

## **9. RELATED PARTY TRANSACTIONS**

### **9.1 Related party transactions**

There are no existing and/or proposed related party transactions entered into or to be entered into by our Group which involve the interest, whether direct or indirect, of our Directors, major shareholders and/or persons connected with them during the financial years under review as well as the subsequent period up to the LPD.

Upon our Listing, in the event that our Group enters into any material related party transactions in accordance with the Listing Requirements, we will seek our shareholders' approval accordingly. However, if such related party transactions are deemed as recurrent related party transactions, we may then seek a general mandate from our shareholders (which mandate would typically be renewed as required at each AGM of our Company) to enter into these recurrent related party transactions without having to seek separate shareholders' approval each time our Group wishes to enter into such recurrent related party transactions during the validity period of the mandate.

In the event that there are any proposed related party transactions that require the prior approval of our shareholders, our Directors, major shareholders and/or person(s) connected with them, who have any interest, whether direct or indirect, in the proposed related party transactions, will hence abstain from deliberating and voting in respect of their direct and/or indirect shareholdings, if any. Such interested Directors and/or major shareholders will also undertake to ensure that the person(s) connected with them will abstain from voting on the resolution approving the proposed related party transaction at a general meeting of our Company.

In addition, to safeguard the interest of our Company and our non-interested shareholders and to mitigate any potential conflict of interest situation, our Audit Committee will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action, as set out in **Section 9.4** of this Prospectus.

### **9.2 Related party transactions that are unusual in their nature or conditions**

There are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for during the financial years under review as well as the subsequent period up to the LPD.

### **9.3 Outstanding loans and/or financial assistance (including guarantees of any kind)**

#### **9.3.1 Outstanding loans and/or financial assistance**

There are no outstanding loans and/or financial assistance that has been provided by our Group to or for the benefits of any related parties or provided from related parties to us during the financial years under review as well as the subsequent period up to the LPD.

#### **9.3.2 Guarantees**

Save for the guarantees set out below, there are no other guarantees that has been provided by our Group to or for the benefits of any related parties or provided from related parties to us during the financial years under review as well as the subsequent period up to the LPD:-

- (i) During the financial years under review as well as the subsequent period up to the LPD, Ryo Narisawa, Beh Lai Lien and Tan Chan Chin have provided joint and several personal guarantees in favour of the financial institution extending such banking facility to our Group, which remains unutilised as at the LPD. In conjunction with our Listing, we have obtained conditional approval from the financial institution to discharge and/or uplift the said personal guarantees by substituting the same with a corporate guarantee from our Company as a listed entity and subject to the success of our Listing.

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

Moving forward, we have put in place internal controls and compliance procedures in relation to financial assistance to be provided to related parties.

As such, we will not provide any financial assistance to the related parties unless such financial assistance is permitted under the applicable laws, rules and regulations (including the Listing Requirements) and brought to our Audit Committee and Board for deliberation and approval.

### 9.4 Monitoring and oversight of related party transactions and conflicts of interest

#### 9.4.1 Audit Committee review

Our Audit Committee will review the related party transactions and conflicts of interest situations that may arise within our Group, including any transaction, procedures or course of conduct that raises questions of management integrity. The related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberating and voting on the relevant transactions. In reviewing the related party transactions, the following, amongst others, will be considered by our Audit Committee:-

- (i) the rationale and the cost/benefit to our Company;
- (ii) where possible, comparative quotes will be taken into consideration;
- (iii) that the transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to third parties dealing on an arm's length basis; and
- (iv) that the transactions are not detrimental to our Company's non-interested shareholders.

All reviews by our Audit Committee are reported to our Board for its further action.

#### 9.4.2 Our policy on related party transactions and conflicts of interest

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. It is the policy of our Group that all related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to the public dealing on an arm's length basis with our Group and are not detrimental to our Company's non-interested 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, amongst others, the following:-

- (i) our Board shall ensure that majority of our Board's members are Independent Directors and will undertake an annual assessment of our Independent Directors;
- (ii) our Directors will be required to immediately make full disclosure of 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 the Audit Committee for evaluation and assessment who would, in turn, make a recommendation to our Board.