

KERJAYA PROSPEK GROUP BERHAD

Registration No. 198401010054 (122592-U)

MONEYLENDING POLICY AND PROCEDURES

Custodian : Finance Department

MONEYLENDING POLICY AND PROCEDURES

1. Introduction

This Policy establishes the framework for responsible moneylending operations in compliance with the **Moneylenders Act 1951 (Act 400)**, subsidiary legislation, and directives issued by the **Ministry of Housing and Local Government (KPKT)**. It ensures ethical practices, consumer protection, and sound risk management.

2. Objectives

- Ensure strict adherence to Malaysian moneylending laws and licence conditions.
- Promote transparency, fairness, and accountability in lending.
- Safeguard the organization against financial, operational, and reputational risks.

3. Scope

This Policy applies to:

- All licensed moneylending activities conducted by Kerjaya Prospek Group Berhad and its subsidiary companies.
- All employees, agents, and representatives engaged in loan origination, approval, disbursement, monitoring, and collections.

4. Governance and Oversight

The Board of Directors of Kerjaya Prospek Group Berhad ("Board") shall retain overall responsibility for the governance and oversight of the Group's licensed moneylending business.

The Board shall:

- (a) approve this Policy and any material amendments thereto;
- (b) approve the overall risk appetite and lending authority framework;
- (c) oversee the effectiveness of the risk management and internal control systems relating to the moneylending business;
- (d) review periodic reports on the performance, risk profile and regulatory compliance of the moneylending business; and
- (e) ensure that the moneylending business is conducted in accordance with applicable laws, licence conditions and the Group's governance framework.

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5. Licensing & Regulatory Compliance

- The Company shall maintain a valid **Moneylender's Licence** issued by KPKT.
- Licence must be displayed prominently at the business premises.
- Annual licence renewal and submission of compliance reports are mandatory.
- All loan agreements must be executed using **prescribed forms (Schedule J)**.

6. Loan Application & Approval

- Borrowers must submit:
 - Valid NRIC (MyKad) or passport.
 - Proof of income (salary slip, bank statement).
 - Employment or business details.
- Loan applications shall undergo creditworthiness assessment.
- Approval decisions must be documented and authorized by the **Credit Committee**.

Loan approvals shall be subject to the Group's Delegation of Authority ("DOA"). Management shall ensure that lending approvals are granted only by officers having the appropriate approval authority. Loans exceeding the prescribed approval limits or involving related parties shall be referred to the appropriate approving authority in accordance with the DOA.

7. Related Party Lending

Any lending to directors, major shareholders, persons connected with them or related parties shall:

- (a) be conducted on normal commercial terms and on an arm's length basis;
- (b) comply with the Companies Act 2016, Bursa Malaysia Securities Berhad Main Market Listing Requirements and all applicable laws;
- (c) be subject to the applicable approval procedures under the Group's Delegation of Authority; and
- (d) require the interested person to abstain from the review and approval process.

8. Loan Terms & Interest

- Interest rates shall not exceed:
 - **12% per annum** for secured loans.
 - **18% per annum** for unsecured loans.
- Interest shall be calculated on the reducing balance.
- Compounding of interest is strictly prohibited.
- All fees (processing, stamp duty, late payment) must be disclosed upfront.

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9. Loan Disbursement

- Disbursement shall occur only after execution of the loan agreement.
- Payment methods: cheque, bank transfer, or other traceable channels.
- Cash disbursement must be receipted and recorded.

10. Repayment Procedures

- Repayment schedules must be clearly stated in the loan agreement.
- Receipts must be issued for every repayment (Section 19 requirement).
- Borrowers may request a **statement of account (Schedule K)** at any time.
- Early settlement is permitted, with interest recalculated accordingly.

11. Monitoring & Collections

- Loan portfolio shall be monitored monthly.
- Reminder notices issued for overdue accounts.
- Collections must comply with **Fair Debt Collection Practices**:
 - No harassment, threats, or unlawful seizure of property.
 - Recovery only through legal proceedings.

Significant delinquent accounts, litigation matters, non-performing loans and material credit issues shall be reported periodically to the Credit Committee and Management for appropriate action.

12. Record Keeping

- Maintain proper records of loan agreements, receipts, and statements.
- Records must be available for inspection by KPKT officers.
- Minimum retention period: **7 years**.

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13. Risk Management

The Group shall establish an appropriate risk management framework for its moneylending business. This shall include, amongst others:

- Quarterly review of loan portfolio by the **Credit Committee**.
- periodic reporting to Management and the Board Committees.
- credit risk assessment.
- monitoring of non-performing loans.
- Non-performing loans (NPLs) flagged for corrective action.
- Adequate provisioning for bad debts maintained.
- Compliance with **Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF)** requirements.

14. Roles & Responsibilities

- **Loan Officer:** Application processing and borrower communication.
- **Credit Committee:** Loan approval and portfolio oversight.
- **Compliance Officer:** Ensures adherence to laws, license conditions, and internal policies.
- **Collections Team:** Manages overdue accounts professionally.
- **Board of Directors:**
 - Provide overall governance and oversight of the moneylending business.
 - Approve this Policy and any material amendments.
 - Oversee the adequacy of the Group's risk management and internal control framework relating to the moneylending business.
- **Risk Management Committee:**
 - Review the credit risk profile of the moneylending business.
 - Review significant credit risk exposures.
 - Monitor the adequacy of the risk management framework.
 - Recommend improvements to the Board where necessary.
- **Audit Committee:**
 - Review the adequacy and effectiveness of internal controls over the moneylending business.
 - Review internal audit findings relating to lending activities.
 - Review impairment methodology and provisioning where appropriate.
 - Monitor Management's implementation of audit recommendations.

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15. Conflict of Interest

All employees, Management, members of the Credit Committee and directors involved in the lending process shall disclose any actual, potential or perceived conflict of interest.

Any person having such conflict shall abstain from participating in the review, recommendation or approval of the relevant loan application.

16. Personal Data Protection

All personal information obtained from borrowers shall be collected, processed, stored and disclosed in accordance with the applicable personal data protection laws.

17. Review & Updates

- This Policy shall be reviewed annually or earlier whenever there are significant changes to legislation, regulatory requirements, business operations or the Group's risk profile
- Updates shall reflect amendments to the **Moneylenders Act 1951**, subsidiary legislation, or KPKT directives.

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Section	Details to Fill In
Moneylender	Name: _____ License No.: _____
Borrower	Name: _____ NRIC No.: _____ Address: _____ _____
Loan Particulars	Principal Sum: RM _____ Purpose of Loan: _____ Date: _____
Interest	Rate ____% per annum ($\leq 12\%$ secured / $\leq 18\%$ unsecured) Calculation: _____
Repayment Terms	Installment: RM _____ First Payment Due: RM _____ Final Payment Due: RM _____
Security (if any)	Collateral: _____
Fee & Charges	Processing Fee: RM _____ Stamp Duty: RM _____ Late Payment Penalty: RM _____
Default & Recovery	Recovery only through legal proceedings
Governing Law	Governed by the Moneylenders Act 1951 and applicable Malaysia Laws
Signatures	Borrower: _____ (Name & Date) Moneylender: _____ (Name & Date)