

11. CONFLICT OF INTEREST

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

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

No.	Name of Company	Nature of trade	Principal activities	Nature of interest
1.	ValueMax Group Limited via its subsidiaries:	The ValueMax Group Companies (i) to (x): Subsidiaries are involved in the business of pawnbroking and retail sale of jewellery, which is similar to the Group's business.	Companies (i) to (x): Pawnbroking Companies (xi) to (xiii): Retail sale of jewellery made from precious metals and stones	<u>Interested Director and/or substantial shareholder</u> • Yeah Hiang Nam ⁽¹⁾ <u>Interested Director</u> • Yeah Chia Kai ⁽²⁾ <u>Interested substantial shareholder</u> • Tan Hong Yee ⁽³⁾
(i)	Ban Soon Pawnshop Pte. Ltd.			
(ii)	ValueMax Pawnshop Pte. Ltd.			
(iii)	ValueMax Pawnshop (BD) Pte. Ltd.			
(iv)	ValueMax Pawnshop (PR) Pte. Ltd.			
(v)	ValueMax Pawnshop (SG) Pte. Ltd.			
(vi)	ValueMax Pawnshop (CCK) Pte. Ltd.			
(vii)	ValueMax Pawnshop (WL) Pte. Ltd.			
(viii)	ValueMax Pawnshop (EL) Pte. Ltd.			
(ix)	ValueMax Pawnshop (JP) Pte. Ltd.			
(x)	Thye Lian Pawnshop Pte. Ltd.			
(xi)	ValueMax Retail Pte. Ltd.			
(xii)	ValueMax Precious Metals Pte. Ltd.			
(xiii)	Spring Jewellery (SG) Pte. Ltd.			
	(collectively, "ValueMax Group Subsidiaries")			

11. CONFLICT OF INTEREST (Cont'd)

No.	Name of Company	Nature of trade	Principal activities	Nature of interest
2.	Ban Seng Pawnshop Pte. Ltd.	Ban Seng Pawnshop is involved in the business of pawnbroking, which is similar to Group's business	Pawnbroking	<u>Interested Director and/or substantial shareholder</u> • Yeah Hiang Nam ⁽¹⁾
3.	Soon Hong Pawnshop Pte. Ltd.	Soon Hong Pawnshop is involved in the business of pawnbroking, which is similar to Group's business	Pawnbrokerage	<u>Interested Director and/or substantial shareholder</u> • Yeah Hiang Nam ⁽¹⁾ <u>Interested Director</u> • Yeah Chia Kai ⁽²⁾

Notes:

- (1) Please refer to note (7) of **Section 10.2.1** of this Prospectus.
- (2) Please refer to note (8) of **Section 10.2.1** of this Prospectus.
- (3) Please refer to note (9) of **Section 10.2.1** of this Prospectus.

Our Board is of the view that any potential conflict of interest which may arise through the interests of Yeah Hiang Nam, Tan Hong Yee and Yeah Chia Kai in ValueMax Group Limited, the ValueMax Group Subsidiaries, Ban Seng Pawnshop Pte. Ltd. and Soon Hong Pawnshop Pte. Ltd. (where applicable), which carry on a similar trade as our Group is mitigated in view of the following:

- (i) The pawnbroking services provided by the ValueMax Group Subsidiaries, Ban Seng Pawnshop Pte. Ltd. and Soon Hong Pawnshop Pte. Ltd. are focused within the vicinity where the pawnshops are located, and each pawnshop are licenced by and registered with the Singapore authorities, and may only operate within Singapore.

The entities within the ValueMax Group involved in the retail sale of precious metals and stones only operates in Singapore and do not have any trades or operations in Malaysia.

- (ii) Yeah Hiang Nam and Yeah Chia Kai, being our Non-Independent Non-Executive Directors and Tan Hong Yee, being a substantial shareholder of our Company, are not involved in the day-to-day management and operation of our Group, and have abstained and will continue to abstain from deliberating on all decisions made in relation to our Group's transactions with ValueMax Group Limited and the ValueMax Group Subsidiaries.

11. CONFLICT OF INTEREST (Cont'd)

The daily operations and management of our Group is undertaken by Ng Hooi Lang, our Executive Director and Chief Executive Officer, and Tang Soo Yen, our Executive Director and Director of Retail and Merchandising, together with Sia Shu Yee, our Chief Financial Officer.

- (iii) Both Yeah Hiang Nam and Yeah Chia Kai will abstain from deliberating and voting at our Board meetings in relation to transactions with ValueMax Group Limited and the ValueMax Group Subsidiaries (if any). Yeah Hiang Nam and Tan Hong Yee will abstain from voting in respect of their direct/indirect shareholdings in our Company on the resolutions in relation to transactions with ValueMax Group Limited and the ValueMax Group Subsidiaries (if any).

In order to address, resolve, mitigate and/or eliminate any actual or any potential conflict of interest situation between the ValueMax Group and our Group, ValueMax Group Limited had, on 10 November 2023, announced on SGX that it has adopted a policy and commitment ("**Policy**") to not engage in and/or carry out the business of pawnbroking and/or retail trading of gold jewellery and watches in Malaysia so long as ValueMax Group Limited maintains the associate company relationship between ValueMax Group Limited and our Company or ValueMax Group Limited retains direct or indirect shareholding control in our Company, where the Policy is meant to:

- (i) address, resolve, mitigate and/or eliminate any actual or potential conflict of interest between the respective business activities of the ValueMax Group and our Group; and
- (ii) focus on ValueMax Group's principal business activities within Singapore and also in other markets to optimise efficiency and resource allocation to be able to compete effectively with other industry players and to avoid inadequate allocation of resources in competition with the business activities of our Group in which ValueMax Group Limited holds an indirect interest.

ValueMax Group Limited is committed to the Policy for as long as ValueMax Group Limited remains as a substantial shareholder of our Company.

11.1.2 Interest of our Directors and substantial shareholders in entities which are our customers

As at the LPD, none of our Directors and substantial shareholders have any interest, whether direct or indirect, in any businesses or corporations which are customers of our Group.

11. CONFLICT OF INTEREST *(Cont'd)*

11.1.3 Involvement of our Directors and substantial shareholders in entities which are our suppliers

As at the LPD, save as disclosed below, none of our Directors and substantial shareholders have any interest, whether direct or indirect, in any businesses or corporations which are the suppliers of our Group:

VMM Holdings

VMM Holdings has been providing IT support services to our Group since 1 July 2023 pursuant to the IT services agreement dated 22 May 2023 ("**IT Services Agreement**"). VMM Holdings is our substantial shareholder and is a wholly-owned subsidiary of ValueMax Group Limited. Please refer to note (2) of **Section 10.2.1** of this Prospectus for more information on the IT Services Agreement.

Under the IT Services Agreement, SYT Pavilion pays to VMM Holdings a service fee of RM350.00 per month in respect of each pawnbroking and/or retail of jewellery and gold outlet using the IT support services. Please refer to Notes (7), (8), (9), (11) and (14) of **Section 10.2.1** of this Prospectus on the interests of Yeah Hiang Nam, Yeah Chia Kai, Tang Hong Yee, Ng Hooi Lang and Tang Soo Yen⁽¹⁾ respectively in VMM Holdings.

Our Board is of the view that any potential conflict of interest situation which may arise through the interests of Yeah Hiang Nam, Yeah Chia Kai, Tan Hong Yee, Ng Hooi Lang or Tang Soo Yen in VMM Holdings is mitigated due to the following:

- (i) VMM Holdings is not our Group's major supplier and our Group is not dependent on the services from VMM Holdings as there are other third-party service providers in the market providing similar services;
- (ii) The IT Services Agreement is carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group and are provided exclusively to our Group; and
- (iii) Yeah Hiang Nam, Yeah Chia Kai, Ng Hooi Lang and Tang Soo Yen and persons connected with them will abstain from deliberating and voting at our Board meetings in relation to transactions with VMM Holdings.

Note:

- (1) The spouse of Tang Soo Yen, Yeow Chun Huat, is a director of VMM Holdings.

11. CONFLICT OF INTEREST (Cont'd)

11.2 INVOLVEMENT OF OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS IN ENTITIES WHICH PROVIDE LOANS TO 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 have provided any loans to our Group:

No.	Company(ies) in our Group	Interested party(ies)	Nature of transaction	Nature of interest	Outstanding amount as at LPD RM'000
1.	SYT Pavilion	ValueMax Group Limited	Loans provided by ValueMax Group Limited to SYT Pavilion for Cash Capital	<u>Interested Director and/or substantial shareholder</u> • Yeah Hiang Nam ⁽¹⁾ <u>Interested Director</u> • Yeah Chia Kai ⁽²⁾ <u>Interested substantial shareholder</u> • Tan Hong Yee ⁽³⁾	16,910
2.	KP Well Chip	Goldjew Sdn. Bhd. ("Goldjew")	Loans provided by Goldjew to KP Well Chip for Cash Capital	<u>Interested Director and/or substantial shareholder</u> • Yeah Hiang Nam ⁽¹⁾ <u>Interested director</u> • Tang Soo Yen ⁽⁴⁾ <u>Interested substantial shareholder</u> • Tan Hong Yee ⁽³⁾	12,747
3.	KP Well Chip	Great Prompt Sdn. Bhd. ("Great Prompt")	Loans provided by Great Prompt to KP Well Chip for Cash Capital	<u>Interested Director and/or substantial shareholder</u> • Yeah Hiang Nam ⁽¹⁾ <u>Interested Directors</u> • Tang Soo Yen ⁽⁴⁾ • Yeow Choong Kuan ⁽⁵⁾ <u>Interested substantial shareholder</u> • Tan Hong Yee ⁽³⁾	228

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No.	Company(ies) in our Group	Interested party(ies)	Nature of transaction	Nature of interest	Outstanding amount as at LPD
					RM'000
4.	Thye Shing Pawnshop	Great Prompt	Loans provided by Great Prompt to Thye Shing Pawnshop for Cash Capital	<u>Interested Director and/or substantial shareholder</u> <ul style="list-style-type: none"> • Yeah Hiang Nam⁽¹⁾ <u>Interested Directors</u> <ul style="list-style-type: none"> • Tang Soo Yen⁽⁴⁾ • Yeow Choong Kuan⁽⁵⁾ <u>Interested substantial shareholder</u> <ul style="list-style-type: none"> • Tan Hong Yee⁽³⁾ 	3,367
5.	Thye Shing Pawnshop	Goldjew	Loans provided by Goldjew to Thye Shing Pawnshop for Cash Capital	<u>Interested Director and/or substantial shareholder</u> <ul style="list-style-type: none"> • Yeah Hiang Nam⁽¹⁾ <u>Interested Directors</u> <ul style="list-style-type: none"> • Tang Soo Yen⁽⁴⁾ • Yeow Choong Kuan⁽⁵⁾ <u>Interested substantial shareholder</u> <ul style="list-style-type: none"> • Tan Hong Yee⁽³⁾ 	8,766
6.	KP Well Chip	Individual minority shareholders of KP Well Chip ⁽⁷⁾	Loans provided by individual minority shareholders of KP Well Chip to KP Well Chip for Cash Capital	<u>Interested Directors</u> <ul style="list-style-type: none"> • Ng Hooi Lang⁽⁶⁾ • Tang Soo Yen⁽⁴⁾ • Yeow Choong Kuan⁽⁵⁾ 	21,247
7.	KP Well Chip	Yeah Hiang Nam	Loans provided by Yeah Hiang Nam to KP Well Chip for Cash Capital	<u>Interested Director and/or substantial shareholder</u> <ul style="list-style-type: none"> • Yeah Hiang Nam⁽¹⁾ 	7,269
8.	Thye Shing Pawnshop	Yeah Hiang Nam	Loans provided by Yeah Hiang Nam to Thye Shing Pawnshop for Cash Capital	<u>Interested Director and/or substantial shareholder</u> <ul style="list-style-type: none"> • Yeah Hiang Nam⁽¹⁾ 	4,517

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Notes:

- (1) Please refer to note (7) of **Section 10.2.1** of this Prospectus.
- (2) Please refer to note (8) of **Section 10.2.1** of this Prospectus.
- (3) Please refer to note (9) of **Section 10.2.1** of this Prospectus.
- (4) Please refer to note (14) of **Section 10.2.1** of this Prospectus.
- (5) Please refer to note (12) of **Section 10.2.1** of this Prospectus.
- (6) Please refer to note (11) of **Section 10.2.1** of this Prospectus.
- (7) Please refer to note (15) of **Section 10.2.1** of this Prospectus.

The Related Parties Loans were mainly utilised by our Group as cash capital for the disbursement of pawn loans, which were instrumental to the growth of our Group's pawnbroking business. Any immediate repayment or short repayment period or lump sum repayment will have an adverse impact on the growth of our Group as it would constrain the amount of cash capital available for the disbursement of pawn loans and expansion of new pawnbroking outlets of our Group. As at the LPD, the outstanding Related Parties Loans amounted to RM75.05 million with interest rates ranging from 6% to 7% per annum.

Assuming that our Group does not utilise the Related Parties Loans, the working capital of our Group will comprise mainly internally generated funds and external bank borrowings. On this basis, our Group will still have adequate working capital to support and grow its pawnbroking business operations for at least the next 12 months, albeit at a lower growth rate of its pawn loan book (i.e. pledged receivables).

Our Group had on 22 September 2023 entered into supplemental loan agreements with the related parties whereby the terms of the loans have been revised, amongst others, to incorporate fixed interest rate payments and fixed repayment terms. Based on the revised terms pursuant to the supplemental loan agreements, the Related Parties Loans will be on arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties and which are not detrimental to the interests of non-interested shareholders, in view of the following:

- (i) the applicable interest rates are fixed between 6% to 7% per annum, which is within the range of interest rates incurred by our Group for existing bank borrowings utilised to finance our pawnbroking operations;

11. CONFLICT OF INTEREST *(Cont'd)*

- (ii) the principal amount of the Related Parties Loans together with the applicable interests are repayable on a fixed repayment term as opposed to repayable on demand for the Period Under Review up to the date of our Listing; and
- (iii) the interest rates will be calculated on the principal amount outstanding on the respective loans, and on a daily basis and payable on the last day of each calendar year during the Repayment Term.

Premised on the above, our Board is of the view that any potential conflict of interest situation which may arise through the interests of the related parties of our Group is mitigated.

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11. CONFLICT OF INTEREST (Cont'd)

Upon successful implementation of the Listing, our Group will not rely on additional related parties loans, as our Group may raise additional funds from bank borrowings and/or the capital market to finance future expansions of our pawnbroking business. In the event we issue new shares/securities as part of our fund raising exercise, the issuance of additional shares may result in dilution to the shareholdings of our shareholders.

Moving forward, following the Listing, our Audit and Risk Management Committee will continue to review and assess the financial risk and matters in relation to any related parties transactions and potential conflict of interest situations that may arise to ensure that transactions are carried out in the best interest of our Group. These matters may include any transaction, procedure or course of conduct within our Group that raise questions of management integrity. Our Audit and Risk Management Committee will also ensure that any such transactions are carried out on terms that are not detrimental to our Group.

Notwithstanding the above, 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. Where such interests 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 the resolutions relating to these matters or transactions that require the approval of our shareholders in respect of their direct or indirect interest. Such transactions will be carried out on arm's length basis and on normal commercial terms.

11.3 DECLARATIONS BY ADVISERS ON CONFLICT OF INTEREST

- (i) Kenanga IB confirms that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as our Principal Adviser for our IPO.
- (ii) Mah-Kamariyah & Philip Koh confirms that there is no existing or potential conflict of interest in its capacity as the legal adviser to Malaysian law in relation to our IPO.
- (iii) RSM Malaysia PLT confirms that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants in relation to our IPO.
- (iv) Protégé confirms that there is no existing or potential conflict of interest in its capacity as the Independent Market Researchers in relation to our IPO.

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