

## 10. RELATED PARTY TRANSACTIONS

### 10.1 RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, a “related party transaction” is a transaction entered into by a listed corporation or its subsidiaries that involves the interest, direct or indirect, of a related party. A “related party” of a listed corporation 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 on which the terms of the transaction were agreed upon, a director of the listed corporation, its subsidiary or holding company or a chief executive of the listed corporation, its subsidiary or holding company;
- (ii) a major shareholder including 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 corporation or its subsidiary or holding company, having an interest or interests in 1 or more voting shares in a corporation and the number or aggregate number of those shares is:
  - (a) 10% or more of the total number of voting shares in the corporation; or
  - (b) 5% or more of the total number of 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.

[The rest of this page is intentionally left blank]

**10. RELATED PARTY TRANSACTIONS (CONT'D)****10.1.1 Material related party transactions**

Save as disclosed below, there is no other material related party transaction entered or to be entered into by our Group for the Financial Years Under Review and up to the LPD:

Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
			FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	1 January 2025 and up to the LPD (RM'000)
LAC and the following parties:	Liew Yoon Kit, Liew Yoon Poh, Chan Yue Mun and Giam Teck Eng are our Directors and/or Substantial Shareholders.	Acquisition by LAC of the entire equity interest in LAC Medical and CVS Medical  (This is a one-off transaction pursuant to the Acquisitions and our internal reorganisation for our Listing)	-	-	-	47,839
<ul style="list-style-type: none"> <li>Liew Yoon Kit</li> <li>Liew Yoon Poh</li> <li>Chan Yue Mun</li> <li>Giam Teck Eng</li> </ul>						
LAC Group and Glocomp	Giam Teck Eng, Liew Yoon Kit and Chan Yue Mun who are our Directors and/or Substantial Shareholders, are also substantial shareholders of Glocomp. Further, Giam Teck Eng is also a director of Glocomp	(i) Rental of offices by our Group (tenant) from Glocomp (landlord)	24  (Represents 0.2% of our Group's PAT for the FYE 2022)	82  (Represents 0.4% of our Group's PAT for the FYE 2023)	166  (Represents 0.8% of our Group's PAT for the FYE 2024)	45

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

Transacting parties	Nature of relationship	Nature of transaction	Transaction value			1 January 2025 and up to the LPD (RM'000)
			FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	
		(ii) Purchases of uninterrupted power supply and ICT related products by LAC Group (purchaser) from Glocomp (vendor)	990  (Represents 7.6% of our Group's PAT for the FYE 2022)	1,868  (Represents 9.0% of our Group's PAT for the FYE 2023)	578  (Represents 2.8% of our Group's PAT for the FYE 2024)	958
		(iii) Provision of ICT administrative and management services by Glocomp (vendor) to LAC Medical (purchaser)	120  (Represents 0.9% of our Group's PAT for the FYE 2022)	73  (Represents 0.4% of our Group's PAT for the FYE 2023)	-	-

Our Directors confirm that all the related party transactions outlined above were transacted on an arm's length basis and on normal commercial terms which are not unfavourable to us than those generally available to third parties. In relation to the rental of offices by our Group from Glocomp that will subsist after our Listing, our Directors have also reviewed the salient terms of the rental agreement and are of the view that they are on normal commercial terms and are not to the detriment to minority shareholders. Following our Listing, our Directors will ensure that future transactions with related party (if any) will be in compliance with the Listing Requirements. The procedures to be undertaken to ensure that the future transactions with related party (if any) are carried out on an arm's length basis are set out in Section 10.2 of this Prospectus.

Further, there are no material related party transactions entered into but not yet effected since the LPD and up to the date of this Prospectus.

**10.1.2 Transactions entered into that are unusual in their nature or conditions**

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

**10. RELATED PARTY TRANSACTIONS (CONT'D)****10.1.3 Loans and financial assistance made to or for the benefits of related parties**

Save as disclosed below, there are no other outstanding loans and financial assistance made by us to or for the benefit of any related party during the Financial Years Under Review and up to the LPD:

Parties	Nature of relationship	Nature of transaction	Outstanding amount as at			
			31 December 2022 (RM'000)	31 December 2023 (RM'000)	31 December 2024 (RM'000)	the LPD (RM'000)
LAC Medical and Liew Yoon Poh	Liew Yoon Poh is our Promoter, Substantial Shareholder and Group Chief Executive Officer	Loan by LAC Medical to Liew Yoon Poh	(1)49  (Represents 0.2% of our Group's NA as at 31 December 2022)	-	-	-
PT Fairmed and Hong Chong Chet	Hong Chong Chet is our Deputy Group Chief Executive Officer and a director of PT Fairmed	Amount due from Hong Chong Chet to PT Fairmed for his subscription of 5% equity interest in PT Fairmed	-	-	(2)140  (Represents 0.3% of our Group's NA as at 31 December 2024)	-

**Notes:**

- (1) The loan, which have been fully settled in October 2023, was granted pursuant to a special scheme for loans to eligible directors and full-time employees of our Group, which has been discontinued as at the LPD.
- (2) Represents the unpaid consideration by Hong Chong Chet upon incorporation of PT Fairmed in December 2024, which was fully settled in March 2025.

The financial assistances above were not made on an arm's length basis as they were interest free with no fixed term of repayment. Going forward, we will not be providing any financial assistance to our related parties.

## **10. RELATED PARTY TRANSACTIONS (CONT'D)**

### **10.1.4 Provision of guarantees by our related parties for the banking facilities granted to our Group**

For the Financial Years Under Review, Liew Yoon Poh, Liew Yoon Kit and Giam Teck Eng have provided personal guarantees for banking facilities extended by financial institutions to our Group.

In conjunction with our Listing, we have obtained conditional approvals from the abovementioned financiers to discharge and/or uplift the said personal guarantees by substituting the same with a corporate guarantee from our Company subject to the success of our Listing.

## **10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS**

### **10.2.1 Audit and Risk Management Committee's review**

Our Audit and Risk Management Committee reviews related party transactions and conflict of interest situations that may arise within our Group including any transaction, procedure or course of conduct that raises questions of management 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 conflicts 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 to the detriment of the interest of our minority shareholders. Among others, the related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations on the transactions.

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

### **10.2.2 Our Group's policy on related party transactions**

Related party transactions by their very nature, involve conflicts of interest between our Group and the related parties with whom our Group has entered into such transactions. As disclosed in this Prospectus, some of our Directors and/or major shareholders are also directors and in some cases, shareholders of the related parties of our Group, and with respect to these related party transactions, may individually and in aggregate have conflicts of interest. 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 situations and intend for the framework to be guided by the Listing Requirements and the MCCG upon our Listing. The procedures which may form part of the framework include, among others, the following:

- (i) our Board shall ensure that majority of our Board members are independent directors and will undertake an annual assessment on our Independent Non-Executive Directors;
- (ii) our Directors will be required to declare any direct or indirect interest that they may have in any business enterprise 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 propose the transactions to our Audit and Risk Management Committee for evaluation and assessment who would in turn, make a recommendation to our Board.