

10. RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, subject to certain exemptions, a "related party transaction" is a transaction entered into by a listed corporation or its subsidiaries, which involves the interest, direct or indirect, of a related party. A "related party" is defined as a director, major shareholder or person connected with such director or major shareholder (including a director or major shareholder within the preceding 6 months before the transaction was entered into). "Major shareholder" means a shareholder with a shareholding of 10.00% or more (or 5.00% or more where such person is the largest shareholder in the corporation) of all the voting shares in the corporation.

After our Transfer, we will be required to seek our shareholders' approval each time we enter into material related party transactions in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such related party transactions during the validity period of the mandate. The interested person shall abstain from voting on resolution(s) pertaining to each respective transaction. Under the Listing Requirements, related party transactions may be aggregated to determine its materiality if the transactions occurred within a 12-month period, are entered into with the same party or with parties connected with one another or if the transactions involved the acquisition or disposal of securities or interests in one corporation / asset or of various parcels of land contiguous to each other.

10.1 RELATED PARTY TRANSACTIONS

Save as disclosed below, our Board has confirmed that there are no other material related party transactions, existing or proposed, that we have entered or to be entered into with the related parties for the Financial Years Under Review and up to the LPD:

No.	Transacting parties	Nature of transaction	Nature of relationship	Transaction value			
				FYE 2021	FYE 2022	FYE 2023	1 January 2024 up to the LPD
				RM	RM	RM	RM
1.	(i) Steel Hawk Engineering (ii) SS Innovations Sdn Bhd	Acquisition of PJ Office from SS Innovations Sdn Bhd ⁽¹⁾	Dato' Sharman is our Promoter, substantial shareholder and Deputy Chairman / Executive Director. He was also a director and shareholder of SS Innovations Sdn Bhd. Datin Annie A/P V Sinniah is our Promoter and substantial shareholder. She was also a director and shareholder of SS Innovations Sdn Bhd.	700,000 (represents 4.33% of our Group's total assets)	-	-	-

10. RELATED PARTY TRANSACTIONS (CONT'D)

Note:

- (1) On 2 December 2020, we entered into 2 sale and purchase agreements with SS Innovations Sdn Bhd for the acquisition of our PJ Office, comprising 2 office lots located at No. 23-2 & 25-2, Block H, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, for a total consideration of RM1.30 million to be satisfied entirely via cash. The acquisition was completed and the issue documents of title of the PJ Office have been registered in favour of Steel Hawk Engineering on 4 October 2021 and 10 September 2021, respectively.

Based on the 2 valuation reports dated 26 November 2020 prepared by an independent registered valuer engaged by Steel Hawk Engineering, the total market value of our PJ Office was appraised by the independent registered valuer at RM1.30 million (being RM0.65 million for each lot) using the comparison method. The date of valuation was 18 November 2020.

For information purposes, SS Innovations Sdn Bhd was dissolved on 21 September 2023, following which, Dato' Sharman and Datin Annie A/P V Sinniah had ceased to be the directors and shareholders of SS Innovations Sdn Bhd.

Our Directors are of the opinion that the related party transactions were carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group but comparable to those generally available to third parties.

Our Directors also confirm that there are no other related party transactions that have been entered by our Group that involves the interest, direct or indirect, of our Directors, major shareholders and / or persons connected with them but not yet effected up to the date of this Prospectus.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, amongst others, supervise and monitor any related party transactions and the terms thereof and report to our Board for any further action, as set out in **Section 10.4** of this Prospectus. When necessary, our Board will make appropriate disclosures in our annual report with regard to any related party transaction entered into by us.

In the event that there are any proposed related party transactions that require the prior approval of our shareholders, our Directors and major shareholders, and / or persons connected with them which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of his direct and / or indirect shareholdings. Such interested Director and / or major shareholders will also undertake to ensure that the person connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting.

10.2 TRANSACTIONS THAT ARE UNUSUAL IN NATURE OR CONDITION

Our Board has confirmed that there are no related party transactions that are unusual in its nature or conditions, involving goods, services, tangible or intangible assets, to which our Company and / or our Subsidiaries was a party for the Financial Years Under Review and up to the LPD.

10. RELATED PARTY TRANSACTIONS (CONT'D)

10.3 OUTSTANDING LOANS AND / OR FINANCIAL ASSISTANCE MADE TO OR FOR THE BENEFIT OF RELATED PARTIES

10.3.1 Outstanding loans (including guarantees of any kind) and / or financial assistance made to or for the benefit of related parties

Our Board has confirmed that there are no outstanding loans (including guarantees of any kind) or financial assistance that have been granted by our Group to or for the benefits of the related parties during the Financial Years Under Review and as at the LPD.

10.3.2 Provision of guarantees by our related parties for the banking facilities granted to our Group

For the Financial Years Under Review, Salimi Bin Khairuddin, Dato' Sharman and Khairul Nazri Bin Kamarudin have rendered personal guarantees for banking facilities extended by Bank Islam Malaysia Berhad, AmBank (M) Berhad, Small Medium Enterprise Development Bank Malaysia Berhad, AmBank Islamic Berhad, Affin Bank Berhad, Maybank Islamic Berhad, Koperasi Angkatan Tentera Malaysia, Public Islamic Bank Berhad and CIMB Islamic Bank Berhad ("**Financiers**") to our Group. The aggregate guaranteed amount rendered by Salimi Bin Khairuddin, Dato' Sharman and Khairul Nazri Bin Kamarudin as at the LPD is approximately RM82.20 million.

Our Group has applied to the Financiers to discharge and / or release the guarantees rendered by Salimi Bin Khairuddin, Dato' Sharman and Khairul Nazri Bin Kamarudin by substituting the same with a corporate guarantee to be rendered by our Company and / or other securities from our Group acceptable to the Financiers. Until such discharge and substitution of guarantees have been implemented by the Financiers, our relevant substantial shareholders will continue to guarantee the banking facilities extended to our Group.

In conjunction with our Transfer, save for Small Medium Enterprise Development Bank Malaysia Berhad, our Group has received conditional approvals from all the Financiers to discharge the above guarantees upon the successful Transfer by substituting the same with a corporate guarantee from our Company or such other securities acceptable to the Financiers. For the avoidance of doubt, the Group intends to fully settle the loans and borrowings granted by AmBank (M) Berhad and Small Medium Enterprise Development Bank Malaysia Berhad to the Group by March 2024.

10. RELATED PARTY TRANSACTIONS (CONT'D)

10.4 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

10.4.1 Audit and Risk Management Committee review

One of the main functions of our Audit and Risk Management Committee is to assess the matters relating to related party transaction and conflict of interest that may arise. In carrying out this task, our Audit and Risk Management Committee maintains and reviews the adequacy of the procedures and processes set by our Company to monitor all related party transactions and conflict of interest situations.

The review also includes having in place the procedures and processes to ensure that the transactions are carried out in the best interest of our Company on normal commercial terms and not more favourable to the related party than those generally available to third parties dealing at arm's length and are not detrimental to the interest of our Company's minority shareholders.

In the event that there are any proposed related party transactions that require the prior approval of our shareholders, our Directors, major shareholders and / or persons connected with our Directors or major shareholders, which have any interest, direct or indirect, in the proposed related party transactions will be required to abstain from deliberations and voting on the transaction.

The reviews conducted by our Audit and Risk Management Committee are reported to our Board.

10.4.2 Our Group's policy on related party transactions

It is our Group's policy that all related party transactions and conflict of interest or potential conflict of interest situations must be immediately and fully disclosed by the interested Directors or major shareholders to the management for reporting to the Audit and Risk Management Committee. Such transactions must be reviewed by the Audit and Risk Management Committee to ensure that they are negotiated and agreed upon in the best interest of our Company on an arm's length basis, and are based on normal commercial terms and not more favourable to the related party than those generally available to third parties and are not detrimental to the interest of our Company's minority shareholders.

When necessary, our Board will make appropriate disclosures in our annual report of any related party transaction and conflicts of interest with our Group.

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