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	RELATED PARTY TRANSACTION	Rev. No.	-
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RT-G014
RELATED PARTY
TRANSACTION



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1.0 INTRODUCTION

The Board of Directors and Management recognises that Related Party Transactions (“**RPTs**”) and Recurrent Related Party Transactions (“**RRPTs**”) may give rise to actual, potential or perceived conflict of interest and may prompt concerns regarding whether such transactions serve the best interests of the Company and its stakeholders. According, this Policy and Procedure (“**Policy**”) is established as a guiding framework to be adopted and implemented throughout the Rosado Group.

This Policy has been developed in accordance with the requirements of the Companies Act 2016 and the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).


2.0 OBJECTIVES AND SCOPE

- 2.1 This policy is intended to ensure that all RPTs and RRPTs conducted in the ordinary course of business are carried out on an arm’s length basis and on normal commercial terms. Such terms shall not be more favourable to the related party(ies) than those generally available to the public and these terms shall not be detrimental to the interest of the other shareholders of the Rosado Group who are not involved in the transactions.
- 2.2 This policy also serves to provide employees with an understanding of the principles and procedures that must be adhered to in identifying and treating RPTs and RRPTs to ensure compliance with the Listing Requirement and other applicable laws.
- 2.3 This Policy applies to the Rosado Group and any major shareholder, director and key management personnel, for the duration of the relationship with the Rosado Group, whom must comply with the guidelines and principles established in this policy.


3.0 DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Policy:

Word	Meanings
Act	: Companies Act 2016, as amended from time to time and any re-enactment thereof.
Applicable Laws	: All laws, by-laws, regulations, rules, orders and/or official directions for the time being in force affecting the Company and Rosado Group, including but not limited to the Act, the applicable securities laws, and every other law for the time being in force concerning companies and affecting the Company and Rosado Group and any other directives or requirements imposed on the Company and Rosado Group by the relevant regulatory bodies and/or authorities.
Board	: The Board of Directors of Rosado.
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 six (6) months of the date on which the terms of the transaction were agreed upon, a Director of Rosado, its subsidiary or holding company or a chief executive of Rosado, its subsidiary, or holding company. “Director” also includes chief executive, chief financial officer, chief operating officer or any person primary responsible for the management of the Company in accordance with Section 210 of the Act.

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Word	Meanings
Employee	: Employee(s) of Rosado Group
Family member	: Means a person who is: <ul style="list-style-type: none"> (a) Spouse; (b) Parent; (c) Child (including an adopted child and stepchild); (d) Brother and sister (i.e. siblings); and (e) The spouse of the child (including an adopted child and stepchild), brother or sister
Major shareholder(s)	: A person who (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) has an interest or interests in one or more voting shares in the Company (or any other corporation which is its subsidiary or holding company) and the number or the aggregate number of those shares, is: <ul style="list-style-type: none"> (a) 10% or more of the total number of voting shares in the Company; or (b) 5% of more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.
Percentage ratio	: Has the same meaning as set out in Paragraph 10.02(g) of the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad
Person(s) Connected	: In relation to a Director or Major Shareholder (referred to as "said Person"), means such person who falls under any one of the following categories: <ul style="list-style-type: none"> (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; or a partner of a person connected with 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.

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Word	Meanings
Related Party(ies)	: A Director, Major Shareholder, Person Connected to the Director or Major Shareholder.
RPT	: Transactions entered into by Rosado Group which involves the interest, direct or indirect, of a Related Party.
RRPT	: Related party transactions which are recurrent, of a revenue or trading nature which are necessary for day-to-day operations of Rosado Group. A transaction which has been made or will be made by Rosado Group at least once in three (3) years in the course of its business will be considered recurrent.
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.

4.0 PROCEDURES

4.1 Responsibility and Identification of Related Parties

4.1.1 Every Director of the Company and its subsidiaries, joint ventures, jointly controlled entities or associates shall:

- (a) upon appointment;
- (b) periodically, as required by the Company;
- (c) whenever there is any change in the information previously submitted,

provide the necessary information regarding his or her related parties, including all firms, entities and body corporates, in which the Director has an interest, whether directly or indirectly, to the Company or the Company Secretary.


4.1.2 The Company Secretary shall maintain and update the register of related parties ("**Related Party List**") and circulate to the respective personnel within the Finance and operating units of Rosado Group at least once annually or as and when there are any changes.

4.1.3 The Company and its subsidiaries are advised to review and familiarise themselves with the Related Party List prior to entering into any transaction. All operating units involved in contract negotiations and payments processing must thoroughly understand and familiarise themselves with the Related Party List to identify transactions that may be considered as RPT or RRPT.

4.2 Transactions with Related Parties

4.2.1 In the event that a proposed transaction is to be entered into with any of the Related Parties as identified in the Related Party List, such proposed transaction shall be reported to the Finance Department to assess compliance with the Listing Requirements.

4.2.2 The respective operating units/division initiating the contract with the Related Parties shall, wherever possible, obtain at least two (2) other quotations from unrelated third parties for similar products/services/quality and/or quantities for comparison. This is to determine whether the pricing and terms offered to/by the related parties are fair, reasonable and comparable to those offered to/by other unrelated third parties for similar transactions.

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- 4.2.3 In the event where such comparable quotations from an unrelated third parties are not available for the same or similar products/services/quality and/or quantities, the transaction prices and commercial terms shall be determined based on Rosado Group's usual business practices and policies to ensure that the RPTs/RRPTs are not detrimental to Rosado Group.
- 4.2.4 All RPTs are subject to the review of the Audit Committee and must comply with the relevant Listing Requirement.
- 4.2.5 The Finance Department will prepare and submit the RPTs/RRPTs report to the Company Secretary on a quarterly basis. The said report shall also be submitted to the Audit Committee of Rosado Group for their review.
- 4.2.6 The Audit Committee shall review the RPT/RRPT report to ensure that the RPTs/RRPTs have been transacted on arm's length basis and on commercial terms not detrimental to Rosado Group. The Audit Committee shall report its findings to the Board for further action if necessary. All Board and/or Audit Committee members who have a direct or indirect interest in any RPTs/RRPT shall declare their interest in such transaction and abstain from deliberations and voting in respect of the RPT/RRPT.
- 4.2.7 The Audit Committee shall also have the right to access the information on the Related Parties concerned and is entitled to the services of independent advisers, if required, in the discharge of their duties in reviewing the RPT/RRPT.
- 4.2.8 The Finance Department must notify the MD and Company Secretary in writing or via email if the aggregated transacted amount of RPTs/RRPTs approaches the threshold stipulated under the Listing Requirements.

4.3 Roles and Responsibility

- 4.3.1 All Directors shall be individually responsible for the complete and accurate declaration of the following"
- (a) his/her directorship, shareholdings or other interest in any other companies and business, as well as the interest of Persons Connected to them.
 - (b) his/her direct and indirect interest in any known or potential RPT/RRPT to be entered by Rosado Group, in a timely manner.
- 4.3.2 The Directors and heads of departments / functions, as the Originator of the transaction(s), are responsible for identifying and disclosing any known or potential RPT/RRPT prior to the execution of any contracts, agreements, arrangement or transactions.
- 4.3.3 The Originator shall notify and provide details of the transaction to the MD, CFO and Company Secretary for verification as to whether the transaction:
- (a) constitutes as an actual RPT/RRPT; and
 - (b) meets the threshold set out in the Listing Requirements, and the corresponding obligations that the Rosado Group needs to undertake pursuant to the Listing Requirement.

The Originator is responsible to prepare the proposal paper, where necessary, for the Audit Committee's and Board's approval of the RPT / RRPT.

- 4.3.4 The Audit Committee is responsible for reviewing and evaluating the terms of the RPT/RRPT proposal and advising the Board whether the RPT/RRPT:
- (a) is in the best interest of Rosado Group;

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- (b) is fair, reasonable and on conducted on normal commercial terms; and
(c) is not detrimental to the interest of minority shareholders.

4.3.5 The Board is responsible for deliberating and approving the propose RPT/RRPT, and if required pursuant to the Listing Requirement, recommending the transaction(s) for the shareholders' approval.


5.0 DISCLOSURE REQUIREMENTS

5.1 Related Party Transactions

5.1.1 The disclosure requirements of RPT as prescribed by the Listing Requirements are governed by percentage ratio threshold are as follows:

Value of RPT / Percentage ratio	Requirements
0.25% or more but less than 5.00%	Make an immediate announcement to Bursa Securities of a RPT after the terms of the transaction has been agreed upon unless: <ul style="list-style-type: none"> (a) the value of the consideration of the transaction is less than RM200,000; or (b) the transaction is a RRPT.
5.00% or more	<ul style="list-style-type: none"> (a) Appoint the services of a Sponsor* or Adviser* and an Independent Adviser* before the terms of the transaction are agreed upon. (b) Make an announcement to Bursa Securities of the RPT as soon as possible after the terms of the transaction have been agreed upon. (c) Send a circular to the shareholders; and (d) Obtain the shareholders' approval for the transaction in a general meeting. <p><i>Note:</i> * A corporate finance adviser within the meaning of the Securities Commission Malaysia's ("SC") Principal Adviser Guidelines</p> <p>The Sponsor or Adviser shall:</p> <ul style="list-style-type: none"> • Advise the Rosado Group whether the transaction is carried out on a fair and reasonable terms and conditions, and not to the detriment of the minority shareholders; • Ensure the transaction complies with the Applicable Laws; • Ensure full disclosure of all information required to be disclosed in the announcement and circular; and • Confirm with Bursa Securities after the transaction has been completed and all necessary approvals have been obtained, that it has discharged its responsibility with due care in regard to the transaction.

5.1.2 Any Director who has an interest, whether direct or indirect, in the RPT ("**Interested Director**") must disclose to the Board the details of the nature and extent of his/her interest. This disclosure should include all matters related to the proposed transaction that the Interested Director is aware or should be aware of, which is not in the best interest of Rosado Group.

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5.1.3 The Interested Director must abstain from participating in the Board's deliberation and voting on the resolution in respect of the RPT. Furthermore, in a general meeting to obtain shareholder approval, the Related Party, the Interested Director or Major Shareholder with any interest, direct or indirect, including Person Connected to them must abstain from voting on the resolution approving the RPT.

5.2 Recurrent Related Party Transactions

5.2.1 Under the Listing Requirements, a Company with an issued and paid-up capital of RM60 million and above, 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.

5.2.2 In the event the RRPT reaches certain threshold of the percentage ratios, Rosado Group is required to comply with the obligations under the Listing Requirement as set out in Section 5.1 of this policy.

5.2.3 The Rosado Group may seek a general mandate from the 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 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 Section 5.2.1 above;
- (c) the Company's circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to the Bursa Securities 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 Section 5.1.3 above; and
- (e) the Company must immediately announce to Bursa Securities when the actual value of a RRPT 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.

6.0 POLICY REVIEW

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



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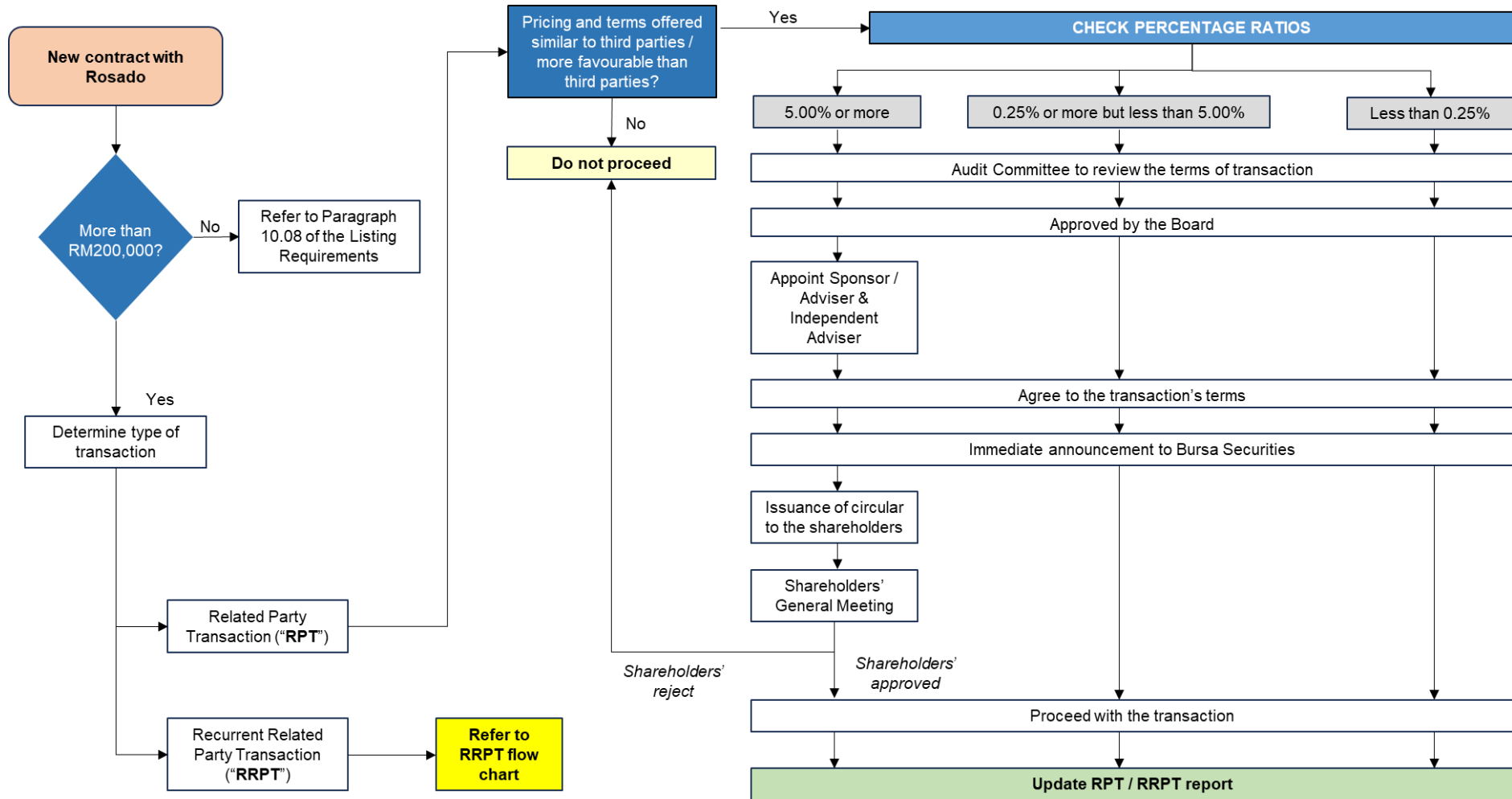
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APPENDIX 2 – OVERVIEW FLOWCHART FOR RRPT

