

11. CONFLICTS OF INTEREST

11.1 INTEREST IN BUSINESSES WHICH CARRY ON A SIMILAR TRADE AS OUR GROUP OR WHICH ARE OUR CUSTOMERS AND SUPPLIERS

Save as disclosed below, as at the LPD, none of our Directors and/or Substantial Shareholders have any interest, direct or indirect, in other businesses or corporations which are carrying on a similar trade as that of our Group or which are customers or suppliers of our Group:-

No.	Businesses / Corporations	Nature	Principal activities	Nature of interest
1.	100 Value Distribution Sdn Bhd	Our supplier	Trading of small item electrical accessories and consumables such as sockets, adaptors, phone cables, power banks and television wall mounts	KH Lim, KC Lim and KY Lim are our Directors and Substantial Shareholders. They are also the directors and substantial shareholders of 100 Value Distribution Sdn Bhd, each having a 26.67% direct equity interest.
2.	Home Mart Online Sdn Bhd	Our supplier and customer	Provision of e-commerce services	KH Lim, KC Lim and KY Lim are our Directors and Substantial Shareholders. They are also the directors and substantial shareholders of Home Mart Online Sdn Bhd, each having a 20% direct equity interest.
3.	Insurnet Consultancy Sdn Bhd	Our supplier	General insurance agency, reinsurance agency and brokerage businesses	KH Lim, KC Lim and KY Lim are our Directors and Substantial Shareholders. They are also substantial shareholders of Insurnet Consultancy Sdn Bhd with a deemed 90% indirect interest. ⁽¹⁾
4.	Senwave Retail Solutions Sdn Bhd	Our supplier	Provision of information technology services	KH Lim, KC Lim and KY Lim are our Directors and Substantial Shareholders. They are also the directors and substantial shareholders of Senwave Retail Solutions Sdn Bhd with a deemed 60% indirect interest. ⁽²⁾
5.	SH Retail Academy Sdn Bhd	Our supplier and customer	Provision of business trainings in the field of retail management and business coaching as well as digital marketing services	KH Lim, KC Lim and KY Lim are our Directors and Substantial Shareholders. They are also the directors and substantial shareholders of SH Retail Academy Sdn Bhd with a deemed 40% indirect interest. ⁽³⁾

11. CONFLICTS OF INTEREST (CONT'D)

No.	Businesses / Corporations	Nature	Principal activities	Nature of interest
6.	Blackbox BI Consultancy Sdn Bhd	Our supplier	Provision of data asset centralisation services	KH Lim, KC Lim and KY Lim are our Directors and Substantial Shareholders. They are also the directors and substantial shareholders of Blackbox BI Consultancy Sdn Bhd, each having a 33.33% direct equity interest.
7.	Eight Development (M) Sdn Bhd	Our supplier	Property holdings and investment	KH Lim, KC Lim and KY Lim are our Directors and Substantial Shareholders. They are also the directors and substantial shareholders of Eight Development (M) Sdn Bhd, each having a 33.33% direct equity interest.
8.	Planet Sonata Sdn Bhd	Our customer	Operation of solar panels	KY Lim is our Director and Substantial Shareholder. He is also a director and substantial shareholder of Planet Sonata Sdn Bhd, with a 50% direct equity interest.
9.	S Ecosystem (M) Sdn Bhd	Our supplier	Other information technology service activities	KH Lim, KC Lim and KY Lim are our Directors and Substantial Shareholders. They are also the directors and substantial shareholders of S Ecosystem (M) Sdn Bhd, each having a 33.33% direct equity interest.

Notes:-

- (1) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via S Active Holding Sdn Bhd which in turn holds 90% equity interest in Insurnet Consultancy Sdn Bhd.*
- (2) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Massive Solutions Sdn Bhd which in turn holds 60% equity interest in Serwave Retail Solutions Sdn Bhd.*
- (3) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Massive Solutions Sdn Bhd which in turn holds 40% equity interest in SH Retail Academy Sdn Bhd.*

11. CONFLICTS OF INTEREST (CONT'D)

Our Board is of the view that the interests of our Directors and Substantial Shareholders in the companies mentioned above do not give rise to a conflict of interest situation after taking into consideration the following:-

(i) 100 Value Distribution Sdn Bhd

- (a) 100 Value Distribution Sdn Bhd is involved in the trading of small item electrical accessories and consumables such as sockets, adaptors, phone cables, power banks and television wall mounts. It supplies such products mainly to wholesalers, distributors and retailers, such as our Group. Our Group sells such electrical accessories and consumables through our retail platforms. However, it is not a competing business as its products are sold to wholesalers, distributors and retailers while our Group sells our products to general consumers.
- (b) 100 Value Distribution Sdn Bhd is not our major supplier and we are not dependent on purchases from 100 Value Distribution Sdn Bhd as there are other suppliers for such items in the market. The products supplied by 100 Value Distribution Sdn Bhd comprise only a small fraction of the products we sell and our purchases from 100 Value Distribution Sdn Bhd represents less than 1.0% of our Group's total purchases.
- (c) Purchases from 100 Value Distribution Sdn Bhd are carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group but comparable to those generally available to third parties.
- (d) Although KH Lim, KC Lim and KY Lim are directors of 100 Value Distribution Sdn Bhd, they do not act in an executive capacity and do not participate in the day-to-day operations of 100 Value Distribution Sdn Bhd. The management of 100 Value Distribution Sdn Bhd is handled by its own management team which is led by Ong Cheng Tee, the managing director and a shareholder of 100 Value Distribution Sdn Bhd with 20% direct equity interest. Ong Cheng Tee is not involved in our Group's operations and is not related to KH Lim, KC Lim and KY Lim.

(ii) Home Mart Online Sdn Bhd

- (a) Home Mart Online Sdn Bhd is principally involved in the provision of e-commerce services. Our Group has appointed Home Mart Online Sdn Bhd to provide back-office functions in relation to its online stores, such as order processing automation, order fulfilment processing automation and tracking, payment and refund monitoring and control, as well as online customer services and after sales services. Moving forward, our Group intends to carry out these back office functions in-house and Senheng KL had on 21 June 2021 served a notice of termination to Home Mart Online Sdn Bhd pursuant to which both parties have agreed that the said arrangement with Home Mart Online Sdn Bhd will be terminated on 31 July 2021.
- (b) In addition, Home Mart Online Sdn Bhd rented office space from our Group and the tenancy arrangement has ended on 31 May 2021.
- (c) Home Mart Online Sdn Bhd is not our major supplier and we are not dependent on the services provided by Home Mart Online Sdn Bhd as there are other service providers in the market.

11. CONFLICTS OF INTEREST (CONT'D)

- (d) The services purchased from Home Mart Online Sdn Bhd are carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group but comparable to those generally available to third parties.
- (e) Although KH Lim, KC Lim and KY Lim are directors of Home Mart Online Sdn Bhd, they do not act in an executive capacity and do not participate in the day-to-day operations of Home Mart Online Sdn Bhd. The management of Home Mart Online Sdn Bhd is handled by its own management team which is led by Lim Yau Young and Lim Hoong Koong, both of whom are directors and shareholders of Home Mart Online Sdn Bhd with a 20% direct equity interest each. Lim Yau Young and Lim Hoong Koong are not involved in our Group's operations. Lim Yau Young is the son of KH Lim and Lim Hoong Koong is the son of KC Lim.

(iii) Insurnet Consultancy Sdn Bhd

- (a) Insurnet Consultancy Sdn Bhd is an authorised insurance agent. Our Group obtains various insurance coverage through Insurnet Consultancy Sdn Bhd, such as employee hospitalisation plan, motor vehicle insurance, fire insurance and extended warranty insurance. In addition, Insurnet Consultancy Sdn Bhd acts as the insurance agent for general insurance policies sold by our Group via our online store.
- (b) We pay an administrative fee to Insurnet Consultancy Sdn Bhd for providing coordination services in relation to our PlusOne Extended Warranty programme and for acting as the insurance agent for general insurance policies we sell on our online store. Conversely, in order to service claims from our customers under the SWAP / Replacement warranty coverage which we sell, Insurnet Consultancy Sdn Bhd shall reimburse us for the cost of marketing for this programme and other general insurance products at Senheng KL's physical stores. Senheng KL has ceased offering over-the-counter insurance products such as motor and travel insurance at its physical stores.
- (c) Insurnet Consultancy Sdn Bhd is not our major supplier and we are not dependent on the services provided by Insurnet Consultancy Sdn Bhd as there are other insurance agents which can offer similar services. Our Group is not Insurnet Consultancy Sdn Bhd's only customer as it also sells insurance products to other clients.
- (d) Transactions with Insurnet Consultancy Sdn Bhd are carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group but comparable to those generally available to third parties.
- (e) As KH Lim, KC Lim and KY Lim are passive investors, they do not act in an executive capacity and do not participate in the day-to-day operations of Insurnet Consultancy Sdn Bhd. The management of Insurnet Consultancy Sdn Bhd is handled by its own management team which is led by David Tai Cheng Wee, the managing director of Insurnet Consultancy Sdn Bhd.

11. CONFLICTS OF INTEREST (CONT'D)**(iv) Senwave Retail Solutions Sdn Bhd**

- (a) Senwave Retail Solutions Sdn Bhd is involved in the provision of information technology services. Our Group has engaged Senwave Retail Solutions Sdn Bhd to further enhance its digitalisation plans and to provide software development of business applications, including the development of a data lake and ongoing enhancements to our Group's backend systems.
- (b) Senwave Retail Solutions Sdn Bhd is not our major supplier and we are not dependent on the services provided by Senwave Retail Solutions Sdn Bhd as there are other service providers in the market. Our Group is not Senwave Retail Solutions Sdn Bhd's only customer as it also provides its information technology services to its other clients.
- (c) Transactions with Senwave Retail Solutions Sdn Bhd are carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group but comparable to those generally available to third parties.
- (d) Although KH Lim, KC Lim and KY Lim are directors of Senwave Retail Solutions Sdn Bhd, they do not act in an executive capacity and do not participate in the day-to-day operations of Senwave Retail Solutions Sdn Bhd. The management of Senwave Retail Solutions Sdn Bhd is handled by its own management team which is led by Cheong Jun Tong, a director of Senwave Retail Solutions Sdn Bhd.

(v) SH Retail Academy Sdn Bhd

- (a) SH Retail Academy Sdn Bhd is involved in the provision of, amongst others, business trainings in the field of retail management and business coaching as well as provision of digital marketing services. Our Group engages SH Retail Academy Sdn Bhd to provide employee training services which include, amongst others, retail management, e-commerce automation solutions and self-improvement courses.
- (b) In addition, SH Retail Academy Sdn Bhd rented office space from our Group and the tenancy arrangement has ended on 31 May 2021.
- (c) SH Retail Academy Sdn Bhd is not our major supplier and we are not dependent on the services provided by SH Retail Academy Sdn Bhd as there are other service providers in the market. Our Group is not SH Retail Academy Sdn Bhd's only customer as it also offers its training services to its other clients.
- (d) The services purchased from SH Retail Academy Sdn Bhd are carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group but comparable to those generally available to third parties.
- (e) Although KH Lim, KC Lim and KY Lim are directors of SH Retail Academy Sdn Bhd, they do not act in an executive capacity and do not participate in the day-to-day operations of SH Retail Academy Sdn Bhd. The management of SH Retail Academy Sdn Bhd is handled by its own management team which is led by Lim Yau Young and Lim Hoong Koong, both of whom are directors and shareholders of SH Retail Academy Sdn Bhd with a 20% direct equity interest each. Lim Yau Young and Lim Hoong Koong are not involved in our Group's operations. Lim Yau Young is the son of KH Lim and Lim Hoong Koong is the son of KC Lim.

11. CONFLICTS OF INTEREST (CONT'D)**(vi) Blackbox BI Consultancy Sdn Bhd**

- (a) Blackbox BI Consultancy Sdn Bhd is involved in the provision of data asset centralisation services. We have appointed Blackbox BI Consultancy Sdn Bhd to provide business intelligence (BI) solutions related informative modules such as customer relationship management, finance, human resources, logistics and online traffic operational analytics and actionable insights. Besides business intelligence solutions, Blackbox BI Consultancy Sdn Bhd also collects data from and outputs data to different systems which enables us to make faster data-driven decisions.
- (b) Blackbox BI Consultancy Sdn Bhd is not our major supplier and we are not dependent on the services provided by Blackbox BI Consultancy Sdn Bhd as there are other service providers in the market. We are not Blackbox BI Consultancy Sdn Bhd's only customer as it also offers its products to its other clients.
- (c) The services purchased from Blackbox BI Consultancy Sdn Bhd are carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group but comparable to those generally available to third parties.
- (d) Although KH Lim, KC Lim and KY Lim are directors of Blackbox BI Consultancy Sdn Bhd, they do not act in an executive capacity and do not participate in the day-to-day operations of Blackbox BI Consultancy Sdn Bhd. The management of Blackbox BI Consultancy Sdn Bhd is handled by its own management team which is led by Wong Kin Fei, a director of Blackbox BI Consultancy Sdn Bhd.

(vii) Eight Development (M) Sdn Bhd

- (a) Eight Development (M) Sdn Bhd is involved in property holdings and investment. We rent properties from Eight Development (M) Sdn Bhd consisting of 2 regional hubs in Johor and Kuching, Sarawak and shoplots currently housing 5 of our outlets located in Bintulu, Senawang, Gombak, Shah Alam and Kuala Terengganu.
- (b) The properties rented from Eight Development (M) Sdn Bhd are arrived at on an arm's length basis and on normal commercial terms which are not unfavourable to our Group but comparable to those generally available to third parties.
- (c) Although KH Lim, KC Lim and KY Lim are directors of Eight Development (M) Sdn Bhd, they do not act in an executive capacity and do not participate in the day-to-day operations of Eight Development (M) Sdn Bhd. The management of Eight Development (M) Sdn Bhd is handled by its own management team which is led by Lim Yau Young and Lim Hoong Koong, both of whom are directors of Eight Development (M) Sdn Bhd. Lim Yau Young and Lim Hoong Koong are not involved in our Group's operations. Lim Yau Young is the son of KH Lim and Lim Hoong Koong is the son of KC Lim.

11. CONFLICTS OF INTEREST (CONT'D)**(viii) Planet Sonata Sdn Bhd**

- (a) Planet Sonata Sdn Bhd is involved in the operation of solar panels and rents the rooftop space at our Group's regional hub in Penang for the installation and operation of solar panels. It is not a competing business as our Group is not involved in the operation of solar panels.
- (b) The rental of the rooftop space to Planet Sonata Sdn Bhd enables us to monetise what would otherwise be unutilised and non-revenue generating space.
- (c) The operation of solar panels by Planet Sonata Sdn Bhd is a passive investment and does not require day-to-day management, time or attention on the part of its directors as maintenance of the rooftop solar installation is contracted out to specialist solar facility service providers and contractors. KY Lim is a non-executive Director of our Company.

(ix) S Ecosystem (M) Sdn Bhd

- (a) S Ecosystem (M) Sdn Bhd is involved in the provision of information technology services. [On [•] 2021, Senheng KL entered into a collaboration agreement where S Ecosystem (M) Sdn Bhd will provide access to a new ecosystem enabled via its lifestyle app to be known as the "Senheng Lifestyle App", an upgraded version of the existing Senheng mobile application which aims to provide a host of services and convenience to our members. The development of the "Senheng Lifestyle App" by S Ecosystem (M) Sdn Bhd is a long-term initiative anticipated to involve substantial capital expenditure required to build a whole new ecosystem to provide the intended host of services, including a rewards centre as well as a platform to host 3rd party merchants such as food and beverages, leisure services, health, pets, fashion and sportswear merchants, and to offer goods and services to expand beyond only electrical and electronic products.] Please refer to Section 7.3(v) of this Prospectus for further details of the "Senheng Lifestyle App".
- (b) S Ecosystem (M) Sdn Bhd is not expected to be our major supplier and we will not be dependent on the services provided by S Ecosystem (M) Sdn Bhd as we are able to appoint another technology partner for the management and operation of the "Senheng Lifestyle App", if required.
- (c) Transactions with S Ecosystem (M) Sdn Bhd will be carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group but comparable to those generally available to third parties.
- (d) Although KH Lim, KC Lim and KY Lim are directors of S Ecosystem (M) Sdn Bhd, they do not act in an executive capacity and do not participate in the day-to-day operations of S Ecosystem (M) Sdn Bhd. The management of S Ecosystem (M) Sdn Bhd is handled by its own management team which is led by Cheong Jun Tong, a director of S Ecosystem (M) Sdn Bhd.

Notwithstanding the above, following our Listing, our Directors and/or Substantial Shareholders will be required to disclose any potential conflicts of interest situations to our Audit and Risk Management Committee as and when they arise and to abstain on deliberation in respect of transactions in which they have an interest which require the deliberation or approval of our Board. Our Audit and Risk Management Committee will review such situations whenever declared or brought to their attention and resolve or mitigate any such conflicts of interest situations, in the best interests of our Group.

11. CONFLICTS OF INTEREST (CONT'D)

11.2 DECLARATION BY ADVISERS ON CONFLICTS OF INTEREST

11.2.1 Mercury Securities

Mercury Securities confirms that there is no existing or potential conflict of interest in relation to it acting in its capacity as the Principal Adviser, Underwriter and Placement Agent for our IPO.

11.2.2 BDO PLT

BDO PLT confirms that there is no existing or potential conflict of interest in relation to it acting in its capacity as the Auditors and Reporting Accountants for our IPO.

11.2.3 Mah-Kamariyah & Philip Koh

Mah-Kamariyah & Philip Koh confirms that there is no existing or potential conflict of interest in relation to it acting in its capacity as the Solicitors as to Malaysian law in respect of our IPO.

11.2.4 Smith Zander

Smith Zander confirms that there is no existing or potential conflict of interest in relation to it acting in its capacity as the Independent Market Researcher for our IPO.