

11. CONFLICT OF INTEREST

11.1 INTEREST IN ENTITIES CARRYING ON A SIMILAR TRADE AS THAT OF OUR GROUP OR WHICH ARE CUSTOMERS AND/OR SUPPLIERS OF OUR GROUP

11.1.1 Involvement of our Directors and substantial shareholders in entities which carry on a similar trade as that of our Group

As at the LPD, save as disclosed below, our Directors and substantial shareholders do not have any interest, direct or indirect, in any entities which are carrying on a similar trade as that of our Group:

Entity	Our Directors and/or substantial shareholders	Nature	Principal activity	Nature of interest
U Stars Group	<u>Our substantial shareholder and Director</u> Lee Thiam Wah	Similar trade as that of our Group	Supermarkets and hypermarkets; Mini-marts, convenience stores and provision shops and/or warehouses, packing and distribution of groceries, food and beverages products	Lee Thiam Wah is a director and shareholder holding 100% equity interest in Lee International Retail Holdings, which in turn holds 49.0% equity interest in each of the companies in the U Stars Group. Lee International Retail Holdings intends to increase its equity interest in U Stars Group up to 75.0%, subject to approval of relevant authorities in Singapore. He is also a director of U Stars Supermarket, U Stars and U Stars Food Holdings, which is part of the U Stars Group.

Notwithstanding the above, our Board is of the view that the potential conflict of interest situation which may arise as a result of Lee Thiam Wah's interests in the U Stars Group, which is operating in the retail grocery market segment similar to our Group, is mitigated as the operations of the U Stars Group are handled by a separate management team, led by Lim Kok Wei, the CEO of the U Stars Group and that all of the outlets of the U Stars Group are only located in Singapore. The geographical separation of the outlets between our Group and the U Stars Group ensures a distinct and separate customer bases and markets, removing any direct competition. Furthermore, Lee Thiam Wah is not involved in the day-to-day operations of the U Stars Group. The U Stars Group operates as a 24-hour supermarket chain offering a wide range of products, including fresh produce and food items, while our Group operates as a mini-market chain with conventional business hours.

11. CONFLICT OF INTEREST (Cont'd)

11.1.2 Involvement of our Directors and substantial shareholders in entities which are our customers and/or suppliers

As at the LPD, save as disclosed below, our Directors and substantial shareholders do not have any interest, direct or indirect, in any entities which are our customers and/or suppliers:

No.	Entity	Our Directors and/or substantial shareholders	Nature of transaction	Principal activity	Nature of interest
1.	Cleanwave	<u>Our substantial shareholder and Director</u> Lee Thiam Wah	Supplier of cleaning products, personal care and pet products	Sales and marketing of cleaning products for, but not limited to household and personal hygiene and vehicle cleaning products	Lee Thiam Wah and Ng Lee Tieng are directors and shareholders holding 99.9% and less than 1.0% equity interest respectively in Venus Gateway. Venus Gateway in turn holds 65.0% in Cleanwave; 52.0% in Multihexa and 52.0% in Octo Asia.
2.	Multihexa	<u>Our Director</u> Ng Lee Tieng	Supplier of toys and party supplies	Wholesale of a variety of goods	Lee Thiam Wah is also a director of Cleanwave, Multihexa and Octo Asia.
3.	Octo Asia		Supplier of fruits, nuts and vegetables	Wholesale of a variety of goods including fruits, nuts and vegetables	
4.	Cosmo Restaurants	<u>Our substantial shareholder and Director</u> Lee Thiam Wah <u>Directors</u> Dato' Chua Tia Guan Ng Lee Tieng	Customer of food products on ad-hoc basis Supplier of meal sets and vouchers	Developing, operating, promoting and/or managing Burger King restaurants in Malaysia	Lee Thiam Wah and Ng Lee Tieng are directors and shareholders holding 80.0% and 20.0% equity interest in Newscape Capital respectively. Newscape Capital in turn holds 100% in Rancak Selera which in turn holds 95.0% in Cosmo Restaurants. Both Lee Thiam Wah and Ng Lee Tieng are directors of Cosmo Restaurants and members of the Executive Committee of Newscape Capital, being the ultimate holding company of Cosmo Restaurants. Ng Lee Tieng is the CEO of Cosmo Restaurants. Dato' Chua Tia Guan is the Chairman of the Executive Committee of Newscape Capital. Dato' Chua Tia Guan does not hold any equity interest or directorship in, and is not involved in the day-to-day operations of, Newscape Capital, Rancak Selera or Cosmo Restaurants.

11. CONFLICT OF INTEREST (Cont'd)

No.	Entity	Our Directors and/or substantial shareholders	Nature of transaction	Principal activity	Nature of interest
5.	Nasi Lemak Gempak	<u>Our substantial shareholder and Director</u> Lee Thiam Wah	Customer of grocery staples and perishables Supplier of instant coffee powder	Restaurants	Lee Thiam Wah is a director and shareholder holding 72.0% equity interest in Nasi Lemak Gempak
6.	J&C Pacific	<u>Our substantial shareholder and Director</u> Lee Thiam Wah <u>Director</u> Ng Lee Tieng	Supplier of SIM cards and our provider of payment gateway, mobile payment, bill payment, gift card activation and reload services	Providing communications services, solutions and products total	Lee Thiam Wah and Ng Lee Tieng are directors and shareholders holding 99.9% and 0.1% equity interest in Global Success respectively. Global Success in turn holds 39.0% in J&C Pacific. Ng Lee Tieng is also a shareholder holding 1.0% equity interest in J&C Pacific. Both Lee Thiam Wah and Ng Lee Tieng are directors of J&C Pacific.

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11. CONFLICT OF INTEREST (Cont'd)

Notwithstanding the above, our Board is of the view that any potential conflict of interest situation which may arise through the interests of our Directors and substantial shareholders in other entities which are our customers or suppliers (collectively referred to as “**Related Customers**” and/or “**Related Suppliers**”) is mitigated due to the following:

- (a) our Related Customers and Related Suppliers are not in competition with our Group’s business and operations as our Group is not involved in the business of the Related Customers, and our Group is acting as one of the distribution channels for our Related Suppliers;
- (b) save for the sales to and purchases from Careon Pharmacy as disclosed in Section 10 of this Prospectus, all sales to and purchases from our Related Customers and Related Suppliers are transacted on an arm’s length basis and on normal commercial terms which are not more favourable to them than those generally available to third parties;
- (c) our Group is not dependent on any of our Related Customers and none of them are our Group’s major customers. For the Periods Under Review, the aggregate sales to our Related Customers represents less than 0.1% of our Group’s total revenue;
- (d) our Group is not dependent on any of our Related Suppliers and none of them are our Group’s major suppliers. For the Periods Under Review, the total purchases from our Related Suppliers represents less than 1.0% of our Group’s total purchases and there are other suppliers in the market offering similar products which could be alternatives to our Group;
- (e) in addition, the involvement of our Directors and substantial shareholders in our Related Customers and Related Suppliers does not affect their contributions to our Group as:
 - (i) The Related Customers and/or the Related Suppliers (collectively, the “**Related Entities**”) are managed by their respective management team, and Lee Thiam Wah, our Executive Director and CEO, is not involved in the day-to-day operations of the Related Entities; and
 - (ii) Ng Lee Tieng, our Non-Independent Non-Executive Director, holds a non-executive role in our Group and thus is not involved in the day-to-day operations of our Group. Furthermore, save for Cosmo Restaurants which she is involved in the operations as its CEO, the other Related Entities are managed by their own respective management team and she is not involved in the day-to-day operations of the other Related Entities; and
- (f) Lee Thiam Wah, Ng Lee Tieng and persons connected to them will abstain from deliberation and voting at Board meetings in relation to any transaction with our Related Entities, if any.

As set out in Section 10.2.1 of this Prospectus, our Audit Committee will review any conflict of interest situation that may arise within the Company or our Group including such transaction, procedure or course that raises questions on management integrity and the measures taken to resolve, eliminate, or mitigate such conflicts to ensure that any such transactions are carried out on terms that are not detrimental to our Group and is in the best interest of our Group. Any future dealings with parties in which our Directors and substantial shareholders have interest, direct or indirect, will be based on established procedures for related party transactions to ensure that they are carried out on an arm’s length basis and in accordance with the Listing Requirements in respect of related party transactions.

11. CONFLICT OF INTEREST (Cont'd)

Notwithstanding, the interests that are held by our Directors and substantial shareholders and the interests that may be held by our Directors and substantial shareholders in the future in other businesses or corporations which are carrying on a similar trade as our Group and/or our customers or suppliers may give rise to a conflict of interest situation with our business. Although such interests may give rise to a conflict of interest situation, our Directors and substantial shareholders and persons connected to them shall abstain from deliberating and voting on all resolutions pertaining to such matters or transactions that require the approval of our shareholders in respect of their direct or indirect interests. Such transactions will be carried out on arm's length basis and on normal commercial terms.

11.2 DECLARATION BY ADVISERS ON CONFLICTS OF INTEREST

11.2.1 Declaration by CIMB

CIMB, being the Principal Adviser for our Listing and the Sole Bookrunner, Sole Managing Underwriter and Underwriter for our IPO, as well as its holding company, CIMB Group Holdings Berhad, and the subsidiaries, related and associated companies of its holding company ("**CIMB Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus.

In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders, our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the CIMB Group generally acting independently of each other, and accordingly, there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group.

As at the LPD, CIMB Bank Berhad has extended a total of RM110.0 million facilities to our Group, comprising RM30.0 million in the form of credit facilities and RM79.9 million in the form of corporate card solutions facilities, as part of its ordinary course of business. It is expected that our Group will repay some of the borrowings owing to CIMB Bank Berhad using the proceeds raised from our Public Issue. The credit facilities and the corporate card solutions facilities extended to our Group do not impose any conditions to our IPO and our Listing.

CIMB is of the view that the abovementioned does not give rise to a conflict of interest situation in its capacity as the Principal Adviser for our Listing and the Sole Bookrunner, Managing Underwriter and Underwriter for our IPO and any potential conflict of interest that exists or is likely to exist in relation to the aforementioned capacity is mitigated by the following:

- (i) CIMB is a licensed investment bank and its appointment as the Principal Adviser for our Listing and the Sole Bookrunner, Managing Underwriter and Underwriter for our IPO is in the ordinary course of its business and CIMB does not receive or derive any financial interest or benefits save for the professional fees received in relation to the aforementioned appointment for our Listing and our IPO;
- (ii) CIMB Bank Berhad is a licensed commercial bank and the extension of credit facilities and corporate card solutions facilities to our Group arose in the ordinary course of its business;

11. CONFLICT OF INTEREST (Cont'd)

- (iii) the conduct of the CIMB Group in its banking business is strictly regulated by, among others, the Financial Services Act 2013, Islamic Financial Services Act 2013, the CMSA and the CIMB Group's own internal controls and checks;
- (iv) the total aggregate outstanding amount owed by our Group to CIMB Bank Berhad of approximately RM110.0 million as at the LPD is not material when compared to the audited NA of the CIMB Group as at 31 December 2022 of approximately RM62.5 billion; and
- (v) CIMB is required under its investment banking license to comply with applicable laws, regulations and guidelines issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities, implementation of "Chinese Wall" policies between different business divisions and the formation of an independent committee to review its business operations.

Accordingly, CIMB confirms that there is no conflict of interest situation in its capacity as the Principal Adviser for our Listing and the Sole Bookrunner, Sole Managing Underwriter and Underwriter for our IPO.

11.2.2 Declaration by Crowe Malaysia PLT

Crowe Malaysia PLT confirms that there is no conflict of interest situation in its capacity as the Auditors and Reporting Accountants to our Company in relation to our IPO.

11.2.3 Declaration by Lee Choon Wan & Co.

Lee Choon Wan & Co. confirms that there is no conflict of interest situation in its capacity as the legal adviser to our Company as to Malaysian law in relation to our IPO.

11.2.4 Declaration by Christopher & Lee Ong

Christopher & Lee Ong confirms that there is no conflict of interest situation in its capacity as the legal adviser to the Sole Bookrunner, Sole Managing Underwriter and Underwriter as to Malaysian law in relation to our IPO.

11.2.5 Declaration by Frost & Sullivan

Frost & Sullivan confirms that there is no conflict of interest situation in its capacity as the IMR in relation to our IPO.