
9. RELATED PARTY TRANSACTIONS

9.1 OUR GROUP'S RELATED PARTY TRANSACTIONS**9.1.1 Material related party transactions**

Save for the Acquisitions as disclosed in Section 5.1.1 of this Prospectus, there are no other material related party transactions entered or to be entered into by our Group for the Financial Years Under Review and up to the LPD.

Our Board also confirms that there are no other material related party transactions that have been effected after the LPD or entered by our Group but not yet effected up to the date of this Prospectus.

After our Listing, we will also be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with the Listing Requirements. However, if the related party transactions are 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.

9.1.2 Related party transactions entered into that are unusual in their nature or condition

Our Group has not entered into any transactions that are unusual in their nature or condition, involving goods, services, tangible or intangible assets, with a related party for the Financial Years Under Review and up to the LPD.

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9. RELATED PARTY TRANSACTIONS (CONT'D)

9.1.3 Loans and/or financial assistance made to/from or for the benefit of a related party

Save as disclosed below, our Group has not granted/received any loan and/or financial assistance to/from or for the benefit of a related party that is material to our Group for the Financial Years Under Review and up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 2021	FYE 2022	FYE 2023	From 1 October 2023 up to the LPD
				RM'000	RM'000	RM'000	RM'000
1.	Ng Chay Chin, Yin Thien Hee and NE Components	<p>Ng Chay Chin is our Promoter, substantial shareholder and Managing Director.</p> <p>Ng Chay Chin is also a director and substantial shareholder of Mountain Range.</p> <p>Yin Thien Hee is our Key Senior Management.</p> <p>Yin Thien Hee is also a shareholder of Mountain Range.</p> <p>They are the directors of NE Components.</p>	Advances to NE Components for working capital requirements	165	-	-	-

9. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 2021	FYE 2022	FYE 2023	From 1 October 2023 up to the LPD
				RM'000	RM'000	RM'000	RM'000
2.	Ng Chay Chin, Chong Ewe Hean and NE Integrated	<p>Ng Chay Chin is our Promoter, substantial shareholder and Managing Director.</p> <p>Chong Ewe Hean is our Promoter, substantial shareholder and Executive Director.</p> <p>They are also the directors and substantial shareholders of Mountain Range.</p> <p>They are the directors of NE Integrated.</p>	Advances to NE Integrated for working capital requirements	3,101	-	-	-

9. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 2021	FYE 2022	FYE 2023	From 1 October 2023 up to the LPD
				RM'000	RM'000	RM'000	RM'000
3.	Ng Chay Chin, Chong Ewe Hean and NE Solutions	<p>Ng Chay Chin is our Promoter, substantial shareholder and Managing Director.</p> <p>Chong Ewe Hean is our Promoter, substantial shareholder and Executive Director.</p> <p>They are also the directors and substantial shareholders of Mountain Range.</p> <p>They are the directors of NE Solutions.</p>	Advances to NE Solutions for working capital requirements	308	-	-	-

9. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 2021	FYE 2022	FYE 2023	From 1 October 2023 up to the LPD
				RM'000	RM'000	RM'000	RM'000
4.	Ng Chay Chin and NE Technologies	Ng Chay Chin is our Promoter, substantial shareholder and Managing Director. He is also a director and substantial shareholder of Mountain Range. He is a director of NE Technologies.	Advances to NE Technologies for working capital requirements	62	-	-	-
5.	Ng Chay Chin, Chong Ewe Hean and Northeast Precision	Ng Chay Chin is our Promoter, substantial shareholder and Managing Director. Chong Ewe Hean is our Promoter, substantial shareholder and Executive Director. They are also the directors and substantial shareholders of Mountain Range. They are the directors of Northeast Precision.	Advances to Northeast Precision for working capital requirements	1,055	-	-	-

9. RELATED PARTY TRANSACTIONS (CONT'D)

The advances made by our related parties were not on an arm's length basis as they were unsecured, interest-free and repayable within the next 12 months or upon demand. As at the LPD, the advances above have been fully settled.

Moving forward, our Group has put in place relevant internal control and compliance procedures in relation to advances and loans to/by related parties, and no further advances or loans will be given/received to/from any related parties of our Group unless such advances and loans are permitted under applicable law and the Listing Requirements and brought to our Audit and Risk Management Committee and our Board for deliberation and approval.

9.1.4 Personal guarantee

Ng Chay Chin, Chong Ewe Hean, Yin Thien Hee and/or Ng Chai Hee had extended personal guarantees for financing facilities extended by Affin Bank Berhad, Hong Leong Bank Berhad, OCBC Al-Amin Bank Berhad, OCBC Bank (Malaysia) Berhad, Public Bank Berhad and RHB Islamic Bank Berhad to our Group (collectively, "Financers"). Please refer to Section 11.4.3 of this Prospectus for further details on these financing facilities' personal guarantees.

In conjunction with our Listing, our Group has obtained the conditional consents from the Financers to discharge the above personal guarantees by substituting the same with a corporate guarantee from our Company upon our successful Listing.

9.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

9.2.1 Audit and Risk Management Committee's review

Our Audit and Risk Management Committee reviews any related party transactions (including recurrent related party transactions) and any conflict of interest situations (including potential conflict of interest) that may arise within our Group (including any transaction, procedure or course of conduct that raises questions of management's integrity).

Our Audit and Risk Management Committee maintains and periodically reviews the adequacy of the procedures and processes set by our Company to monitor related party transactions and conflict of interest. It also sets the procedures and processes to ensure that transactions are carried out in the best interest of our Company, on an arm's length basis and are based on normal commercial terms which are not more favourable to the related party than those generally available to third parties and are not detrimental to our minority shareholders. Amongst others, the related parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations and/or voting on the transactions.

All reviews by our Audit and Risk Management Committee are reported to our Board for further action.

9. RELATED PARTY TRANSACTIONS (*CONT'D*)

9.2.2 Our Group's policy on related party transactions

Related party transactions by their very nature, involve conflict of interest between our Group and the related parties with whom our Group has entered into such transactions. It is the policy of our Group that all related party transactions must be reviewed by our 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 which are not more favourable to the related party than those generally available to third parties, and are not detrimental to our minority shareholders.

In addition, we plan to adopt a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situation and intend for the framework to comply with the Listing Requirements and adhere to the best extent possible with the guiding principles set out in the MCCG upon our Listing.

The procedures which may form part of the framework include, amongst others, the following:

- (i) our Board shall ensure that at least half of our Board members are Independent Non-Executive Directors and will undertake an annual assessment of the independence of our Independent Non-Executive Directors;
- (ii) our Board will be required to declare any direct or indirect interest that they may have in any business arrangement that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and
- (iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will then propose the transactions to our Audit and Risk Management Committee for evaluation and assessment which would in turn, make the appropriate recommendations to our Board.

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