

# **BBSB International Limited**

*(incorporated in the Cayman Islands with limited liability)*

(the “**Company**”)

(Stock code: 8610)

## **Related Party Transaction Policy**

(the “**Policy**”)

(Adopted pursuant to a resolution passed by the board (“**Board**”) of directors (“**Directors**”) of the Company on 23 June 2025)

### **1. Definition of Related Party Transactions**

#### **Related party**

A person or a close member of that person’s family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or the Company’s parent.

An entity is related to the Group if any of the following conditions apply:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group;
- (vi) The entity is controlled or jointly controlled by a person identified above;
- (vii) A person identified above has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity); or
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group’s parent.

## **Close members of a person's family**

Close members refer to those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

## **2. Approval Process**

The Company Secretary is responsible to keep a list of related parties on hand for all identified related parties. The list of related parties should include the name of the parties, the relationship with the company, the transaction currently incurred, the dollar amount of those transaction, etc.

The senior management takes up the greatest responsibility in monitoring every major transaction the Group and its subsidiaries to be entered to identify any potential related party transaction. The list of related parties kept by the Company Secretary should be used to assist the identification of related party transaction.

If any potential related party transaction is noted, the senior management shall promptly notify the Board of Directors of any material interest that a person or an immediate family member of such person had, has or may have in such related party transaction. The notice shall include a description of the transaction and the aggregate dollar amount.

Director(s) should also pay attention to any related party transaction occurred and notify the Chair of the Board promptly.

All related party transactions must be approved by the Board of Directors. In determining whether to enter, approve, ratify, disapprove or reject a related party transaction, the director(s), as appropriate, shall take into account, among other factors they deem appropriate, whether the related party transaction is entered into on terms no less favourable to the Group than terms generally available to an unaffiliated third party under the same or similar circumstances; the results of an appraisal, if any; whether there was a bidding process and the results thereof; review of the valuation methodology used and alternative approaches to valuation of the transaction; and the extent of the related person's interest in the transaction. The director(s) will review the following information when assessing a related party transaction:

- (i) The terms of such transaction;
- (ii) The Related Person's interest in the transaction;
- (iii) The purpose and timing of the transaction;
- (iv) Whether the Company is a party to the transaction, and if not, the nature of the Company's participation in the transaction;

- (v) If the transaction involves the sale of an asset, a description of the asset, including date acquired and its cost;
- (vi) Information concerning potential counterparties in the transaction;
- (vii) The approximate dollar value of the transaction and the approximate dollar value of the related person's interests in the transaction;
- (viii) Description of any provisions or limitations imposed as a result of entering into the proposed transaction;
- (ix) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction; and
- (x) Any other relevant information regarding the transaction.

The director who has conflict of interest in approving a related party transaction should not participate in the voting.

Approval from the shareholders' meeting should also be obtained in the following situation:

- (i) Less than three directors on the Board are eligible to vote;
- (ii) The aggregate dollar amount of the transaction exceeds HK\$5,000,000 or 5% of the last audited total net assets; or
- (iii) Providing guarantees for a related company, regardless of the amount.

The discussion and decision of the Board on the related party transaction should be documented in meeting minutes and signed by the attendants as proof of approval. Agreements must be properly prepared for all related party transactions and approved by the Board of Directors prior signing. The Company Secretary should update the list of related parties every time after a new related party transaction is approved.

### **3. Special Coding**

The Company should follow the basic principles in dealing with related party transactions:

- (1) Comply with the principle of good faith;
- (2) A written agreement must be signed for all related party transactions. The agreement should be in an equal, voluntary and equivalently compensatory basis;
- (3) The shareholders and directors with direct conflict of interest, or having interest in the related parties, should avoid to vote in respect of such related party transactions;

(4) In making decision, the Board of Directors should, with the highest priority, determine whether the related party transactions would benefit the company. If necessary, expert or specialist should be employed for a valuation on an objective basis.

#### **4. Confirmation and Reconciliation**

The Accounting Manager would send an email or a written confirmation to every director and every intragroup company to agree or reconcile the current accounts with them. Any discrepancies shall be investigated and adjusted accordingly. The returned confirmations should be filed properly by the Accounting Department.

#### **5. Periodic declaration**

Every director (CEO, both executive and independent non-executive) and senior management (including head of department and CFO/Company Secretary) may be required to fill in the related party declaration annually, i.e. January of every year.

The Company Secretary is responsible to remind the filling of the related party declaration and to check that all related party declarations have been received, duly completed and signed. Then, he/she should proceed to update the list of related parties accordingly.

When any director or member of the top management identified there is any changes of his/her related party position, he/she should also fill in the related party declaration as soon as possible and submitted to the Company Secretary for updating the list of related parties.

#### **6. Disclosure and Reporting**

After each related party transaction being approved by the Board (or the Shareholders' meeting when applicable), the Company secretary is responsible to determine the need for public announcement in according to the GEM Listing Rule and remind the management.

Related party transactions and balances should be properly recorded in company's level financial statements according to HKAS24. If there is inter-company transaction or balance, amount should be eliminated in consolidated financial statements.

CFO who is responsible to draft the financial statements, should prepare the disclosure of related parties with reference to the latest list of related parties kept by the Company Secretary to ensure the completeness and accuracy of the disclosure.