

KERJAYA PROSPEK GROUP BERHAD

Registration No. 198401010054 (122592-U)

MONEYLENDING – LOAN GRANTING POLICY

Custodian : Finance Department

MONEYLENDING – LOAN GRANTING POLICY

1. Purpose

To establish clear and consistent guidelines for the approval, disbursement, and management of secured and unsecured loans, ensuring compliance with the **Moneylenders Act 1951**, ethical lending practices, and prudent risk management.

2. Scope

This policy applies to all lending activities undertaken by the Company, including personal loans, business loans, and loans secured by collateral.

3. Objectives

- To ensure loans are granted responsibly and transparently.
- To safeguard the Company against credit, legal, and reputational risks.
- To protect borrowers through fair and lawful lending practices.
- To maintain compliance with all statutory and regulatory requirements.

4. Loan Categories

Type	Description	Key Features
Secured Loans	Loans backed by collateral (e.g., property, vehicle, fixed deposit).	Lower risk; requires valuation and legal charge documentation.
Unsecured Loans	Loans granted based on borrower's creditworthiness and income.	Higher risk; requires stricter credit assessment and shorter tenure.

5. Eligibility Criteria

- Borrower must be at least **18 years old** and legally competent.
- Must provide valid identification and proof of income.
- Creditworthiness assessed through internal scoring or external credit reports.
- For secured loans, collateral must be legally owned and free of encumbrance.

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6. Loan Approval Process

Step	Action	Responsible Party
1. Application	Borrower submits completed loan form with required documents.	Loan Officer
2. Verification	Validate borrower identity, income, and collateral ownership.	Credit Analyst
3. Risk Assessment	Evaluate credit score, repayment capacity, and exposure limits.	Credit Committee
4. Approval	Approve loan within delegated authority; escalate high-value loans to Board.	Credit Committee / Board
5. Documentation	Prepare and execute Form J (Loan Agreement) and security documents.	Legal
6. Disbursement	Release funds via approved payment channels after documentation.	Finance Department

7. Related Party Lending

Any loan involving a director, major shareholder, person connected with them or any related party shall:

- be conducted on normal commercial terms;
- comply with the Companies Act 2016 and the Bursa Malaysia Securities Berhad Main Market Listing Requirements;
- be subject to the applicable approval procedures; and
- require the interested person to abstain from the approval process.

8. Collateral Management (Secured Loans)

- Collateral must be valued by an independent valuer.
- Legal charge or lien must be registered before disbursement.
- Collateral records maintained securely and reviewed annually.
- Release of collateral only upon full loan settlement.

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9. Interest Rates & Fees

- Must comply with statutory limits under the Moneylenders Act 1951.
- All fees (processing, late payment, legal) must be disclosed upfront.
- No hidden or undisclosed charges permitted.

10. Repayment & Monitoring

- Repayment schedules must be clearly stated in Form J.
- Regular monitoring of repayment performance and arrears.
- Early settlement permitted with recalculated interest as per law.

11. Default & Recovery

- Follow the **Payment Default Policy** for reminders, restructuring, and recovery.
- Legal action initiated only after due process and borrower notification.
- Write-offs require Board approval.

12. Governance & Oversight

- **Board of Directors:** • Approves this Policy; Approves the overall lending strategy and delegated lending authority; Oversees the effectiveness of the Group's risk management and internal control framework relating to the moneylending business.
- **Credit Committee:** Reviews and approves loan applications within the delegated authority; Monitors the quality of the loan portfolio; Reviews significant delinquent accounts and recommends appropriate actions.
- **Compliance Officer:** Monitors compliance with the Moneylenders Act 1951, licence conditions and this Policy; Escalates any material regulatory breach to Management.

Material credit risks, regulatory breaches and significant delinquent accounts shall be reported to the Board and/or the relevant Board Committee on a periodic basis.

13. Review

This policy shall be reviewed annually or earlier where there are changes to applicable laws, regulatory requirements or the Group's business operations. Any material amendments shall be subject to the approval of the Board.