

10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Save for the Acquisitions and as disclosed below, there were no transactions, existing and/or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Directors, substantial shareholders and/or persons connected with them which are material to our Group during FYE 2021 to 2023 and up to LPD:

Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value			⁽¹⁾ 1 March 2023 up to LPD
					FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	
Speedlink Communications Sdn Bhd	Kum Fatt	Datuk Dr Ting and Ting Meng Pheng	Datuk Dr Ting is our Managing Director, Promoter and substantial shareholder	Provision of engineering works for construction of fibre optic infrastructure by Kum Fatt to Speedlink Communications Sdn Bhd ^(2b)	50 (0.1% of our Group's revenue)	-	113 (0.1% of our Group's revenue)	8
			Ting Meng Pheng is sister of Datuk Dr Ting. Ting Meng Pheng is our substantial shareholder and a non-executive director of Kum Fatt					
			Datuk Dr Ting and Ting Meng Pheng were the directors and shareholders of Speedlink Communications Sdn Bhd ^(2a)					
			Ting Meng Pheng was the Chief Financial Officer of Speedlink Communications Sdn Bhd ^(2a)					

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value			⁽¹⁾ 1 March 2023 up to LPD
					FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	
TSE Jaya Sdn Bhd	Kum Fatt	Hin Wai Mun	Hin Wai Mun is our Executive Director, Promoter and substantial shareholder	Provision of subcontractor works for HDD works by TSE Jaya Sdn Bhd to Kum Fatt	1,132 (5.5% of our Group's subcontractor costs)	908 (3.4% of our Group's subcontractor costs)	^(3b) N/A	^(3b) N/A
			Hin Wai Mun was the director and shareholder of TSE Jaya Sdn Bhd	Provision of subcontractor works for HDD works by Kum Fatt to TSE Jaya Sdn Bhd ^(3a)	86 (0.2% of our Group's revenue)	-	^(3b) N/A	^(3b) N/A
TSE Jaya Sdn Bhd	PPI	Hin Wai Mun	Hin Wai Mun is our Executive Director, Promoter and substantial shareholder	Supply of HDPE pipes by PPI to TSE Jaya Sdn Bhd	179 (0.3% of our Group's revenue)	71 (0.1% of our Group's revenue)	^(3b) N/A	^(3b) N/A
			Hin Wai Mun was the director and shareholder of TSE Jaya Sdn Bhd					

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value			⁽¹⁾ 1 March 2023 up to LPD
					FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	
Ecobore Sdn Bhd	Kum Fatt	Datuk Ting and Hin Wai Mun	Datuk Dr Ting is our Managing Director, Promoter and substantial shareholder	Provision of subcontractor works for HDD works by Ecobore Sdn Bhd to Kum Fatt	249	⁽⁴⁾ N/A	⁽⁴⁾ N/A	⁽⁴⁾ N/A
			Hin Wai Mun and Chong Tuoo Choi are our Executive Directors, Promoters and substantial shareholders		(1.2% of our Group's subcontractor costs)			
			Datuk Dr Ting, Hin Wai Mun and Chong Tuoo Choi were the directors and shareholders of Ecobore Sdn Bhd					

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value			⁽¹⁾ 1 March 2023 up to LPD
					FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	
Bestari Selatan	Kum Fatt	Datuk Dr Ting, Hin Wai Mun, and Ting Meng Pheng	Datuk Dr Ting is our Managing Director, Promoter and substantial shareholder	Rental expenses paid to Bestari Selatan for the tenancy of our Group's office and training centre ⁽⁵⁾	15	93	108	45
			Hin Wai Mun is our Executive Director, Promoter and substantial shareholder	Disposal of shop offices by Kum Fatt to Bestari Selatan ⁽⁶⁾	-	-	6,500	-
			Ting Meng Pheng is sister of Datuk Dr Ting. Ting Meng Pheng is our substantial shareholder and a director of Kum Fatt	Rental expenses paid to Bestari Selatan for the tenancy of our Group's training centre, storage, office and dormitory ⁽⁷⁾	-	-	46	77
			Datuk Dr Ting and Hin Wai Mun are the directors of Bestari Selatan					
			Datuk Dr Ting, Hin Wai Mun and Ting Meng Pheng are the shareholders of Bestari Selatan					

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

Notes:

- (1) The percentage of the related party transaction is not calculated as the financial statements up to LPD is not prepared.
- (2) (a) On 4 September 2023, both Datuk Dr Ting and Ting Meng Pheng have ceased to be shareholders and directors of Speedlink Communications Sdn Bhd. On the even date, Ting Meng Pheng also ceased as a Chief Financial Officer of Speedlink Communications Sdn Bhd. Further details of Speedlink Communications Sdn Bhd are set out in Section 11.1.
- (b) The business arrangement between Kum Fatt and Speedlink Communications Sdn Bhd is still continuing as at LPD. Such business arrangement is expected to cease in February 2024 upon completion of its contract.
- (3) (a) Kum Fatt was engaged by TSE Jaya Sdn Bhd as subcontractor for the supply and installation of 1 way 200mm HDPE PN10 pipe by using HDD method at Wangsa Idaman. This was a one-off transaction.
- (b) Not applicable as Hin Wai Mun has ceased to be a director of TSE Jaya Sdn Bhd on 12 November 2021 and fully disposed his entire equity interest in TSE Jaya Sdn Bhd on 19 August 2021.
- (4) Not applicable as Datuk Dr Ting and Hin Wai Mun ceased to be directors of Ecobore Sdn Bhd on 21 April 2020 and fully disposed of their entire equity interests in Ecobore Sdn Bhd on 11 May 2020. Chong Tuoo Choi ceased to be a director of Ecobore Sdn Bhd on 16 February 2021 and fully disposed of his entire equity interest in Ecobore Sdn Bhd on 23 March 2021. The details of their disposal and their respective shareholdings in Ecobore Sdn Bhd prior to the disposal are as follows:

Name	Number of shares held and disposed			Transferee	Consideration (RM)
Datuk Dr Ting	175,000	ordinary	shares	Mohamed Rizal Bin Mohamed Yakub	175,000
	(35.0%) ^(a)				
Hin Wai Mun	75,000	ordinary	shares	Mohamed Rizal Bin Mohamed Yakub	75,000
	(15.0%) ^(a)				
Chong Tuoo Choi	225,000	ordinary	shares	Mohamed Rizal Bin Mohamed Yakub	225,000
	(25.0%) ^(b)				

Notes:

- (a) Based on total issued shares of 500,000 ordinary shares at the point of the disposal.
- (b) Based on total issued shares of 900,000 ordinary shares at the point of the disposal.

10. RELATED PARTY TRANSACTIONS (Cont'd)

(5) Kum Fatt has rented the following properties from Bestari Selatan bearing the following postal address:

Address	Existing use	Tenure	Rental per annum RM'000	Termination clause
57, Jalan Teratai 7, Taman Johor Jaya, 81100 Johor Bahru, Johor	Management office	1 January 2021 to 31 December 2023 (with an option to renew for a further term of 3 years commencing from 1 January 2024 to 31 December 2026 and second renewal term of 3 years commencing from 1 January 2027 to 31 December 2029)	36	<p><u>Event of Default and Termination by Kum Fatt</u></p> <p>(a) If Kum Fatt terminates the tenancy at any time before the expiration of the term, Bestari Selatan is entitled to forfeit the rental deposit paid under the tenancy agreement and without prejudice to any right of action Bestari Selatan may have against Kum Fatt in respect of the unpaid rent or any antecedent breach; or</p> <p>(b) If Kum Fatt fails to pay rent or any part of the payment under the tenancy agreement for 14 days or fails to comply with the terms or covenant under the tenancy agreement or shall be wound-up or enter into any arrangement or composition with creditors or suffer any distress or execution to be levied on its goods, Bestari Selatan shall have the right to terminate the tenancy agreement and forfeit the deposit but without prejudice to the rights of actions of Bestari Selatan in respect of any breach of Kum Fatt's covenants and agreement</p> <p><u>Event of Default and Termination by Bestari Selatan</u> If the agreement is terminated due to the default of Bestari Selatan, the rental deposit shall be refunded to Kum Fatt and Bestari Selatan shall reimburse all the cost of renovation of the premises to Kum Fatt</p>

10. RELATED PARTY TRANSACTIONS (Cont'd)

Address	Existing use	Tenure	Rental per annum RM'000	Termination clause
55, Jalan Teratai 7, Taman Johor Jaya, 81100 Johor Bahru, Johor	Management office	1 December 2020 to 30 November 2023 (with an option to renew for a further term of 3 years commencing from 1 December 2023 to 30 November 2026 and second renewal term of 3 years commencing from 1 December 2026 to 30 November 2029)	36	Same as above
69, Jalan Teratai 7, Taman Johor Jaya, 81100 Johor Bahru, Johor	Training centres for electrical engineering	1 August 2021 to 31 July 2024 (with an option to renew for a further term of 3 years commencing from 1 August 2024 to 31 July 2027 and second renewal term of 3 years commencing from 1 August 2027 to 31 July 2030)	36	Same as above

In respect of the tenure for renewal, Bestari Selatan has imposed that such renewal for each term shall be subject to revision of the monthly rental based on prevailing market price but shall not exceed 10% of the current monthly rental to be mutually agreed between the parties.

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

- (6) Kum Fatt had entered into 5 sale and purchase agreements all dated 13 June 2022 with Bestari Selatan for the disposals of properties bearing the following postal address:

<u>Address</u>	<u>Disposal consideration</u> <u>RM'000</u>
HS(D) 179469 PTD 99919 in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 195.1829 sq m in area together with 3-storey shop office erected thereon and known as 47, 47-01, 47-02, Jalan Permas 4, Bandar Baru Permas Jaya, 81750 Masai, Johor	1,350
Geran 178037 Lot 57101 in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 251 sq m in area together with double storey shop House erected thereon and known as 1, Jalan Molek 2/1, Taman Molek, 81100 Johor Bahru, Johor	2,000
HS(D) 179467 PTD 99917 in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 153.285 sq m in area together with 3-storey shop office erected thereon and known as 47B, 47B-01 & 47B-02, Jalan Permas 4, Bandar Baru Permas Jaya, 81750 Masai, Johor	1,050
HS(D) 179466 PTD 99916 in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 153.285 sq m in area together with 3-storey shop office erected thereon and known as 47C, 47C-01 & 47C-02, Jalan Permas 4, Bandar Baru Permas Jaya, 81750 Masai, Johor	1,050
HS(D) 179468 PTD 99918 in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 153.285 sq m in area together with 3-storey shop office erected thereon and known as 47A, 47A-01 & 47A-02, Jalan Permas 4, Bandar Baru Permas Jaya, 81750 Masai, Johor	1,050
Total	6,500

Prior to the disposals, all 5 properties were rented out to third parties. All 5 of the sale and purchase agreements dated 13 June 2022 entered into between Bestari Selatan and Kum Fatt had been completed on 2 December 2022. In FYE 2023, our Group recorded a gain of RM0.3 million in respect of the disposal of the said properties. The subject properties were appraised by a property valuer, namely KGV International Property Consultants (Johor) Sdn Bhd, with the date of valuation being 1 June 2022. The disposal considerations for the subject properties were based on market value as at 1 June 2022, of which the valuation of the subject properties has been carried out using the comparison approach. The subject properties were disposed at market value pursuant to the valuation report prepared by the said property valuer, without any premium or discount thereon.

10. RELATED PARTY TRANSACTIONS (Cont'd)

(7) Kum Fatt has rented the following properties from Bestari Selatan bearing the following postal address:

Address	Existing use	Tenure	Rental per annum RM'000	Termination clause
1, Jalan Istimewa 4, Taman Perindustrian Desa Cemerlang, 81800 Ulu Tiram, Johor	Warehouse, office and training centre	1 December 2022 to 30 November 2024 (with an option to renew for a further term of 1 year commencing from the date of expiry of tenancy)	113	Same termination clause as provided under Note (5) above
3, Jalan Istimewa 4, Taman Perindustrian Desa Cemerlang, 81800 Ulu Tiram, Johor	Dormitory	1 December 2022 to 30 November 2024 (with an option to renew for a further term of 1 year commencing from the date of expiry of tenancy)	73	Same termination clause as provided under Note (5) above

Our Board (save for the interested Directors in the respective transactions) is of the view that all our related party transactions above were carried out on an arm's length basis and on normal commercial terms which were not more favourable to the related parties than those generally available to the public and were not detrimental to our Group. This was determined based on the following:

- (a) Provision of engineering works and subcontracting works by our Group were based on the prevailing market rates, comparable quotations and/or invoices obtained from unrelated third parties by our Group;
- (b) Provision of subcontracting works to our Group were based on the prevailing market rates, comparable quotations and/or invoices obtained from unrelated third parties by our Group;
- (c) Supply of HDPE pipes were based on comparable selling prices to our Group's third-party customers;
- (d) Rental expenses incurred based on the prevailing rental rates of comparable properties at the relevant time; and
- (e) Disposal price of the properties is based on the prevailing market prices of comparable properties at the relevant time based on valuation reports prepared by KGV International Property Consultants (Johor) Sdn Bhd, a property valuer which appraised the subject properties.

10. RELATED PARTY TRANSACTIONS (Cont'd)

Moving forward, in order to ensure that related party transactions are undertaken on arm's length basis and on normal commercial terms, we have established the following procedures:

(a) Recurrent related party transactions

- (i) at least 2 other contemporaneous transactions with third parties for similar products and/or quantities will be used as comparison, wherever possible, to determine if the price and terms offered by related parties are fair and reasonable and comparable to those offered by other third parties for the same or substantially similar type of products/services and/or quantities; or
- (ii) if quotation or comparative pricing from third parties cannot be obtained, the transaction price will be determined by our Group based on those offered by other third parties for substantially similar type of transaction to ensure that the recurrent related party transactions are not detrimental to us.

Our Board shall seek mandate from shareholders to enter into any recurrent related party transactions at a general meeting. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in our ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

(b) Other related party transactions

- (i) whether the terms of the related party transaction are fair and on arm's length basis to our Group and would apply on the same basis if the transaction did not involve a related party;
- (ii) the rationale for our Group to enter into the related party transaction and the nature of alternative transactions, if any; and
- (iii) whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of the transaction and the nature of the related parties' interest in the transaction.

Where required under the Listing Requirements, a related party transaction may require prior approval of shareholders at a general meeting to be convened. An independent adviser may be appointed to comment as to whether the related party transaction is fair and reasonable so far as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instances, the independent adviser shall also advise minority shareholders on whether they should vote in favour of the transaction.

For related party transactions that require shareholders' approval, the Directors, major shareholders and/or persons connected with such Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or major shareholders will also undertake that he shall ensure that the persons connected with him will 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.

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

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 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 entered into that are unusual in their 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 FYE 2021 to 2023 and up to LPD.

10.2.2 Outstanding loans (including guarantees of any kind)

(a) Outstanding loans and/or balances

As at LPD, there are no outstanding loans made by our Group to/for the benefit of a related party or granted by the related parties for the benefit of our Group.

(b) Guarantees

Our Promoters, substantial shareholders and Executive Directors, namely Datuk Dr Ting, Hin Wai Mun, Chong Tuoo Choi, Ting Meng Pheng (sister of Datuk Dr Ting and non-executive director of Kum Fatt) as well as Dato' Tan Sui Hou (non-executive director of Kum Fatt) have jointly and severally provided personal guarantees for the banking and leasing facilities extended by the following financial institutions ("**Financiers**"):

<u>Financiers</u>	<u>Borrowers</u>	<u>Type of facilities</u>	<u>Outstanding balance as at LPD</u>	<u>Facility limit</u>	<u>Guarantor(s)</u>
			<u>RM'000</u>	<u>RM'000</u>	
Alliance Bank Malaysia Berhad	Kum Fatt	1 trade facility	4,369	5,000	<ul style="list-style-type: none"> • Datuk Dr Ting • Hin Wai Mun • Ting Meng Pheng
		- To finance the purchase of construction materials and payment of subcontractors' fees			
		1 overdraft facility			
		- To finance Kum Fatt's working capital			
	PPI	1 term loan	292	310	<ul style="list-style-type: none"> • Datuk Dr Ting • Hin Wai Mun
		- To part finance the purchase of plant and machinery			

10. RELATED PARTY TRANSACTIONS (Cont'd)

Financiers	Borrowers	Type of facilities	Outstanding balance as at LPD RM'000	Facility limit RM'000	Guarantor(s)
Alliance Islamic Bank Malaysia Berhad	PPI	1 term financing-i facility - To finance PPI's working capital	710	1,000	<ul style="list-style-type: none"> Datuk Dr Ting Hin Wai Mun
BMW Credit (Malaysia) Sdn Bhd	PPI	2 hire purchase facilities - To finance the purchase of plant and machinery as well as QC testing equipment	209	244	<ul style="list-style-type: none"> Datuk Dr Ting Hin Wai Mun
DBS Bank Ltd	Konnection	2 hire purchase facilities - For hire purchase of motor vehicles	(1)342	430	<ul style="list-style-type: none"> Chong Tuoo Choi
Hong Leong Bank Berhad	Kum Fatt	1 trade facility - To finance the purchase of construction materials and payment of subcontractors' fees	5,278	7,627	<ul style="list-style-type: none"> Datuk Dr Ting Hin Wai Mun Ting Meng Pheng
		3 overdraft facilities - To finance Kum Fatt's working capital			
		2 term loans - To finance the purchase of factory building - To finance Kum Fatt's working capital			
	Kum Fatt	12 hire purchase facilities - For hire purchase of motor vehicles	1,566	2,316	<ul style="list-style-type: none"> Datuk Dr Ting Hin Wai Mun
	Konnection	3 hire purchase facilities - For hire purchase of motor vehicles	(1)254	364	<ul style="list-style-type: none"> Chong Tuoo Choi
Hong Leong Islamic Bank Berhad	PPI	1 trade financing-i facility - To finance the purchase of raw materials	1,131	2,500	<ul style="list-style-type: none"> Datuk Dr Ting Hin Wai Mun
		1 cash line-i facility - To finance PPI's working capital			

10. RELATED PARTY TRANSACTIONS (Cont'd)

Financiers	Borrowers	Type of facilities	Outstanding	Facility	Guarantor(s)
			balance as at LPD	limit	
			RM'000	RM'000	
Hong Leong Finance Limited	Konnection	2 hire purchase facilities - For hire purchase of motor vehicles	(1)187	267	• Chong Tuoo Choi
HSBC Amanah Malaysia Berhad	Kum Fatt	2 trade financing-i facilities - To finance the purchase of construction materials and payment of subcontractors' fees	3,672	9,000	• Datuk Dr Ting • Hin Wai Mun • Ting Meng Pheng
		1 cash line-i facility - To finance Kum Fatt's working capital			
	PPI	1 trade financing-i facility - To finance the purchase of raw materials	764	3,000	• Datuk Dr Ting • Hin Wai Mun
		1 cash line-i facility - To finance PPI's working capital			
Maybank Singapore Limited	Konnection	4 hire purchase facilities - For hire purchase of motor vehicles	(1)422	587	• Datuk Dr Ting • Chong Tuoo Choi
MBSB Bank Berhad	Kum Fatt	1 cash line-i facility - To finance Kum Fatt's working capital	891	1,706	• Datuk Dr Ting • Hin Wai Mun • Ting Meng Pheng
		6 hire purchase-i facilities - To finance the purchase of plant and machinery			
	PPI	1 cash line-i facility - To finance PPI's working capital	368	885	• Datuk Dr Ting • Hin Wai Mun
		2 hire purchase-i facilities - For hire purchase of plant and machinery			
Orix Credit Malaysia Sdn Bhd	Kum Fatt	2 hire purchase facilities - For hire purchase of plant and machinery	284	600	• Datuk Dr Ting • Hin Wai Mun

10. RELATED PARTY TRANSACTIONS (Cont'd)

Financiers	Borrowers	Type of facilities	Outstanding balance as at LPD RM'000	Facility limit RM'000	Guarantor(s)
Small Medium Enterprise Development Bank Malaysia Berhad	Kum Fatt	2 commodity Murabahah term financing-i facilities - To part finance the purchase of plant and machinery	910	966	<ul style="list-style-type: none"> Datuk Dr Ting Hin Wai Mun Ting Meng Pheng Dato' Tan Sui Hou
	PPI	1 commodity Murabahah term financing-i facility - To finance PPI's working capital	366	500	<ul style="list-style-type: none"> Datuk Dr Ting Hin Wai Mun
Toyota Financial Services Singapore Pte Ltd	Konnection	1 hire purchase facility - For hire purchase of motor vehicle	(1)389	420	<ul style="list-style-type: none"> Chong Tuoo Choi
United Overseas Bank (Malaysia) Bhd	Kum Fatt	2 trade facilities - To finance the purchase of construction materials and payment of subcontractors' fees - For issuance of performance bonds to parties acceptable to the bank - To guarantee payments to parties acceptable to the bank	5,960	6,351	<ul style="list-style-type: none"> Datuk Dr Ting Hin Wai Mun Ting Meng Pheng
		1 term loan - To finance the keyman insurance premium			
	PPI	1 trade facility - To finance the purchase of raw materials	1,711	2,315	<ul style="list-style-type: none"> Datuk Dr Ting Hin Wai Mun
		1 overdraft facility - To finance PPI's working capital 1 term loan - To finance the keyman insurance premium			

10. RELATED PARTY TRANSACTIONS (Cont'd)

Financiers	Borrowers	Type of facilities	Outstanding	Facility	Guarantor(s)
			balance as at	limit	
			LPD	RM'000	
			RM'000	RM'000	
United Overseas Bank Limited	Konnection	2 hire purchase facilities - To finance the purchase of motor vehicles	(1)389	471	• Chong Tuoo Choi
	Konnection	1 overdraft facility - To finance Konnection's working capital	-	1,693	• Datuk Dr Ting • Chong Tuoo Choi
			30,464	48,552	

Note:

- (1) Based on the closing rate of SGD1.00 = RM3.3851 as at LPD as extracted from BNM's website.

In conjunction with our Listing, we have applied to the Financiers to obtain a release and/or discharge of the guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the Financiers. Until such release and/or discharge are obtained from the respective Financiers, our Promoters and non-executive directors of Kum Fatt will continue to guarantee and the personal guarantees will remain intact as security for the banking facilities extended to our Group.

As at LPD, we have received conditional approvals from the Financiers to discharge the above guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the financial institutions subject to the fulfilment of, amongst others, the following:

- (a) upon successful listing or Bursa Securities approval on the Listing of our Company on the ACE Market; and
- (b) receipt of the corporate guarantee by our Company.

Hong Leong Finance Limited and DBS Bank Limited had verbally indicated to us that they are unable to provide our Group with the requested consent. As such, we are in the midst of redeeming the facilities via internally generated funds. Accordingly, the personal guarantees will be discharged upon redemption of the same.

(c) Financial assistance provided for the benefit of a related party

As at LPD, there is no financial assistance provided by us for the benefit of any related party.

10. RELATED PARTY TRANSACTIONS (Cont'd)

10.2.3 Transactions entered into with M&A Securities

Save as disclosed below, we have not entered into any transactions with M&A Securities who is the Adviser, Sponsor, Underwriter and Placement Agent for our Listing:

- (a) Agreement dated 7 March 2022 between our Company and M&A Securities for the appointment of M&A Securities as Adviser, Sponsor, Underwriter and Placement Agent for our Listing; and
- (b) Underwriting Agreement dated [•] entered into between our Company and M&A Securities for the underwriting of 71,006,000 Issue Shares.

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