

11. CONFLICT OF INTEREST

11.1 CONFLICT OF INTEREST

11.1.1 Interest in entities carrying on a similar trade or customers or suppliers of our Group

None of our Directors and/or substantial shareholders has any other interest, whether direct or indirect, in any businesses or corporations which are carrying on a similar trade as our Group. Details of the interests and directorships in other businesses of our Directors are disclosed in Section 5.2.3 of this Prospectus.

Save as disclosed in Section 10.1.2 of this Prospectus, none of our Directors and/or substantial shareholders has any other interest, whether direct or indirect, in any businesses or corporations which are the customers or suppliers of our Group.

Tan Hwong Kuen is a director and shareholder of Multihope Enterprise Sdn Bhd while Lim Young Piau is a director and shareholder of Hong Seng Importer & Exporter Sdn Bhd. Multihope Enterprise Sdn Bhd and Hong Seng Importer & Exporter Sdn Bhd are not involved in the similar business activities as our Group. Multihope Enterprise Sdn Bhd is principally involved in trading of scrap metal and used vehicle parts while Hong Seng Importer & Exporter Sdn Bhd is principally involved in wholesale and retail of frozen foodstuffs.

The transactions (i) between our Group and Multihope Enterprise Sdn Bhd and (ii) between our Group and Hong Seng Importer & Exporter Sdn Bhd, respectively, were carried out on arm's length basis as the considerations were fixed at the prevailing market rate and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties. The transaction values (i) between our Group and Multihope Enterprise Sdn Bhd and (ii) between our Group and Hong Seng Importer & Exporter Sdn Bhd are set out below:

Transacting parties	Nature of transaction	Transaction value			From 1 July 2023 up to the LPD
		FYE 2021 (RM)	FYE 2022 (RM)	FYE 2023 (RM)	
Life Water Marketing and Multihope Enterprise Sdn Bhd	Sale of drinking water and carbonated drinks to Multihope Enterprise Sdn Bhd.	3,890.04	4,590.20	5,651.50	2,386.00
Life Water Marketing and Hong Seng Importer & Exporter Sdn Bhd	Sale of drinking water and carbonated drinks to Hong Seng Importer & Exporter Sdn Bhd.	3,171.70	3,031.40	3,942.10	2,255.80

In addition, our Group is not dependent on Multihope Enterprise Sdn Bhd and Hong Seng Importer & Exporter Sdn Bhd for revenue as the revenue generated from Multihope Enterprise Sdn Bhd and Hong Seng Importer & Exporter Sdn Bhd was below 0.01% of our Group's revenue for the Financial Years Under Review and up to the LPD.

Further, Tan Hwong Kuen and Lim Young Piau are non-executive directors of our Group and hence, are not involved in the day-to-day running of the business operations of our Group. Their involvement in the other business activities outside our Group does not preclude them from allocating or committing their time and efforts to our Group in their respective roles on our Board.

In view of the above, the involvement of our Directors and/or substantial shareholders in other businesses or corporations does not give rise to any existing and potential conflict of interest situation.

Moving forward, our Audit and Risk Management Committee will supervise any conflict of interest or potential conflict of interest situations that may arise and review our Group's current and future related party transactions to ensure that such transactions will be carried out on an arm's length basis and on commercial terms in the best interest of our Group. Please refer to Section 10.2 of this Prospectus for further details of our monitoring and oversight policy on conflict of interest.

11. CONFLICT OF INTEREST (CONT'D)

11.2 DECLARATION BY ADVISERS ON CONFLICT OF INTEREST

11.2.1 Principal Adviser, Underwriter and Placement Agent

Malaysia Building Society Berhad (“**MBSB**”) is the holding company of MIDF Berhad and MIDF Investment is a wholly-owned subsidiary of MIDF Berhad. MBSB, its subsidiaries and its related companies (collectively referred to as “**MBSB Group**”) are involved in diversified financial activities. MBSB Group has been engaged, and may in the future be engaged, in transactions with and/or perform services for MBSB Group and its affiliates, in addition to MIDF Investment’s role as the Principal Adviser, Underwriter and Placement Agent for the IPO. Further, in the ordinary course of business, any member of MBSB 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 MBSB Group and its affiliates or any other entity or transactions for its own account or the account of its customer. This is a result of the business of MBSB Group generally acting independent of each other and accordingly, there may be situations where parts of MBSB Group and/or its customers now have, or in the future, may have interest or take actions that may conflict with the said interest. Nonetheless, MBSB Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities, and Chinese Walls between different business divisions.

As at the LPD, our Group has outstanding banking facilities with MBSB Group amounting to approximately RM20.31 million.

Notwithstanding the above, MIDF Investment is of the view that the aforesaid lending relationship would not give rise to a conflict of interest situation in its capacity as our Principal Adviser, Placement Agent and Underwriter for our IPO as:

- (i) MIDF Investment is a licensed investment bank and its appointment as the Principal Adviser, Placement Agent and Underwriter for our IPO and the extension of the banking facilities by the MBSB Group arose in its ordinary course of business;
- (ii) the conduct of MBSB Group in its banking business is strictly regulated by the Financial Services Act 2013 and Islamic Financial Services Act 2013 as well as the MBSB Group’s own internal controls and checks; and
- (iii) the said banking facilities which are less than 0.50% of the audited net assets attributable to the owners of MBSB Group as at 31 December 2022 of RM8.96 billion, are not material.

MIDF Investment has confirmed that there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Underwriter and Placement Agent for the IPO. The Underwriting Agreement, which certain details are set out in Section 4.9 of this Prospectus, was entered into on arm’s length basis and on market terms.

11.2.2 Solicitors

Jeff Leong, Poon & Wong has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Solicitors to our Group in relation to our IPO.

11.2.3 Auditors and Reporting Accountants

BDO PLT has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants to our Group in relation to our IPO.

11.2.4 Independent Business and Market Research Consultants

Vital Factor has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Independent Business and Market Research Consultants to our Group in relation to our IPO.