

10. RELATED PARTY TRANSACTIONS
10.1 RELATED PARTY TRANSACTIONS

Save for the Acquisition and as disclosed below, there are 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 the Financial Years Under Review and up to the LPD:

Related party	Transacting company in our Group	Interested persons and nature of relationship	Nature of transaction	Transaction value							
				FYE 2021		FYE 2022		FYE 2023		1 Jan 2024 up to the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%
GPI Management Sdn Bhd ("GMSB")	BESB	Yeo Hock Cheong is our Promoter, Executive Director/CEO and substantial shareholder. Teoh Soon Tek is our COO and director of BESB. Yeo Hock Cheong and Teoh Soon Tek are also directors and substantial shareholders of GMSB	Provision of management services to BESB	336	(1)4.33	-	-	-	-	-	-
			Repayment of amount owing to GMSB in relation to management services	203	(2)0.29	209	(2)0.27	-	-	-	-
			There is no outstanding amount as at the LPD as the outstanding amount has been fully settled before the LPD								
Golden World Metal Sdn Bhd ("GWMSB")	BESB	Yeo Hock Cheong is our Promoter, Executive Director/CEO and substantial shareholder. Teoh Soon Tek is our COO and director of BESB. Yeo Hock Cheong and Teoh Soon Tek are also directors and substantial shareholders of GWMSB.	Rental of a portion of Lot 11936B, Jalan Perajurit 1, Kampung Teluk Gong, 42000 Pelabuhan Klang, Selangor to BESB ⁽³⁾	120	(1)1.55	120	(1)1.35	-	-	-	-
			Rental of HS(M) 12088, PT No. 11765, Mukim Klang, Daerah Klang, Tempat Kampong Nelayan Telok Gong, Selangor to BESB ⁽⁴⁾	300	(1)3.87	75	(1)0.85	-	-	-	-
			Rental of our Port Klang Factory to BESB ⁽⁵⁾	1,227	(1)15.82	1,125	(1)13.82	-	-	-	-
			Repayment of amount owing to GWMSB	-	-	1,368	(2)1.74	1,230	(2)1.39	-	-
			There is no outstanding amount as at the LPD as the outstanding amount has been fully settled before the LPD								
Yeo Hock Cheong	BESB	Yeo Hock Cheong is our Promoter, Executive Director/CEO and substantial shareholder.	Repayment of advances by BESB to Yeo Hock Cheong	-	-	-	-	90	(2)0.10	-	-
			There is no outstanding amount as at the LPD as the outstanding amount has been fully settled before the LPD								

10. RELATED PARTY TRANSACTIONS (CONT'D)

Notes:

- (1) Calculated based on our selling and administrative expenses for each of the respective financial years/period.
- (2) Computed based on our total liabilities for each of the respective financial years.
- (3) GWMSB had on 30 December 2018 entered into a subtenancy agreement with BESB for the rental of a portion of premises located at Lot 11936B, Jalan Perajurit 1, Kampung Teluk Gong, 42000 Pelabuhan Klang, Selangor for storage of PKS. The tenancy commenced from 1 January 2019 to 31 December 2019 and was subsequently renewed for a further 3 terms of 12 months commencing from 1 January 2020 to 31 December 2020, 1 January 2021 to 31 December 2021 and 1 January 2022 to 31 December 2022 respectively. The registered proprietor of the premises is Ikram Tegas Sdn Bhd ("**ITSB**").

The rationale behind the subtenancy arrangement between GWMSB and BESB is due to BESB requiring additional storage space in Port Klang while GWMSB had additional storage space at the premises that were not utilised from its business operations.

The transaction between GWMSB and BESB was not conducted at an arms' length basis as the rental charged by GWMSB to BESB was higher than the rental rate charged by ITSB to GWMSB. The higher rental rate was due to fees payable to GWMSB to cover the risk of default of payment of rental by BESB as well as the facility management services provided by GWMSB.

The subtenancy arrangement with GWMSB ended on 31 December 2022.

- (4) GWMSB had on 5 July 2018 entered into a subtenancy agreement with BESB for the rental of a premises located at HS(M) 12088, PT No. 11765, Mukim Klang, Daerah Klang, Tempak Kampong Nelayan Telok Gong, Selangor as warehouse and storage of PKS. The tenancy commenced from 1 June 2018 to 31 May 2020, and a new tenancy agreement dated 30 June 2020 for the tenancy commencing 1 July 2020 to 30 July 2021, and was subsequently renewed on a monthly basis. The tenancy agreement was terminated on 31 March 2022. The registered proprietor of the warehouse and storage is Mentari Rampai Sdn Bhd ("**MRSB**").

The rationale behind the subtenancy arrangement between GWMSB and BESB is in response to considerations raised by MRSB during the negotiation of a tenancy agreement with BESB in 2018 whereby MRSB had reservations about entering into a direct tenancy agreement with BESB, citing concerns related to the financial standing of BESB at that time.

The transaction between GWMSB and BESB was not conducted at an arms' length basis as the rental charged by GWMSB to BESB was higher than the rental charged by MRSB to GWMSB. The higher rental rate was due to fees payable to GWMSB to cover the risk of default of payment of rental by BESB.

The subtenancy arrangement with GWMSB was terminated on 31 March 2022.

- (5) GWMSB had on 11 November 2017 entered into a subtenancy agreement with BESB for the rental of our Port Klang Factory for a period of 24 months from 1 January 2018 to 31 December 2019. The tenancy was subsequently renewed for a term of 24 months commencing from 1 January 2020 to 31 December 2021 and a further term of 12 months commencing from 1 January 2022 to 31 December 2022. The registered proprietor of our Port Klang Factory is C N H Holdings Sdn Bhd ("**CNH**").

The rationale behind the subtenancy arrangement between GWMSB and BESB is in response to considerations raised by CNH during the negotiation of a tenancy agreement with BESB in 2017 whereby CNH had reservations about entering into a direct tenancy agreement with BESB, citing concerns related to the financial standing of BESB at that time.

The transaction between GWMSB and BESB was not conducted at an arms' length basis as the rental charged by GWMSB to BESB was higher than the rental charged by CNH to GWMSB. The higher rental rate was due to fees payable to GWMSB to cover the risk of default of payment of rental by BESB.

The subtenancy agreement with GWMSB was terminated on 31 October 2022 and thereafter on 1 November 2022, BESB entered into a tenancy agreement with CNH.

10. RELATED PARTY TRANSACTIONS (CONT'D)

As at the LPD, there is no outstanding amount for all the related party transactions set out above as all the outstanding amount has been fully settled before the LPD.

Save for the transactions in Notes (3), (4) and (5), our Directors are of the view that all the above related party transactions were carried out at arm's length basis and on normal commercial terms which are not unfavourable to our Group and comparable to those generally available to third parties.

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 two (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.

10. RELATED PARTY TRANSACTIONS (CONT'D)

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.

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 during the Financial Years Under Review and up to the LPD.

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10. RELATED PARTY TRANSACTIONS (CONT'D)

10.2.2 Outstanding loans (including guarantees of any kind)

(a) Loans and/or advances made to/for the benefit of related parties or granted by related parties

Save as disclosed below, there are no outstanding loans and/or advances made by our Group to/for the benefit of related parties or granted by the related parties for the benefit of our Group during the Financial Years Under Review and up to the LPD:

Related party	Transacting company in our Group	Interested persons and nature of relationship	Nature of transaction	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	1 Jan 2024 up to the LPD RM'000
GMSB	BESB	Yeo Hock Cheong is our Promoter, Executive Director/ CEO and substantial shareholder. Teoh Soon Tek is our COO and director of BESB. Yeo Hock Cheong and Teoh Soon Tek are also directors and substantial shareholders of GMSB	Amount owing by BESB to GMSB in relation to provision of management services The amount owing to GMSB was unsecured and interest-free.	336	-	-	-
GWMSB	BESB	Yeo Hock Cheong is our Promoter, Executive Director/ CEO and substantial shareholder. Teoh Soon Tek is our COO and director of BESB. Yeo Hock Cheong and Teoh Soon Tek are also directors and substantial shareholders of GWMSB.	Advances from GWMSB to BESB for working capital and purchase of plant & machinery The advances provided was unsecured and interest-free.	-	550	-	-
Yeo Hock Cheong	BESB	Yeo Hock Cheong is our Promoter, Executive Director/ CEO and substantial shareholder.	Advances from Yeo Hock Cheong to BESB for working capital The advances provided was unsecured and interest-free.	50	40	-	-

The advances given by the Group's related parties were not conducted on arm's length basis as the advances were unsecured, interest-free and not on normal commercial terms. As at the LPD, all advances given by the Group's related parties have been fully settled.

10. RELATED PARTY TRANSACTIONS (CONT'D)

In addition, our Group has put in place internal control and compliance procedures in relation to loans and/or financial assistance to be provided to its related parties and/or third parties. Moving forward, no further loans, advances or financial assistance will be provided to or for the benefit of any related parties by our Group unless such loans are permitted under the applicable laws and the Listing Requirements and brought to our Company's Audit and Risk Management Committee and our Board for deliberation and approval. The procedures to be undertaken to ensure that future related party transactions (if any) are carried out on an arm's length basis are set out in Section 10.1 of this Prospectus.

(b) Guarantees

As at the LPD, Yeo Hock Cheong (our Promoter, Executive Director/CEO and substantial shareholder), Teoh Soon Tek (our COO and director of BESB), Datin Cheah Lay Fong (director of BESB) and BEH (our substantial shareholder) have jointly and severally provided personal guarantees for the banking and financing facilities extended by Affin Islamic Bank Berhad, Maybank Islamic Berhad, Export-import Bank of Malaysia Berhad and Affin Bank Berhad ("**Financiers**") to our Group. The details of the banking and financing facilities are set out below:

Financiers	Type of facilities	Purpose	Outstanding balance as at the LPD RM'000	Facility limit and amount guaranteed RM'000	Type of Third-party Securities	Guarantor(s)
Affin Islamic Bank Berhad	3 trade financing facilities	For working capital purposes	17,235	46,000	Nil	<ul style="list-style-type: none"> • Yeo Hock Cheong • Datin Cheah Lay Fong
Maybank Islamic Berhad	1 trade financing facility	For working capital purposes	3,366	9,000	Nil	<ul style="list-style-type: none"> • Yeo Hock Cheong • Teoh Soon Tek • Datin Cheah Lay Fong
Export-Import Bank of Malaysia Berhad	2 trade financing facilities	For working capital purposes	-	8,000	Nil	<ul style="list-style-type: none"> • Yeo Hock Cheong • Teoh Soon Tek • Datin Cheah Lay Fong • BEH
Affin Bank Berhad	Hire purchase	Hire purchase of motor vehicle	61	155	Nil	Datin Cheah Lay Fong
Total			20,662	63,155		

10. RELATED PARTY TRANSACTIONS (CONT'D)

We have written to the Financiers to request for their conditional consent to release and/or discharge of the above stated personal and corporate guarantees by substituting the same with a corporate guarantee from our Company.

As at the LPD, we have yet to receive conditional approvals from the Financiers to release the above stated personal and corporate guarantees by substituting the same with a corporate guarantee from our Company. The conditions imposed (which do not have specific timeframes) by the Financiers may include, amongst others, the following:

- (a) the successful listing of our Company on the ACE Market of Bursa Securities; and
- (b) the perfection of a corporate guarantee by our Company after the completion of our Listing.

10.2.3 Financial assistance provided for the benefit of a related party

There is 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.

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