

## **10. CONFLICT OF INTERESTS**

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

Save as disclosed below, none of our Directors or substantial shareholders has any interest, direct or indirect, in other businesses or corporations carrying on a similar or related trade or are the customers and/or suppliers of our Group:

#### **(i) Hai-O Enterprise Berhad**

Hai-O Enterprise Berhad is our major customer and had contributed 57.33%, 45.16% and 31.04% to our Group's revenue, respectively in the past 3 FYEs 2018 to 2020. They have been our customer since 2007. Hai-O Enterprise Berhad is principally engaged in the wholesaling, direct selling and retailing of herbal medicines, healthcare products, wellness and beauty products, investment holding activities and property holding activities.

We had on 22 March 2021 entered into a Cornerstone Investment Agreement with Hai-O Enterprise Berhad, the Cornerstone Investor. Under this agreement, Hai-O Enterprise Berhad shall subscribe for 30,983,500 IPO Shares, representing 12.50% of our total enlarged share capital at the IPO Price.

Upon Listing, Hai-O Enterprise Berhad shall be our major shareholder and sales to Hai-O Enterprise Berhad shall be deemed as related party transactions under the Listing Requirements.

In order to mitigate any potential conflict of interest, our Audit and Risk Management Committee has reviewed the transactions with Hai-O Enterprise Berhad for the past 3 FYEs and will review all future transactions with Hai-O Enterprise Berhad to ensure that all sales to Hai-O Enterprise Berhad will be undertaken on arm's length basis. In addition, we will seek approval from shareholders for related party transactions as required under the Listing Requirements.

Based on our Audit and Risk Management Committee's review, all transactions entered into with Hai-O Enterprise Berhad for the past 3 FYEs were conducted on arm's length basis.

It is our Director's fiduciary duty to avoid conflict, and they are required to attend courses which provide them guidelines on their fiduciary duties. In order to mitigate any possible conflict of interest situation in the future, our Directors will declare to our Nomination Committee and our Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Nomination Committee will then evaluate if such Director's involvement gives rise to a potential conflict of interest situation with our Group's business. If our Directors are involved in similar business as our Group or business of our customers and our suppliers, our Nomination Committee shall inform our Audit and Risk Management Committee of such involvement. When a determination has been made that there is a conflict of interest of a Director, our Nomination Committee will:

- (aa) Immediately inform our Board of the conflict of interest situation after deliberating with the Audit and Risk Management Committee;
- (bb) Make recommendations to our Board to direct the conflicted Director to:
  - (i) Withdraw from all his executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an Executive Director); and

- (ii) Abstain from all Board deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (bb) above, the conflicted Director shall abstain from any Board discussion relating to the recommendation of our Nomination Committee and the conflicted Director shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may however at the request of the Chairman of the Board, be present at the Board meeting for the purposes of answering any questions.

## **10.2 DECLARATIONS OF CONFLICT OF INTERESTS BY OUR ADVISERS**

- (i) M&A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Adviser, Sponsor, Underwriter and Placement Agent for our Listing;
- (ii) Messrs Teh & Lee has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Solicitors for our Listing;
- (iii) Messrs Grant Thornton Malaysia PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants for our Listing; and
- (iv) Smith Zander International Sdn Bhd has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the IMR for our Listing.

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