilled:
 - i) The percentage ratios of a related party transaction are 0.25% or more, and;
 - ii) The value of the consideration of the transaction is more than RM200,000.
- c) In compliance with the Listing Requirement, the Company may be required to engage a professional or third-party opinion on the matter.
- d) The Related Party Transaction will be reviewed by the ARMC of the Company from time to time to ensure compliance with the Listing Requirements and applicable laws, as stipulated in Chapter 10.08, Appendix 10A and 10C of the AMLR.
- e) Submit the RPT announcement to the ARMC for consideration and approval prior to announcement;
- f) When it is approved, submit the announcement to Bursa Securities.
- g) Update the Related Parties Transaction Listing/Document.

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- h) The annual internal audit plan shall incorporate a review of all Related Party Transaction entered into pursuant to the proposed shareholders' mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- i) The Board and the ARMC shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor Related Party Transaction have been complied with and the review shall be done at every quarter together with a review of the quarterly results.
- j) All Recurrent Related Party Transactions shall be disclosed in the Annual Report of the Company and a breakdown of the transactions pursuant to the proposed shareholders' mandate during the financial year and for the subsequent financial year in the following manner:
 - i) Aggregate value
 - ii) Nature / type
 - iii) Names of the related party/parties involved
 - iv) Relationship of the related party/parties with [Company Name]

This Policy of Related Party Transactions was approved and adopted by the Board on 18 August 2025.