

11. CONFLICT OF INTEREST**11.1 INTEREST IN SIMILAR BUSINESS**

As at the LPD, save as disclosed below, none of our Directors and Substantial Shareholders have any other interest, direct or indirect in any businesses or corporations that:

- (i) are customers or suppliers of our Group and their interests in other businesses; or
- (ii) carry on a similar trade as that of our Group.

11.1.1 Interest in Glocomp which is our major supplier and landlord of our material properties

Our Substantial Shareholders, namely Liew Yoon Kit (who is also our Non-Independent Non-Executive Chairman), Chan Yue Mun (who is also our Non-Independent Non-Executive Director) and Giam Teck Eng, are shareholders of Glocomp. In addition, Giam Teck Eng is also a director of Glocomp.

Glocomp is principally involved in the distribution of ICT infrastructure for general industries. As at the LPD, the directors of Glocomp are Giam Teck Eng, Lee Kok Chew and Cheng Jyh Shyong (Zhong Zhixiong). The shareholders of Glocomp and their respective shareholdings in Glocomp as at the LPD are as follows:

Shareholders	Direct		Indirect	
	No. of shares	%	No. of shares	%
Asiapac Technology (M) Sdn Bhd ⁽¹⁾	8,837,500	70.0	-	-
Chan Yue Mun	1,073,125	8.5	-	-
Giam Teck Eng	1,073,125	8.5	-	-
Liew Yoon Kit	1,073,125	8.5	-	-
Chan Tze Ming	568,125	4.5	-	-

Note:

- (1) AsiaPac Technology (M) Sdn Bhd is a wholly-owned subsidiary of M1 Limited, a telecommunication company in Singapore. The acquisition of 70% equity interest in Glocomp by AsiaPac Technology (M) Sdn Bhd was completed in August 2023.

The transactions between our Group and Glocomp during the Financial Years Under Review and up to the LPD as set out below:

Nature of transaction	Transaction value			
	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	1 January 2025 up to the LPD (RM'000)
Purchase of uninterrupted power supply and ICT related products by our Group from Glocomp	990	1,868	578	958
	(Represents 7.6% of our Group's PAT for the FYE 2022)	(Represents 9.0% of our Group's PAT for the FYE 2023)	(Represents 2.8% of our Group's PAT for the FYE 2024)	

11. CONFLICT OF INTEREST (CONT'D)

Nature of transaction	Transaction value			1 January 2025 up to the LPD (RM'000)
	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	
Rental of offices by our Group from Glocomp	24 (Represents 0.2% of our Group's PAT for the FYE 2022)	82 (Represents 0.4% of our Group's PAT for the FYE 2023)	166 (Represents 0.8% of our Group's PAT for the FYE 2024)	45
Provision of ICT administrative and management services ⁽¹⁾ by Glocomp to LAC Medical	120 (Represents 0.9% of our Group's PAT for the FYE 2022)	73 (Represents 0.4% of our Group's PAT for the FYE 2023)	-	-

Note:

- (1) Prior to the establishment of our dedicated finance team in August 2023, Glocomp provided supporting finance functions to our Group such as bookkeeping, preparation of management accounts, financial reporting and tax filings.

Prior to the Financial Years Under Review, Glocomp provided financial assistance in the form of advances to our Group to support our working capital requirements. The advances were interest-free with no fixed term of repayment, and amounted to a total of approximately RM2.6 million in 2017 and 2018, and RM1.7 million in 2020 and 2021. The financial assistance has since discontinued.

Our Board is of the view that any potential conflict of interest situation that may arise as a result of the above is mitigated as:

- (i) Glocomp's business activities are not in competition with the business and operations of our Group. Our Group is not dependent on Glocomp for supply as we are able to source similar products of comparable quality and at similarly competitive prices from other suppliers. Furthermore, transactions with Glocomp accounted for less than 5% of our total purchases during the Financial Years Under Review;
- (ii) we purchased uninterrupted power supply systems and ICT related products from Glocomp to be bundled together with the supply and integration of medical devices for our customers. The purchases were made on an arm's length basis as the purchase orders were arrived at based on cost-plus method and normal commercial terms which are neither more favourable nor unfavourable to our Group and are comparable to those generally available to third parties; and
- (iii) the provision of administrative and management services as well as the above rental arrangement were carried out on an arm's length basis and on normal commercial terms which are neither more favourable nor unfavourable to our Group and are comparable to those generally available to third parties. Going forward, the rental arrangement shall cease upon setting up a new head office by our Group, which will be funded via the proceeds from the Public Issue as set out in Section 4.4 of this Prospectus.

11. CONFLICT OF INTEREST (CONT'D)

11.2 DECLARATIONS BY ADVISERS ON CONFLICT OF INTEREST

11.2.1 Declaration by RHB Investment Bank

RHB Investment Bank and its related and associated companies (collectively, the “**RHB Banking Group**”) engage in private banking, commercial banking and investment banking transactions which include, among others, brokerage, advisory on mergers and acquisitions, securities trading, assets and fund management as well as credit transaction services. The RHB Banking 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 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, 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 RHB Banking Group generally acting independently of each other and accordingly there may be situations where parts of the RHB Banking 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 RHB Investment Bank may also subscribe for our IPO Shares to be offered under the Institutional Offering.

As at the LPD, the RHB Banking Group has not extended any credit facility to our Group.

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 Principal Adviser, Sole Underwriter and Sole Placement Agent for our IPO due to the following reasons:

- (i) RHB Investment Bank is a licensed investment bank and its appointment as the Principal Adviser, Sole Underwriter and Sole Placement Agent is in the ordinary course of its business. RHB Investment Bank does not receive or derive any financial interest or benefit save for the professional fees, underwriting commission and placement fees received in relation to the aforesaid appointment;
- (ii) the Corporate Finance division of RHB Investment Bank is required under its investment banking license to comply with strict policies and guidelines issued by the SC, Bursa Securities and BNM governing its 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 its business operations. In any event, the team overseeing our IPO in RHB Investment Bank is independent from the team handling the credit facility. Further, there is no involvement by the Corporate Finance division of RHB Investment Bank in respect of any credit application process undertaken by other departments within RHB Banking Group; and
- (iii) the conduct of the RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013, CMSA and the RHB Banking Group's 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 confirms that there is no conflict of interest in its capacity as the Principal Adviser, Sole Underwriter and Sole Placement Agent for our IPO.

11. CONFLICT OF INTEREST (CONT'D)

11.2.2 Declaration by Ong Eu Jin Partnership

Ong Eu Jin Partnership confirms that there is no conflict of interest in its capacity as the Solicitors in respect of our IPO.

11.2.3 Declaration by Crowe Malaysia PLT

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

11.2.4 Declaration by Vital Factor Consulting Sdn Bhd

Vital Factor Consulting Sdn Bhd confirms that there is no situation of conflict of interest in its capacity as the Independent Business and Market Research Consultants in respect of our IPO.