

## 10. RELATED PARTY TRANSACTIONS

### 10.1 RELATED PARTY TRANSACTIONS

Our Board has confirmed that save as disclosed below, there are no other material related party transactions that we have entered into with any related parties during the Financial Periods Under Review and up to the LPD:-

Transacting Parties	Nature of Relationships	Nature of Transaction	Value of Transactions (RM'000)			
			FYE 2020	FYE 2021	FYE 2022	FPE 2023 1.10.2023 up to LPD
Sophic Automation, Koh Dim Kuan, Lee Chee Hoo and Low Chee Onn	<ul style="list-style-type: none"> <li>Koh Dim Kuan and Lee Chee Hoo are our Directors and substantial shareholders. They are also Directors and substantial shareholders of Sophic Automation.</li> <li>Low Chee Onn is a substantial shareholder and was a Director of Sophic Automation.</li> </ul>	Disposal of Sophic Automation's entire 64% equity interest in SVN Automation by Sophic Automation to Koh Dim Kuan, Lee Chee Hoo and Low Chee Onn.	-	-	-	-
						1,566 (2.65% of the NA for FPE 2023)

Sophic Automation entered into a capital transfer agreement dated 9 November 2022 with Koh Dim Kuan, Lee Chee Hoo and Low Chee Onn to dispose of its entire 64% registered charter capital in SVN Automation for a sale consideration of VND 8,242,027,175 (equivalent to RM1,566,000). The consideration, which was derived after taking into account the NA of SVN Automation based on its audited financial statements for the FYE 2021, was satisfied via a declaration of dividend-in-specie by Sophic Automation in November 2022 to its shareholders (Koh Dim Kuan, Lee Chee Hoo and Low Chee Onn) amounting to RM1,566,000. The transaction was completed on 3 February 2023. SVN Automation is a company incorporated in Vietnam and is principally involved in, amongst others, trading of office and factory furniture and repair and installation services.

Our Board is of the view that the related party transaction above was conducted on an arm's length basis and on competitive commercial terms not more favourable to the related parties. This was in view of the said sale consideration was arrived at after taking into consideration the NA of SVN Automation based on the audited financial statements of the company for the FYE 2021.

---

## **10. RELATED PARTY TRANSACTIONS**

---

After our Listing, 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 are recurrent of a revenue or trading in nature and which are necessary for our day-to-day operations, we may seek a general mandate from our shareholders to enter into such recurrent related party transactions without having to seek separate shareholders' approval each time we wish to enter into such recurrent related party transactions during the validity period of the mandate.

If there are any proposed related party transaction that require the prior approval of our shareholders, the Directors, major shareholders and/or persons connected with them, which have any interest, direct or indirect, in the proposed related party transactions will be required to abstain from voting in respect of their direct and/or indirect shareholdings. Such interested Directors and/or major shareholders are also required to undertake to ensure that persons connected with them abstain from voting on the resolution approving the proposed related party transaction at the general meeting. The relevant directors who are deemed interested or conflicted in such transactions shall also abstain from our Board deliberations and voting on the Board resolutions relating to these transactions.

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 transaction and the terms thereof and report to our Board for further action. If a member of our Audit and Risk Management Committee has an interest in any related party transaction, he/she is to abstain from participating in the review and approval process in relation to that transaction. Where necessary, our Board would make appropriate disclosures in our annual report with regard to any related party transaction entered into by us.

### **10.2 OTHER TRANSACTIONS**

#### **10.2.1 Transactions That Are Unusual in Nature or Conditions**

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for the Financial Periods Under Review and the subsequent period up to the LPD.

#### **10.2.2 Outstanding Loans and Guarantees**

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

[The rest of this page is intentionally left blank]

**10. RELATED PARTY TRANSACTIONS (cont'd)**

Certain Directors of our Group have jointly and severally provided personal guarantees for the banking and leasing facilities extended by several financial and non-financial institutions, the details of which are set out below:-

Financiers	Type of Facilities	Guarantors	Facility Limit (RM'000)	Amount Outstanding as at LPD (RM'000)
RHB Bank Berhad	Tradeline facilities, overdraft, bank guarantee, term loan and foreign exchange contract (Sophic Automation)	Koh Dim Kuan Lee Chee Hoo Low Chee Onn <sup>(1)</sup>	7,304	79
	Commercial card (Sophic MSC)	Koh Dim Kuan Lee Chee Hoo Liew Chee Kin <sup>(2)</sup>	50	5
RHB Islamic Bank Berhad	Commodity Murabahah Term Financing-i (Sophic Automation)	Koh Dim Kuan Lee Chee Hoo Low Chee Onn <sup>(1)</sup>	8,666	8,166
Maybank Islamic Berhad	Commodity Murabahah Term Financing-i (Sophic Automation)	Koh Dim Kuan Lee Chee Hoo Low Chee Onn <sup>(1)</sup>	2,335	1,672
	Cash Line-i (Sophic MSC)	Koh Dim Kuan Lee Chee Hoo	160	-
	Commodity Murabahah Term Financing-i (Sophic MSC)	Koh Dim Kuan Lee Chee Hoo Liew Chee Kin <sup>(2)</sup>	1,034	999
Malayan Banking Berhad	Hire purchase facility (Sophic MSC)	Liew Chee Kin <sup>(2)</sup>	90	35

Notes:-

- (1) Low Chee Onn is a former director of Sophic Automation.  
(2) Liew Chee Kin is an existing director of Sophic MSC.

In conjunction with the Listing, the respective financiers had agreed to discharge the abovementioned personal guarantees upon the completion of the Listing.

**10.2.3 Financial Assistance Provided for the Benefit of a Related Party**

There was no financial assistance provided by us for the benefit of any related party for the Financial Years Under Review and the subsequent period up to the LPD.

[The rest of this page is intentionally left blank]