

## 9. RELATED PARTY TRANSACTIONS

### 9.1 RELATED PARTY TRANSACTIONS

#### 9.1.1 Related party transactions

Pursuant to the Listing Requirements, subject to certain exemptions, a “**related party transaction**” is a transaction entered into by a listed issuer or its subsidiaries which 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 CMA, and includes any person who is or was within the preceding six (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 six (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) 10.00% or more of all the voting shares in the corporation; or
  - (b) 5.00% 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.

(The rest of this page is intentionally left blank)

**9. RELATED PARTY TRANSACTIONS (Cont'd)****9.1.2 Material related party transactions entered into by our Group**

Save for the Acquisitions and as disclosed below, our Group has not entered into any material related party transactions for the Financial Years Under Review, and for the subsequent financial period up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				FYE 2022	FYE 2023	FYE 2024	1 January 2025 up to the LPD
				RM'000	RM'000	RM'000	RM'000
1.	GSB and Cendrex Trading Sdn Bhd ("Cendrex")	Hoo Ying Seng and Cheong Wai Meng, being the directors and shareholders of Cendrex are brothers-in-law of our substantial shareholder, Lim Tsui Ning.	Purchase of hardware such as light hand tools and safety personal protective equipment from Cendrex	<sup>(1)</sup> 409 (0.22% of the Group's cost of sales)	<sup>(1)</sup> 975 (0.34% of the Group's cost of sales)	<sup>(1)</sup> 818 (0.23% of the Group's cost of sales)	<sup>(2)</sup> 263

**Notes:**

- (1) Computed based on our Group's cost of sales for the Financial Years Under Review, i.e. RM186.77 million for FYE 2022, RM288.57 million for FYE 2023 and RM349.98 million for FYE 2024.
- (2) As at the LPD, we are unable to compute the percentage of the contribution to our Group's cost of sales as our Group's audited combined financial statements for the period from 1 January 2025 up to the LPD are not available.

Our Board, having considered all aspects of the related party transactions including comparable quotation from other third-party similar service provider, is of the opinion that the related party transactions set out in Section 9.1.2 above were transacted on arm's length basis and based on normal commercial terms which are not more favourable to the related party than those generally available to third parties and not unfavourable to our Group, and are not detrimental to the interest of our minority shareholders.

After our Listing, we will be required to seek our shareholders' approval each time we enter into material 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. In the event there are any proposed related party transactions that require prior approval of our shareholders, our Directors, major shareholders and/or persons connected with them who have any direct or indirect interest in the proposed related party transactions shall abstain from deliberation and voting on resolution(s) pertaining to the respective transactions.

## 9. RELATED PARTY TRANSACTIONS *(Cont'd)*

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
- (iii) 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.

Upon our Listing, our Audit and Risk Management Committee will review the terms of any related party transactions and ensure that any related party transactions (including any recurrent related party transactions) are carried out on terms not more favourable to the related party than those generally available to the third parties dealing at arm's length basis with our Group and are not detrimental to the interest of our minority shareholders. Our Group will seek such relevant shareholders' approval where required. 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 during the financial year and in the annual reports for the subsequent financial years.

### 9.1.3 Related party transactions that are unusual in nature or condition

Our Board has confirmed that there are no transactions that were unusual in its nature or condition, involving goods, services, tangible or intangible assets, to which we were a party in respect of the Financial Years Under Review and up to the LPD.

## 9.2 OUTSTANDING LOANS AND/OR FINANCIAL ASSISTANCE

### 9.2.1 Outstanding loans and/or financial assistance (including guarantees of any kind) made to or for the benefit of related parties

There are no outstanding loan and/or financial assistance (including guarantees of any kind) that have been made by our Group to or for the benefit of any related parties for the Financial Years Under Review and up to the LPD.

(The rest of this page is intentionally left blank)

## 9. RELATED PARTY TRANSACTIONS (Cont'd)

### 9.2.2 Outstanding loans and/or financial assistance (including guarantees of any kind) made by related parties for the benefit of our Group

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

(i) Advances provided by the related parties to our Group

No.	Transacting parties	Nature of relationship	Nature of transaction	Amount of advances provided (RM)			
				FYE 2022	FYE 2023	FYE 2024	1 January 2025 up to the LPD
1.	Our Company and Lee Kim Seng	Lee Kim Seng is the Director and major shareholder of our Company	Advances from a director and shareholder to our Company <sup>(1)</sup>	20,000	-	-	-
2.	GSB and Lee Kim Seng	Lee Kim Seng is the Director and major shareholder of our Company	Advances from a director and shareholder of our Company to GSB <sup>(1)</sup>	5,615,671	-	-	-
3.	GPL and Lee Kim Seng	Lee Kim Seng is the Director and major shareholder of our Company	Advances from a director and shareholder of our Company to GPL <sup>(1)</sup>	<sup>(2)</sup> 94,837	<sup>(3)</sup> 269,076	-	-
4.	GPL and Tang Ji Jian	Tang Ji Jian is a director of GPL, which will be our wholly owned subsidiary upon completion of the Acquisitions  Tang Ji Jian is the spouse of Lee Jie Min (the Non-Independent Executive Director of our Company) and the son-in-law of Lee Kim Seng	Advances from a director of GPL to GPL <sup>(4)</sup>	<sup>(5)</sup> 32,594	-	-	-

#### Notes:

- (1) The advances were provided by Lee Kim Seng to our Company, GSB and GPL for working capital purposes. These advances were not made on an arm's length basis as they are non-trade in nature, unsecured, non-interest bearing and repayable on demand. These advances have been fully settled.
- (2) The advances provided by Lee Kim Seng to GPL in FYE 2022 amounted to SGD30,000 (equivalent to approximately RM94,837).
- (3) The advances provided by Lee Kim Seng to GPL in FYE 2023 amounted to SGD80,000 (equivalent to approximately RM269,076).
- (4) The advances were provided by Tang Ji Jian to GPL for working capital purposes. These advances were not made on an arm's length basis as they are non-trade in nature, unsecured, non-interest bearing and repayable on demand. These advances have been fully settled.
- (5) The advances provided by Tang Ji Jian to GPL in FYE 2022 amounted to SGD10,000 (equivalent to approximately RM32,594).

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

(ii) Personal guarantees provided by Lee Kim Seng to financiers to secure the banking facilities granted to our Group

Financiers	Type of Facility	Facility Limit (Up to RM)	Outstanding Balance as at the LPD (RM)
Affin Bank Berhad	Hire Purchase Facilities	714,500	402,324
	Overdraft, Letter of Credit and Term Loan	39,443,000	26,236,166
Ambank (M) Berhad	Hire Purchase Facility	393,000	149,379
Ambank Islamic Berhad	Hire Purchase Facilities	16,754,700	14,003,328
BMW Credit (Malaysia) Sdn Bhd	Hire Purchase Credit Facility	512,010	423,297
CIMB Bank Berhad	Term Loan Facility	4,700,000	1,932,423
	Overdraft, Term Loan, Bank Guarantee and Multi Option Line	27,133,737	11,200,123
CIMB Factorlease Berhad	Hire Purchase Facilities	25,583,287	9,464,222
Hong Leong Bank Berhad	Term Loan Facilities	564,000	420,002
HSBC Amanah Malaysia Berhad	Bank Guarantee-i Line	5,000,000	* -
	Import Line	3,100,000	2,893,917
	Financing Facilities under Government Guarantee Scheme Madani administered by Syarikat Jaminan Pembiayaan Perniagaan Berhad	1,900,000	* -
Malayan Banking Berhad	Hire Purchase Facilities	59,504,230	15,298,958
Maybank Islamic Berhad	Commodity Murabahah Term Financing-i	500,000	304,716
	Facilities under SME + Syarikat Jaminan Pembiayaan Perniagaan Berhad	16,000,000	14,917,384
MBSB Bank Berhad	Hire Purchase Facilities	65,481,752	30,899,570
PAC Lease Berhad	Hire Purchase Facilities	6,054,900	4,646,784
Public Bank Berhad	Hire Purchase Facilities	1,343,700	1,047,212
	Bank Guarantee Facilities	4,000,000	* -

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

Financiers	Type of Facility	Facility Limit (Up to RM)	Outstanding Balance as at the LPD (RM)
Public Islamic Bank Berhad	Term Equity Financing-i	720,900	691,817
United Overseas Bank (Malaysia) Berhad	Performance Guarantee and Financial Guarantee Facilities	5,000,000	3,050,000

**Note:**

\* As at the LPD, these facilities were not utilised or drawn down.

- (iii) Personal guarantees provided by a brother of Lee Kim Seng who was a director of GHSB and GSB to financiers to secure the banking facilities granted to our Group

Financiers	Type of Facility	Facility Limit (Up to RM)	Outstanding Balance as at the LPD (RM)
Public Bank Berhad	Bank Guarantee Facilities	4,000,000	* -

**Note:**

\* As at the LPD, these facilities were not utilised or drawn down.

(The rest of this page is intentionally left blank)

**9. RELATED PARTY TRANSACTIONS (Cont'd)****9.2.3 Upliftment of personal guarantees**

In conjunction with the Listing, we have applied to the respective financiers to obtain a release and/or discharge of the personal guarantees provided by Lee Kim Seng and/or his brother (as the case may be) by substituting the same with a corporate guarantee from our Company. As at the date of this Prospectus, save for Affin Bank Berhad (in respect of personal guarantee provided in relation to the overdraft, letter of credit and term loan with a facility limit of up to RM39,443,000), Public Bank Berhad and Public Islamic Bank Berhad, we have obtained the relevant conditional approvals from all of the respective financiers to release and/or discharge the abovementioned personal guarantees. These conditional approvals are subject to, among others, the following conditions:

No.	Financiers	Major conditions imposed
1.	Affin Bank Berhad <sup>(1)</sup>	<ul style="list-style-type: none"> <li>• successful listing of our Company; and</li> <li>• corporate guarantee to be provided by our Company upon completion of our Listing.</li> </ul>
2.	Ambank (M) Berhad	<ul style="list-style-type: none"> <li>• successful listing of our Company; and</li> <li>• corporate guarantee to be obtained prior to discharge of the personal guarantee.</li> </ul>
3.	Ambank Islamic Berhad	<ul style="list-style-type: none"> <li>• successful listing of our Company; and</li> <li>• corporate guarantee to be obtained prior to discharge of the personal guarantee.</li> </ul>
4.	CIMB Factorlease Berhad	<ul style="list-style-type: none"> <li>• successful listing of our Company; and</li> <li>• completion and perfection of corporate guarantee by our Company.</li> </ul>
5.	CIMB Bank Berhad	<ul style="list-style-type: none"> <li>• successful listing of our Company; and</li> <li>• completion and perfection of corporate guarantee by our Company.</li> </ul>
6.	Hong Leong Bank Berhad	<ul style="list-style-type: none"> <li>• successful listing of our Company; and</li> <li>• perfection of corporate guarantee by our Company.</li> </ul>
7.	HSBC Amanah Malaysia Berhad	<ul style="list-style-type: none"> <li>• successful listing of our Company; and</li> <li>• consent from Syarikat Jaminan Pembiayaan Perniagaan Berhad.</li> </ul>
8.	MBSB Bank Berhad	<ul style="list-style-type: none"> <li>• successful listing of our Company.</li> </ul>
9.	Malayan Banking Berhad	<ul style="list-style-type: none"> <li>• successful listing of our Company; and</li> <li>• execution and perfection of corporate guarantee by our Company.</li> </ul>

## 9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Financiers	Major conditions imposed
10.	Maybank Islamic Berhad	<ul style="list-style-type: none"> <li>• execution and perfection of corporate guarantee by our Company upon successful Listing; and</li> <li>• consent from Syarikat Jaminan Pembiayaan Perniagaan Berhad.</li> </ul>
11.	Pac Lease Berhad	<ul style="list-style-type: none"> <li>• successful listing of our Company; and</li> <li>• receipt by Pac Lease Berhad of supporting documents of our Company as new guarantor.</li> </ul>
12.	United Overseas Bank (Malaysia) Berhad	<ul style="list-style-type: none"> <li>• receipt of documentary evidence to prove that our Company has successfully listed on Main Market; and</li> <li>• perfection of documents and stamping on corporate guarantee provided by our Company.</li> </ul>
13.	BMW Credit (Malaysia) Sdn Bhd	<ul style="list-style-type: none"> <li>• successful listing of our Company; and</li> <li>• execution of a new corporate guarantee by our Company upon completion of our Listing.</li> </ul>

**Note:**

- (1) *As at the date of this Prospectus, our Group has received conditional approval to release and discharge the personal guarantees provided by Lee Kim Seng to Affin Bank Berhad for the hire purchase facilities, with a facility limit of up to RM714,500.*

Until such release and discharge are obtained from the respective financiers, Lee Kim Seng and/or his brother (as the case may be) will continue to jointly or severally guarantee the facilities extended to our Group. Our Group expects to obtain all the remaining conditional approval(s) from the respective financiers prior to our 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 our Group unless such advances and loans are permitted under law and the Listing Requirements.

(The rest of this page is intentionally left blank)



## **9. RELATED PARTY TRANSACTIONS (*Cont'd*)**

### **9.3 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST**

#### **9.3.1 Audit and Risk Management Committee review**

Our Audit and Risk Management Committee reviews related party transactions and conflict of interest situation 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 Group 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 Group on normal commercial terms that are industry norms and not more favourable to the related party than those generally available to third parties dealing at arm's length, and are not to the detriment of the interest of our Group's 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 are reported to our Board for its further action.

#### **9.3.2 Our Group's policy on related party transactions and conflict of interests**

It is the policy of our Group that all related party transactions and conflicts of interest must be immediately and fully disclosed by our interested or conflicted Directors or substantial shareholders to the management for reporting to our Audit and Risk Management Committee.

In the event that there are any proposed related party transactions that require the prior approval of our Company's shareholders, in addition to the above, our Directors, major shareholders and / or persons connected with them, who have any interest, whether direct or indirect, in the proposed related party transactions, shall abstain from all deliberations and voting on resolution(s) pertaining to the respective transactions. In addition, such interested Directors and / or major shareholders will also undertake to ensure that the persons connected with them, if any, will abstain from deliberations and voting on the resolution(s) to approve the proposed related party transactions at a general meeting.

If the related party transactions are deemed as recurrent related party transactions, our Company may seek a general mandate from our non-interested shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such recurrent related party transactions during the validity period of the mandate. Related party transactions can be deemed as recurrent, if they are entered into at least once every three years, in the ordinary course of business and are of a revenue or trading nature necessary for the day-to-day operations of our Group.

(The rest of this page is intentionally left blank)