

11. CONFLICT OF INTEREST

11.1 CONFLICT OF INTEREST

11.1.1 Interest in similar business of our Group

Save as disclosed below, as at the LPD, none of our Directors and/ or substantial shareholders have any interest, whether direct or indirect, in any businesses or corporations which are carrying on a similar trade as our Group or which are the customers and/ or suppliers of our Group.

Name of company	Principal activities	Nature of transaction	Nature of interest
KCBS	Trading of paints and hardware	Customer of our Group	Loo Chai Lai and Loo Jing Kai, our promoters and substantial shareholders are directors of KCBS. Loo Chai Lai is the shareholder of KCBS.
MBS Tools	Trading of hardware and tools	Customer/ Supplier of our Group	Loo Chai Lai and Loo Jing Kai are directors of MBS Tools. Loo Chai Lai is the shareholder of MBS Tools.
PSM	Trading of paints, painting accessories, sanitary, kitchen accessories and hardware	Customer of the Group	Loo Chai Lai and Loo Jing Kai were the directors and shareholders of PSM.

Nevertheless, our Board is of the view that any potential conflict of interest situation which may arise through the aforesaid interest has been mitigated on the following basis:-

(1) KCBS

- (a) KCBS is not a major customer of our Group. The total sales to KCBS was 0.31%, 0.21% and 0.18% of our revenue in FYE 2021, FYE 2022 and FYE 2023, respectively. The transactions with KCBS were on arm's length basis and on normal commercial terms.
- (b) Notwithstanding that KCBS is principally involved in the trading of paints including our Group's products, KCBS is not in competition with our Group. KCBS's sales are directed towards the end user/ individual customers. In addition, the volume of its sales of bathroom or kitchen sanitary ware products is usually not in bulk.
- (c) Loo Chai Lai and Loo Jing Kai are not involved in the day-to-day management and operations of KCBS.
- (d) Loo Chai Lai and Loo Jing Kai will abstain from deliberations and voting in their capacity as shareholders and directors of our Group, on all resolutions pertaining to any future transactions involving KCSB and our Group.

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

(2) MBS Tools

- (a) Pursuant to a sale and purchase agreement dated 1 September 2023 ("**MBS SPA**") made between MBS Tools and MSB, MSB has acquired all fixed assets, stocks, intellectual property rights and debtors from MBS Tools for a purchase consideration of RM5.50 million and in consideration of which, MBS Tools has transferred all assets, stocks, intellectual property (IP) rights and debts to MSB with effect from 1 September 2023.
- (b) Following the acquisition by MSB, MBS Tools is no longer involved in the trading of bathroom and kitchen sanitary ware.
- (c) Further, Loo Chai Lai has undertaken and warranted via a letter of undertaking dated 1 September 2023, that MBS Tools will not from the date of the letter of undertaking engage in any similar or related business of our Group and will undertake all necessary actions to wind up/ strike off MBS Tools upon the completion of the MBS SPA. The MBS SPA is pending completion and is expected to be completed by April 2024.

(3) PSM

On 14 February 2024, Loo Chai Lai and Loo Jing Kai disposed of their entire equity interest in PSM to a third party. The disposal is pending completion and is expected to be completed by May 2024.

As set out in Section 10.2 of this Prospectus, our ARMC will review any conflict of interest situation that may arise within our Company or our Group including any transaction, procedure or course of conduct that raises questions on management integrity. Our ARMC 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/ or substantial shareholders and the interests that may be held by our Directors and substantial shareholders in the future in other businesses or corporations which carry on a similar trade as that of our Group or which are 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/ or 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 interests. Such transactions will be carried out on arm's length basis and on normal commercial terms.

11.1.2 Conflict of interest in relation to loans and/ or financial assistance from related parties to our Group

As at the LPD, save as disclosed in Section 10.1.4 of this Prospectus, there are no loans and/ or financial assistance from related parties to our Group.

11. CONFLICT OF INTEREST (Cont'd)

11.2 DECLARATION BY ADVISERS ON CONFLICT OF INTEREST

11.2.1 Principal Adviser, Sponsor, Underwriter and Placement Agent

AIS has confirmed that it has no existing or potential interest in the Company and there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent to our Group in relation to the Listing. The Underwriting Agreement, which salient terms are set out in Section 4.6 of this Prospectus, was entered into on arm's length basis and on market terms.

11.2.2 Solicitors to our Group as to the laws of Malaysia

David Lai and Tan 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 as to the laws of Malaysia in relation to our Listing.

11.2.3 Auditors and Reporting Accountants

TGS TW 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 Listing.

11.2.4 Independent Market Researcher

Smith Zander 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 IMR to our Group in relation to our Listing.

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