

## 11. CONFLICT OF INTEREST

### 11.1 INTEREST IN ENTITIES WHICH ARE IN SIMILAR TRADE AS OUR GROUP, OUR CUSTOMERS AND/OR OUR SUPPLIERS

#### 11.1.1 Involvement of our Directors and substantial shareholders in entities which are in similar trade as our Group

Save as disclosed below, our Directors and substantial shareholders do not have any interest, direct or indirect, in any entities which carry on a similar trade as our Group as at the LPD:

Interested party	Interested corporations	Principal activity	Nature of interest
<ul style="list-style-type: none"> <li>Koo Bon Hak</li> <li>CUCKOO Holdings</li> <li>CKH</li> </ul>	<ul style="list-style-type: none"> <li>CUCKOO Holdings</li> <li>Subsidiaries of CUCKOO Holdings which carry on similar trade as our Group:               <ul style="list-style-type: none"> <li>CKH</li> <li>CUCKOO Electronics</li> <li>Qingdao Cuckoo Electronics Co., Ltd.</li> <li>Shenyang Homesys Trading Co., Ltd.</li> <li>CUCKOO Liaoning Electronic Commerce Co., Ltd.</li> <li>CUCKOO Electronics America, Inc.</li> <li>CUCKOO Vina Co., Ltd.</li> <li>CUCKOO Appliances Private Limited</li> <li>CUCKOO Rental America, Inc</li> <li>CUCKOO Oceania Pty. Ltd.</li> <li>CUCKOO Indonesia</li> </ul> </li> </ul> <p>(collectively, the “Affected Subsidiaries”)</p>	<p>Manufacture, repair, wholesale, retail, import and export of household appliances, installation services and aftersales services</p>	<p>Koo Bon Hak, our Director and substantial shareholder, is also:</p> <ul style="list-style-type: none"> <li>(i) a director and substantial shareholder of CUCKOO Holdings;</li> <li>(ii) a director and substantial shareholder of each of the Affected Subsidiaries via his shareholdings in CUCKOO Holdings; and</li> <li>(iii) representative director of CKH and CUCKOO Electronics; and</li> <li>(iv) the chief executive officer of CKH and CUCKOO Electronics.</li> </ul> <p>CUCKOO Holdings is a common substantial shareholder of our Company and each of the Affected Subsidiaries.</p> <p>CKH is a common major shareholder of our Company and some of the Affected Subsidiaries.</p>

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Save for CUCKOO Holdings and CKH, which are both companies listed on the Korea Exchange, none of the Affected Subsidiaries are listed on a recognised stock exchange in any jurisdiction.

Our Board is of the view that any potential conflict of interest situation arising from the interest of the Director and substantial shareholders in the above companies which carry on a similar trade as our Group is mitigated as there is a separate and clear delineation of the geographical target markets between our Group, and CUCKOO Holdings and its Affected Subsidiaries. This is because, through the distributorship agreements between (i) our Company and CKH; and (ii) our Company and CUCKOO Electronics, we are provided the sole and exclusive rights to distribute products manufactured by and/or sourced from CKH and CUCKOO Electronics, in Malaysia, Singapore and Brunei. Further, Koo Bon Hak is our non-executive Director, and is not involved in the day-to-day management and operations of our Group.

The table below sets out each of the Affected Subsidiaries respective geographical target markets for the distribution of CKH and/or CUCKOO Electronics' products:

Entities	Geographical target market <sup>(1)</sup>
CKH / CUCKOO Electronics	South Korea
Qingdao CUCKOO Electronics Co., Ltd. / Shenyang Homesys Trading Co., Ltd. / CUCKOO Liaoning Electronic Commerce Co., Ltd.	China
CUCKOO Electronics America, Inc.	U.S.
CUCKOO Vina Co., Ltd.	Vietnam
CUCKOO Appliances Private Limited	India
CUCKOO Rental America, Inc.	U.S.
CUCKOO Oceania Pty. Ltd.	Australia
CUCKOO Indonesia	Indonesia

**Note:**

(1) The respective entities distribute the products through different channels including wholesale, retail, and e-commerce.

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

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 as at the LPD:

No.	Entities	Principal activity	Nature of transaction	Nature of interest
(i)	CKH (Supplier)	Manufacturing, rental and sale of home furniture, kitchen appliances, and electrical appliances	Supply of CUCKOO-branded home appliances (including but not limited to water purifiers, air purifiers and dehumidifiers) sold by our Group and spare parts related to such products	Koo Bon Hak, our Director and substantial shareholder, is also a director, representative director, substantial shareholder and the Chief Executive Officer of CKH.  CKH is our substantial shareholder.
(ii)	CUCKOO Electronics (Supplier)	Manufacturing and sale of home furniture, kitchenware, and electrical appliances	Supply of CUCKOO-branded kitchen appliances (including, but not limited to, rice cookers, multi-cookers and induction cookers) and spare parts related to such products	Koo Bon Hak, our Director and substantial shareholder, is also a director, representative director, substantial shareholder and the Chief Executive Officer of CUCKOO Electronics.  CUCKOO Electronics is a subsidiary of CUCKOO Holdings, our substantial shareholder.
(iii)	HEH Resources Sdn Bhd (“ <b>HEH Resources</b> ”) (Supplier)	Wholesale of a variety of goods without any particular specialisation	Supply of hygiene kits, service packs and cleaning solutions (including leather polisher) which are used on mattresses, washing machines and air conditioners sold by our Group	Hoe Kian Huaw and Hoe Kian Eu, the siblings of Hoe Kian Choon (our Chief Executive Officer, Director and substantial shareholder), are the directors and major shareholders of HEH Resources.
(iv)	A Kind Man Sdn Bhd (“ <b>A Kind Man</b> ”) (Supplier)	Personal development course/motivational; creative, arts and entertainment activities; consultancy services in public relation and communications	Provision of marketing services including promoting our products on podcasts, social media platforms and websites, and media production services	Mak Foong Ling, the spouse of Hoe Kian Choon (our Chief Executive Officer, Director and substantial shareholder), is the sole director and shareholder of A Kind Man.

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Our Board is of the view that any potential conflict of interest situation arising from the interest, direct or indirect, of our Directors and substantial shareholders in the above companies which are suppliers of our Group is mitigated due to the following:

- (i) as set out in Section 11.1.1 of this Prospectus, CUCKOO Holdings and its Affected Subsidiaries (including CKH and CUCKOO Electronics) are not in competition with our Group's business and operations as our Group is the sole and exclusive distributor of CKH and CUCKOO Electronics' products in Malaysia, Singapore and Brunei. The distributorship agreements with CKH and CUCKOO Electronics allow us to leverage on the established and reputable "CUCKOO" brand;
- (ii) our Group's dependency on CUCKOO Holdings Group has been and will continue to be reducing as our Group continues to diversify our purchases including through the expansion of our business segments since 2020 such as our WonderLab, WonderDewi, WonderKlean and our CUCKOO Co-Created segments (under which we launched products with business partners other than CUCKOO Holdings Group such as LSK, Fujiaire and OGAWA Malaysia since 2020, 2022 and 2023, respectively);
- (iii) Koo Bon Hak is our non-executive Director and he is not involved in the day-to-day management and operations of our Group;
- (iv) our transactions with the above listed entities were and will be carried out on an arm's length basis and based on terms and conditions which are not unfavourable to our Group after taking into consideration, among others, quotes and invoices from third parties for similar products and services and transfer pricing documentations of our Group; and
- (v) HEH Resources and A Kind Man are not our major suppliers, and we are not dependent on them. Our Group is able to source similar products and services from other suppliers, and these suppliers collectively contributed to less than 5.0% of our Group's total cost of sales for each of the Financial Years Under Review.

Moving forward, our Audit and Risk Management Committee will oversee and supervise any conflict of interest or potential conflict of interest situations that may arise. We have established procedures (as disclosed in Section 10.2 of this Prospectus) to ensure that the related party transactions are carried out on an arm's length basis and based on terms and conditions which are not unfavourable to our Group. Any future dealings with parties in which our Directors and substantial shareholders have interest, direct or indirect, will be based on such established procedures for related party transactions and in accordance with the Listing Requirements.

## 11.2 DECLARATION BY THE ADVISERS ON CONFLICT OF INTERESTS

### 11.2.1 RHB Investment Bank

RHB Investment Bank Berhad, its subsidiaries and associated companies, as well as its holding company, RHB Bank Berhad, and the subsidiaries and associated companies of RHB Bank Berhad (collectively, the "**RHB Banking Group**") form a diversified financial group and may extend credit facilities or engage in private banking, commercial banking and investment banking transactions including, amongst others, brokerage, securities trading, asset and fund management and credit transaction service businesses in its ordinary course of business with the Company and its subsidiaries ("**Group**"). RHB Banking Group have engaged and may in the future, engage in transactions with and perform services for our Group in addition to the roles set out in this Prospectus.

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In addition, any member of the RHB Banking Group may at any time, in the ordinary course of business, offer to provide its services or to engage in any transaction (on its own account or otherwise) with any member of our Group, its Directors, its shareholders, its affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or its affiliates, make investment recommendations and/or publish or express independent research views on such securities, 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 its affiliates. This is a result of the businesses of RHB Banking Group generally acting independently of each other and accordingly there may be situations where parts of the RHB Banking Group and/or our customers now have or in the future, may have interest or take actions that may conflict with the interests of our Group. The related companies of RHB Banking Group may also subscribe for our Company's Proposed IPO to be offered under the Institutional Offering following the bookbuilding process.

As at 15 August 2024, RHB Banking Group in its course of ordinary business is in the midst of offering an Islamic multi trade line facility with a limit of up to RM45.0 million to our Group ("**RHB Facility**"). Our Group will not be utilising any gross proceeds raised from the Public Issue and Offer for Sale to repay the RHB Facility.

Notwithstanding the above, RHB Investment Bank is of the view that the abovementioned does not give rise to a conflict of interest situation in its capacity as the Sole Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Managing Underwriter, and Joint Underwriter due to the following reasons:

- (i) the RHB Facility of RM45.0 million were provided by RHB Banking Group on an arms' length basis and are in the ordinary course of business, and the RHB Facility is not material when compared to the consolidated audited net assets attributable to the owners of RHB Bank Berhad as at 31 December 2023 of approximately RM30,875 million (representing approximately 0.15% of RHB Bank Berhad's consolidated audited net assets attributable to the owners of RHB Bank Berhad);
- (ii) the RHB Facility is not conditional upon RHB Investment Bank being appointed as the Sole Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Managing Underwriter, and Joint Underwriter for the IPO;
- (iii) the corporate finance division of RHB Investment Bank ("**RHB CF**") is required under its investment banking license to comply with strict policies and guidelines issued by the SC, Bursa Securities and BNM governing our advisory operations. These guidelines require, among others, the establishment of Chinese wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review our business operations. The team in charge of the Group's IPO in RHB Investment Bank is independent from the team handling the credit facilities. Further, there is no involvement by RHB CF for any credit application process undertaken by other departments within RHB Banking Group;
- (iv) RHB Investment Bank is a licensed investment bank and its appointment as the Sole Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Managing Underwriter, and Joint Underwriter is in its ordinary course of business. RHB Investment Bank does not receive or derive any financial interest or benefit save for the professional fees received in relation to its aforesaid appointment; and
- (v) the conduct of RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013, CMSA and its own internal controls and checks which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

RHB Investment Bank has confirmed that there is no conflict of interest in its capacity as the Sole Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Managing Underwriter, and Joint Underwriter for our IPO.

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### 11.2.2 AmInvestment Bank

AmInvestment Bank, its subsidiaries and associated companies, as well as its holding company, AMMB Holdings Berhad and the subsidiaries and associated companies of AMMB Holdings Berhad (collectively, the “**AmBank Group**”) form a diversified financial group and may extend credit facilities or engage in private banking, commercial banking and investment banking transactions including, amongst others, brokerage, trading, asset and fund management and credit transaction service businesses in its ordinary course of business with our Group. AmBank Group has engaged and may in the future, engage in transactions with and perform services for our Group in addition to the roles set out in this Prospectus.

In addition, any member of the AmBank Group may at any time, in the ordinary course of business, offer to provide its services or to engage in any transaction (on its own account or otherwise) with any member of our Group, our Directors, 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, make investment recommendations and/or publish or express independent research views on such securities, 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 AmBank Group generally acting independently of each other and accordingly there may be situations where parts of the AmBank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of our Group. The related companies of AmBank Group may also subscribe for our IPO Shares to be offered under the Institutional Offering following the bookbuilding process.

As at the LPD, AmBank Group has in its ordinary course of business offered extended credit facilities with a combined limit of RM55.0 million to our Group (“**AmBank Facilities**”). Our Group will not be utilising any gross proceeds raised from the Public Issue to repay any of the AmBank Facilities.

Notwithstanding the above, AmBank Group is of the view that the abovementioned does not give rise to a conflict of interest situation in its capacity as the Joint Global Coordinator, Joint Bookrunner and Joint Underwriter due to the following reasons:

- (i) AmBank Group forms a diversified financial group and is engaged in a wide range of transactions as highlighted above. AmInvestment Bank is a licensed investment bank and its appointment as the Joint Global Coordinator, Joint Bookrunner and Joint Underwriter for our IPO is in its ordinary course of business. Furthermore, AmInvestment Bank does not receive or derives any financial interest or benefits save for the professional fees received in relation to its appointment as the Joint Global Coordinator, Joint Bookrunner and Joint Underwriter for our IPO;
- (ii) each of the entities and departments of the AmBank Group are also subject to internal control and checks, which regulate the sharing of information between entities and departments. Additionally, each department and entities within AmBank Group has separate and distinct operations and decisions are made independent of each other. In addition, the conduct of AmInvestment Bank is regulated by BNM; and
- (iii) the credit facilities were provided by AmBank Group on an arm’s length basis and in its ordinary course of business, and the said credit facilities represented approximately 0.3% of AmBank Group’s audited net assets of approximately RM19.44 billion as at 31 March 2024.

AmInvestment Bank confirms that there is no conflict of interest in its capacity as the Joint Global Coordinator, Joint Bookrunner and Joint Underwriter.

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### **11.2.3 Rahmat Lim & Partners**

Rahmat Lim & Partners confirms that there is no existing or potential conflict of interests in its capacity as the legal adviser to our Company as to Malaysian law for our IPO.

### **11.2.4 Clifford Chance Pte Ltd**

Clifford Chance Pte Ltd confirms that there is no existing or potential conflict of interests in its capacity as the legal adviser to our Company as to United States federal securities law and Singapore law for our IPO.

### **11.2.5 Jipyong LLC**

Jipyong LLC confirms that there is no existing or potential conflict of interests in its capacity as the legal adviser to the Company as to Korean law for our IPO.

### **11.2.6 Christopher & Lee Ong**

Christopher & Lee Ong confirms that there is no existing or potential conflict of interests in its capacity as the legal adviser to the Joint Global Coordinators, Joint Bookrunners, Managing Underwriter and Joint Underwriters as to Malaysian law for our IPO.

### **11.2.7 Baker & McKenzie.Wong & Leow**

Baker & McKenzie.Wong & Leow confirms that there is no existing or potential conflict of interests in its capacity as the legal adviser to the Joint Global Coordinators and Joint Bookrunners as to United States federal securities law for our IPO.

### **11.2.8 KPMG PLT**

KPMG PLT confirms that there is no existing or potential conflict of interests in its capacity as the Auditors and Reporting Accountants for our IPO.

### **11.2.9 Frost & Sullivan**

Frost & Sullivan confirms that there is no existing or potential conflict of interests in its capacity as Independent Market Researcher for our IPO.