

10. CONFLICT OF INTEREST

10.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND OUR SUPPLIERS

As at the LPD, save as disclosed below, our Directors and/or substantial shareholders do not have any interest, direct or indirect, in other businesses or corporations, which are carrying on a similar or related trade as that of our Group or which are our customers or suppliers:

(i) Tomei

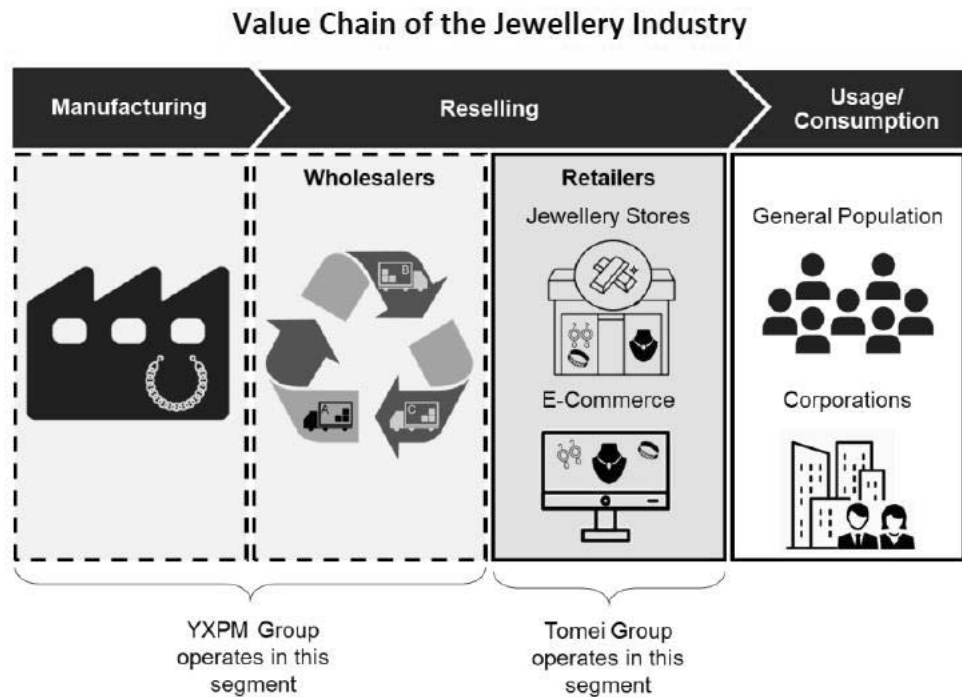
Tomei, our Promoter and substantial shareholder is an investment holding company, while its subsidiaries (excluding our Group) are principally involved in retailing of jewellery.

Both the Tomei Group and our Group are involved in jewellery related businesses. A comparison between the principal business activities, main products, other products and services, and customer base of the Tomei Group and our Group is as follows:

Descriptions	Tomei Group	Our Group
Principal business activities	<ul style="list-style-type: none"> • <u>Retail</u> of various types of precious metal and gemstone jewellery and other gold products such as gold bars (which have been casted to desired weight of 10g, 50g and 100g), wafers and coins 	<ul style="list-style-type: none"> • <u>Wholesale</u> of gold jewellery, and other gold products such as wafers and coins • <u>Design and manufacture</u> of gold jewellery as well as other gold products such as wafers and coins
Main products	<ul style="list-style-type: none"> • <u>Various types of precious metal and gemstone jewellery</u> such as diamond, sapphire, pearls, jade, gold, white gold, rose gold and platinum jewellery 	<ul style="list-style-type: none"> • <u>Gold jewellery</u>
Other products and services	<ul style="list-style-type: none"> • Distribution of jewellery to Tomei Group's retail outlets • Design and manufacture of gemstone jewellery for Tomei Group's retail activities • Manufacture of semi-finished jewellery in Vietnam for Tomei Group • Provision of motor vehicles for rental to Tomei Group • Sale of scrap and pure gold bars (only to jewellery manufacturers for them to manufacture customised jewellery for Tomei Group. For the FYE 2018, FYE 2019 and FYE 2020, Tomei Group's revenue from sale of scrap and pure gold bars were 4.75%, 7.38% and 4.69%). 	<ul style="list-style-type: none"> • Manufacture of silver jewellery • Provision of gold refining services • Sale of scrap and pure gold bars (only upon customers' request and is dependent on the availability of such raw materials in our Group's inventories. For the FYE 2018, FYE 2019 and FYE 2020, our Group's revenue from sale of scrap and pure gold bars were 0.11%, 0.18% and 2.68%).
Customer base	<ul style="list-style-type: none"> • End-customers (i.e., individuals and corporate customers) • Jewellery manufacturers (only scrap and pure gold bars) 	<ul style="list-style-type: none"> • Intermediaries (i.e., retailers and wholesalers) • Jewellery manufacturers

10. CONFLICT OF INTEREST (Cont'd)

The following diagram depicts the operation segment of the YXPM Group and Tomei Group in the value chain of the Jewellery Industry:



(a) Business independence

Subsequent to our Listing, our Group shall continue to operate our business independently of Tomei in the following manner:

- (i) our Group shall continue with our core business in wholesaling, design and manufacturing of gold jewellery and other related products and services;
- (ii) our Group shall continue to rely on our own expertise and personnel in marketing our products;
- (iii) our Group shall continue to source our raw materials using our own means and negotiate the pricing of raw materials independent of Tomei;
- (iv) our financial, operational and management function shall remain separate from Tomei and our Managing Director and Key Senior Management reports to our Board and their decision making will not be influenced by Tomei and its corporate representative; and
- (v) our Group shall continue to rely on our own management and technical team for our operations including the purchase and sale of goods, management policy, financial support and manufacturing capabilities.

10. CONFLICT OF INTEREST (Cont'd)

(b) Undertaking by Tomei

To prevent any future conflict of interest between the business activities of our Group and Tomei Group (excluding our Group), Tomei has given its undertaking to our Board, so long as:

- (i) YXPM remains listed on Bursa Securities; and
- (ii) Tomei remains a controlling shareholder (as defined in the Listing Requirements) in YXPM,

it will not venture into any competing business activities of YXPM Group such as wholesale, design and manufacture of gold and silver jewellery, as well as other related products and services.

Similarly, we have provided an undertaking to Tomei, so long as:

- (i) Tomei remains listed on Bursa Securities; and
- (ii) our Group remains as subsidiaries of Tomei,

we will not venture into any competing business activities of Tomei Group such as retailing of jewellery and manufacturing of gemstones jewellery.

(ii) Ng Sheau Chyn

Ng Sheau Chyn, our Managing Director, is also the Non-Independent Non-Executive Director of Tomei, which is our Promoter and substantial shareholder.

Notwithstanding the above, her involvement in Tomei does not give rise to any conflict of interest or affect her responsibilities to our Group in view of the following:

- (a) her involvement in Tomei will not influence her decision making in YXPM and affect her responsibilities to our Group as her role in Tomei is as a Non-Independent Non-Executive Director and as such does not contribute to the day-to-day management of Tomei's operations; and
- (b) her involvement in Tomei is as a representative of YXPM to report to Tomei's board of directors on our Group's financial performance and the status of our compliance with applicable laws, regulations, rules, directives and guidelines.

(iii) Datuk Ng Yih Pyng

Datuk Ng Yih Pyng, our Non-Independent Non-Executive Director, is also a Group Managing Director of Tomei, which is our Promoter and substantial shareholder.

Notwithstanding the above, his involvement in Tomei does not give rise to any conflict of interest or affect his responsibilities to YXPM in view of the following:

- (a) his involvement in Tomei will not influence his decision making in YXPM and affect his responsibilities in our Group as his role in YXPM is as a Non-Independent Non-Executive Director and as such does not contribute to the day-to-day management of our Group's operations; and
- (b) his involvement in YXPM is as a corporate representative of Tomei to oversee and monitor compliance with applicable laws, regulations, rules, directives and guidelines.

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

In addition to the above, Datuk Ng Yih Pyng is one of the 20 directors of Fedmas Assay Office Sdn Bhd (“**Fedmas**”). Fedmas was incorporated on 19 May 1986 and is principally involved in the provision of assaying services for members of the Federation of Goldsmiths and Jewellers Association of Malaysia (“**FGJAM**”). As Tomei Group is a member of the FGJAM, Datuk Ng Yih Pyng’s involvement in Fedmas since 2001 is only as a representative of Tomei Group and is not involved in the day-to-day management of Fedmas’ operations and he does not hold any interest in Fedmas. As such, his involvement in Fedmas does not give rise to any conflict of interest or affect his responsibilities to YXPM.

As at the LPD, our Board (save for Ng Sheau Chyn and Datuk Ng Yih Pyng) having considered the following, is of the view that our Directors and/or substantial shareholders’ involvement in similar or related business as our Group or which are our customers or suppliers, do not give rise to any conflict of interest with our Group:

- our Group’s principal business activities are in **wholesale, design and manufacture** of gold jewellery, whereas the Tomei Group’s principal business activity is in retail of jewellery (various types of jewellery and not limited to gold);
- our Group’s customer base is 100% **trade customers or intermediaries** such as jewellery resellers (retailers and wholesalers) and jewellery manufacturers. On the other hand, Tomei Group’s customer base is **end-consumers**. Only a small proportion of Tomei Group’s customers are jewellery manufacturers as Tomei Group will sell pure and scrap gold bars (raw materials) to these manufacturers in order for them to use the raw materials to manufacture gold jewellery. Thereafter, these manufacturers will sell the manufactured gold jewellery back to Tomei;
- our Group is operating in a different segment as compared to the Tomei Group in the value chain of the Jewellery Industry; and
- Datuk Ng Yih Pyng’s involvement in Fedmas will not affect his commitment and responsibilities to YXPM as he does not contribute to the day-to-day management of Fedmas’ operations. Further, he expects to spend only 2 to 3 days a year on Fedmas since his role in Fedmas does not entail any executive function.

10.2 DECLARATION BY ADVISERS ON CONFLICT OF INTEREST

10.2.1 Principal Adviser, Sponsor, Sole Underwriter and Placement Agent

PIVB has given its written confirmation that there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent for our Listing.

10.2.2 Solicitors to our Company as to the laws of Malaysia

Jeff Leong, Poon & Wong has given its written confirmation that there is no existing or potential conflict of interest in its capacity as the Solicitors to our Group in relation to the Listing.

10.2.3 External Auditors and Reporting Accountants

BDO PLT has given its written confirmation that there is no existing or potential conflict of interest in its capacity as the External Auditors and Reporting Accountants to our Group in relation to the Listing.

10.2.4 Independent Market Researcher

Vital Factor has given its written confirmation that there is no existing or potential conflict of interest in its capacity as the IMR to our Group in relation to the Listing.