

## 10. RELATED PARTY TRANSACTIONS

### 10.1 RELATED PARTY TRANSACTIONS

#### 10.1.1 Related party transactions

Under the Listing Requirements, a “**related party transaction**” is a transaction entered into by a listed issuer or its subsidiaries that involves the interest, direct or indirect, of a related party. A “**related party**” of a listed issuer is:

- (i) a director, having the meaning given in Section 2(1) of the CMSA, and includes any person who is or was within the preceding 6 months of the date in which the terms of the transaction were agreed upon, a director of the listed issuer, its subsidiary or holding company or a chief executive of the listed issuer, its subsidiary or holding company; or
- (ii) a major shareholder, and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or its subsidiaries or holding company, and has or had an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is:
  - (a) 10.0% or more of all the voting shares in the corporation; or
  - (b) 5.0% or more of all the voting shares in the corporation where such person is the largest shareholder of the corporation; or
- (iii) a person connected with such director or major shareholder.

#### 10.1.2 Material related party transactions entered into by our Group

Save for those disclosed below and in Section 10.3 of this Prospectus, there is no material related party transaction, existing or proposed, entered or to be entered into by our Group which involves the interests, direct or indirect, of our Directors, major shareholders and/or persons connected with them but for the Financial Years Under Review and up to the LPD.

Related Party	Nature of relationship	Nature of transaction	Transaction Value			
			FYE 2021	FYE 2022	FYE 2023	1 January 2024 up to the LPD
			(RM)	(RM)	(RM)	(RM)
KHEI <sup>(1)</sup>	See Ming Hoi being the director and shareholder of KHEI, is the father of Datin Eloise and Ivy See, the directors of AGSB	Supply of labour from KHEI	242,496 (0.45% of our Group's cost of sales)	-	-	-

**Note:**

- (1) *KHEI does not have any subsidiary. Both Datin Eloise and Ivy See resigned as directors of KHEI on 5 March 2018.*

Our Board is of the view that the supply of labour from KHEI was carried out at arm's length basis or normal commercial terms which are not unfavourable to our Group and comparable to those generally available to third parties.

As at the LPD, there is no outstanding balance to or from KHEI and no supply of labour from KHEI subsequent to FYE 2021.

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

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Under the Listing Requirements, related party transactions may be aggregated to determine its materiality if the transactions:

- (i) occur within a 12-month period;
- (ii) are entered into with the same party or with parties related to one another; or

if the transactions involve the acquisition or disposal of securities or interests in one corporation / asset or of various parcels of land contiguous to each other.

**10.2 TRANSACTIONS THAT ARE UNUSUAL IN NATURE OR CONDITION**

There are no transactions that were unusual in its nature or condition, involving goods, services, tangible or intangible assets, to which our Company and our Subsidiary were a party in respect of the Financial Years Under Review and up to the LPD.

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**10. RELATED PARTY TRANSACTIONS (Cont'd)****10.3 OUTSTANDING LOANS (INCLUDING GUARANTEES OF ANY KIND)**

Save as disclosed below, our Board has confirmed that there are no outstanding loan and/or financial assistance (including guarantee of any kind) made to our Group or by our Group to or for the benefit of any related parties for the Financial Years Under Review and up to the LPD:

**(i) Outstanding loans**

Loans made to or for the benefit of related parties	Interested related party and nature of relationship	Nature of transaction	Transaction Value			1 January 2024 up to the LPD
			FYE 2021	FYE 2022	FYE 2023	
			(RM)	(RM)	(RM)	(RM)
KHPT Venture <sup>(1)</sup>	Datin Eloise, being the director of AGSB, was also a director and shareholder of KHPT Venture	Advances for payment of administrative fees <sup>(2)</sup>	8,330 (0.04% of our Group's NA)	7,734 (0.03% of our Group's NA)	12,449 (0.04% of our Group's NA)	-
		Repayment for the advances	-	-	42,679	-
Maya Berjasa Sdn Bhd ("Maya Berjasa") <sup>(3)</sup>	See Ming Hoi being the director and shareholder of Maya Berjasa, is the father of Datin Eloise and Ivy See, the directors of AGSB	Repayment for the advances	287	-	-	-
Ivy See	Ivy See is the director of AGSB	Loan from AGSB <sup>(4)</sup>	-	240,000 (0.85% of our Group's NA)	-	-
KHEI <sup>(5)</sup>	See Ming Hoi being the director and shareholder of KHEI, is the father of Datin Eloise and Ivy See, the directors of AGSB	Advances <sup>(6)</sup>	-	306,227 (1.09% of our Group's NA)	-	-

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

- (1) *KHPT Venture does not have any subsidiary and has not commenced any business operations since incorporation. Application to strike off KHPT Venture had been lodged with the Companies Commission Malaysia on 6 November 2023. As at the LPD, KHPT Venture is in the process of striking off.*
- (2) *Administrative fees include fees for audit, tax, secretarial affairs, telephone, fax and postage, filing and stamping, rental of storage space, printing and stationery. As at the LPD, the advances were fully repaid and there is no outstanding balance.*
- (3) *Both Datin Eloise and Ivy See resigned as directors of Maya Berjasa on 18 February 2019. As at the LPD, Maya Berjasa is in the process of striking off.*
- (4) *AGSB has entered into a loan bond agreement dated 1 January 2022 with Ivy See for RM240,000 without interest to finance her children's education, which has to be repaid within 1 year, i.e. on or before 31 December 2022. On 26 December 2022, Ivy See has made the full repayment of the loan to AGBS by way of cheques payment. As at the LPD, Ivy See has no outstanding amounts due payable to AGBS.*
- (5) *KHEI does not have any subsidiary. Both Datin Eloise and Ivy See resigned as directors of KHEI on 5 March 2018.*
- (6) *Advances to KHEI was repaid within the same financial year.*

Our Board is of the view that the advances or loan by the Group were not made on an arm's length basis as the advances were not on normal commercial terms as they were interest-free, unsecured and without fixed repayment terms. However, the possible interest may be earned by the Group from these advances to related parties are minimal and does not materially impact the financials of the Group.

As at the LPD, there is no outstanding balance to or from any related party and the Group's management undertakes that no new advances will be given to the related parties moving forward.

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**10. RELATED PARTY TRANSACTIONS (Cont'd)****(ii) Financial assistance (including guarantees of any kind)**

As at LPD, Datin Eloise, Ivy See and Tiu Kuang Hong have jointly or severally, provided personal guarantees for banking and / or credit facilities extended to AGSB by Alliance Bank Malaysia Berhad, Malaysian Industrial Development Finance Bhd, Maybank Islamic Berhad and Public Bank Berhad (collectively, "**Financiers of AGSB**").

<u>Financiers</u>	<u>Type of facilities</u> <u>(RM)</u>	<u>Total credit facilities granted / amount guaranteed</u> <u>(RM)</u>	<u>Outstanding balance as at LPD</u> <u>(RM)</u>	<u>Guarantors</u>
(1) Alliance Bank Malaysia Berhad	(A) Overdraft Term Loan 1 Trade Facilities	(A) 21,000,000	3,392,469	<u>Jointly and severally by:</u> Datin Eloise; and Tiu Kuang Hong
	(B) Term Loan	(B) 1,000,000	394,966	<u>Jointly and severally by:</u> Datin Eloise; and Tiu Kuang Hong
(2) Malaysian Industrial Development Finance Bhd	Term-i Financing	1,800,000	664,187	<u>Jointly and severally by:</u> Datin Eloise; Tiu Kuang Hong; and Ivy See
(3) Maybank Islamic Berhad	Cash Line-i (CL-i) Tradeline-i	6,000,000	2,300,006	<u>Jointly and severally by:</u> Datin Eloise; Tiu Kuang Hong; and Ivy See
(4) Public Bank Berhad	Hire Purchase	110,544	62,628	Datin Eloise

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

In conjunction with the Listing, we have obtained the relevant conditional approvals from all of the respective Financiers of AGSB, save for Public Bank Berhad and Maybank Islamic Berhad, to release and discharge the personal guarantees by proposing to substitute the same with a corporate guarantee from our Company. We will ensure that the same are provided in a form acceptable i.e. the conditions imposed by the respective Financiers of AGSB are satisfied, including but not limited to the followings:

<b>No.</b>	<b>Financiers</b>	<b>Conditions imposed</b>
(a)	Malaysian Industrial Development Finance Bhd	<ul style="list-style-type: none"> <li>the joint and several personal guarantee will only be released 6 months after a corporate guarantee from our Company is in place; and</li> <li>a Board of Directors' resolution is provided from our Company to confirm the giving of corporate guarantee does not contravene Section 225 of the Act and is of commercial benefit.</li> </ul>
(b)	Alliance Bank Malaysia Berhad	<ul style="list-style-type: none"> <li>successful Listing of the Company;</li> <li>a letter of undertaking is provided by AGSB to ensure that no joint and several guarantees or similar obligations are provided to any financial institutions for all present and future credit facilities;</li> <li>Datin Eloise collectively hold (directly or indirectly) not less than 51% shareholding of AGSB during the subsistence of the credit facilities with Alliance Bank Malaysia Berhad;</li> <li>release of joint and several personal guarantees is agreed by other Financiers of AGSB; and</li> <li>Datin Eloise will remain as directors of AGSB and the Company.</li> </ul>

Until such release and discharge are obtained from the respective Financiers of AGSB, Datin Eloise, Ivy See and Tiu Kuang Hong will (as the case may be) continue to jointly or severally guarantee the facilities extended to AGSB.

Maybank Islamic Berhad had informed the Group's management to apply to release and/or discharge the personal guarantee upon obtaining approval from the relevant authorities for the Listing. Meanwhile for Public Bank Berhad, the outstanding balance as at LPD stood at RM0.06 million for the hire purchase facilities and the Group undertakes to fully settle the outstanding amount prior to the Listing.

Moving forward, our Group has put in place internal control and compliance procedures in relation to advances, loans and financial assistance from or to third parties, and no further advances, loans or financial assistance will be taken from or provided to any related parties by the Group unless such advances and loans are permitted under law and the Listing Requirements.

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

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**10.4 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS****10.4.1 Audit and Risk Management Committee review**

In order to avoid any potential conflicts of interest, our Audit and Risk Management Committee will review the terms of all related party transactions (including the adequacy of the procedures and processes set to monitor the same) and ensure that any related party transactions (including recurrent related party transactions) are:

- carried out on normal commercial terms not more favourable to the related parties than those generally available to third parties dealing at arm's length basis; and
- are not to the detriment of our Group as a whole.

In addition, our Directors will report and disclose all recurrent related party transactions (if any) annually in our Company's annual report, documenting the required details i.e. nature of the transactions made, names of the related parties involved and their relationship with our Group.

**10.4.2 Our Group's policy on related party transactions**

We will be required to seek our shareholders' approval each time we enter into 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 deliberation and voting on resolution(s) pertaining to the respective transaction.

Our Group will seek such relevant shareholders' approval and an independent adviser may be required to be appointed to comment 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 instance, the independent adviser shall also advise the minority shareholders on whether they should vote in favour of the transaction. Further, we will make disclosures in our annual report of the aggregate value of the recurrent related party transactions entered into by us based on the nature of the transactions made, names of the related parties involved and their relationship with our Group.

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