

11. CONFLICT OF INTERESTS

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

As at the LPD, save for as disclosed below, none of our Directors and substantial shareholders have any interest, direct or indirect, in any entities which are carrying on a similar or related trade as that of our Group or which are the customers and/or suppliers of our Group:

No.	Businesses / Corporations	Principal activity	Nature of interest
1.	KTC Hardware & Trading Sdn Bhd	Trading of hardware	<p>Goh Chye Hin is our Group's promoter, Managing Director and substantial shareholder.</p> <p>Goh Chye Hin is the shareholder of 46.20% equity interest in KTC Hardware & Trading Sdn Bhd. He resigned as a director of KTC Hardware & Trading Sdn Bhd on 11 April 2023.</p> <p>KTC Hardware & Trading Sdn Bhd is a customer of our Group.</p>
2.	BIY Home Store (Kota Tinggi) Sdn Bhd	Retail in hardware, tools, paints and household items.	<p>Kee Hui Lang is our Group's promoter, Non-Independent Executive Director and substantial shareholder.</p> <p>Kee Hui Lang is the shareholder of 20.00% equity interest in BIY Home Store (Kota Tinggi) Sdn Bhd. She resigned as a director of BIY Home Store (Kota Tinggi) Sdn Bhd on 30 April 2023.</p> <p>BIY Home Store (Kota Tinggi) Sdn Bhd is a customer of our Group and a past supplier of our Group.</p>

Our Board is of the view that any potential conflict of interests situation which may arise through the direct or indirect interests of our Directors and / or substantial shareholders is mitigated due to the following:

(a) KTC Hardware & Trading Sdn Bhd

- (i) Goh Chye Hin does not hold any executive roles in KTC Hardware & Trading Sdn Bhd and is not involved in the day-to-day operations of KTC Hardware & Trading Sdn Bhd. KTC Hardware & Trading Sdn Bhd has their own independent and standalone management team to undertake their day-to-day management and operations;
- (ii) KTC Hardware & Trading Sdn Bhd operates hardware stores whereby they sell different types of hardware (including paints and paint accessories of different brands, including from our Group). On the other hand, our Group does not operate any hardware stores nor any retail shops selling paints and/or its accessories to end-customers;
- (iii) The sale of manufacturing and trading products to KTC Hardware & Trading Sdn Bhd only contributed to 0.30%, 0.23% and 0.24% of the revenue of our Group for the Financial Years Under Review, respectively; and

11. CONFLICT OF INTERESTS (Cont'd)

- (iv) The transactions between our Group and KTC Hardware & Trading Sdn Bhd were carried out on an arms' length basis and on normal commercial terms which were not more favourable to KTC Hardware & Trading Sdn Bhd than those generally available to third parties.

(b) BIY Home Store (Kota Tinggi) Sdn Bhd

- (i) Kee Hui Lang does not hold any executive roles in BIY Home Store (Kota Tinggi) Sdn Bhd and is not involved in the day-to-day operations of BIY Home Store (Kota Tinggi) Sdn Bhd. BIY Home Store (Kota Tinggi) Sdn Bhd has their own independent and standalone management team to undertake their day-to-day management and operations;
- (ii) BIY Home Store (Kota Tinggi) Sdn Bhd operates hardware stores whereby they sell different types of hardware (including paints and paint accessories of different brands, including from our Group). On the other hand, our Group does not operate any hardware stores nor any retail shops selling paints and/or its accessories to end-customers;
- (iii) The sale of manufacturing and trading products to BIY Home Store (Kota Tinggi) Sdn Bhd only contributed to 0.47%, 0.44% and 0.65% of the revenue of our Group for the Financial Years Under Review, respectively;
- (iv) The purchase of disinfectant spray guns and face masks from BIY Home Store (Kota Tinggi) Sdn Bhd only represented 0.01% of the cost of sales of our Group for the FYE 2020. Following FYE 2020, our Group has ceased to obtain such products from BIY Home Store (Kota Tinggi) Sdn Bhd; and
- (v) The transactions between our Group and BIY Home Store (Kota Tinggi) Sdn Bhd were carried out on an arms' length basis and on normal commercial terms which were not more favourable to BIY Home Store (Kota Tinggi) Sdn Bhd than those generally available to third parties.

During the Financial Years Under Review, save for as disclosed below, none of our Directors and substantial shareholders have any past interest, direct or indirect, in any entities which are the customers and/or suppliers of our Group:

Customers of our Group:

(a) Ztree Sdn Bhd

- (i) Goh Chye Hin was the shareholder of 50.00% equity interest in Ztree Sdn Bhd and our Group sold manufacturing and trading products to Ztree Sdn Bhd with sales amounting to 1.38%, 1.52% and 1.54% of the revenue of our Group for the Financial Years Under Review, respectively. The sales transactions between our Group and Ztree Sdn Bhd were carried out on an arms' length basis and on normal commercial terms which were not more favourable to Ztree Sdn Bhd than those generally available to third parties; and
- (ii) Goh Chye Hin disposed of all his shares in Ztree Sdn Bhd to non-related parties, Chang Peng Chye (74,999 shares) and Chang's Peng Chye's trustee, Nurul Rashiqa Nafira Binti Imran (1 share) on 27 October 2022. As at the LPD, Goh Chye Hin has no interest in Ztree Sdn Bhd.

11. CONFLICT OF INTERESTS (Cont'd)

(b) PT Smartindo Global Asia

- (i) Goh Chye Hin was the indirect shareholder of PT Smartindo Global Asia through Smart Asia and our Group sold manufacturing and trading products to PT Smartindo Global Asia with sales amounting to 0.16% of the revenue of our Group for the FYE 2020. The sales transactions between our Group and PT Smartindo Global Asia were carried out on an arms' length basis and on normal commercial terms which were not more favourable to PT Smartindo Global Asia than those generally available to third parties; and
- (ii) Smart Asia disposed of its entire shareholdings in PT Smartindo Global Asia to non-related parties, Santos Loy (1,225 shares) who is also a minority shareholder of our Company (holding 2,000,000 Shares or 0.54% after our IPO) and Bryan Loy (25 shares) on 8 January 2022. As at the LPD, Smart Asia and Goh Chye Hin ceased to have any interest in PT Smartindo Global Asia.

Suppliers of our Group

(a) UT Holdings

- (i) Goh Chye Hin and Kee Hui Lang are the directors and shareholders of 54.53% and 23.25% direct equity interest in UT Holdings, respectively. Goh Chye Hin and Kee Hui Lang also holds 22.22% indirect equity interest (through their children Goh Ji Syuan and Goh Sim Yee) in UT Holdings. UT Holdings was previously involved in the sale and distribution of paints, coating material and hardware but has since ceased such activities in January 2023. UT Holdings is now principally a property investment company; and
- (iii) UT Holdings supplied trading products to our Group amounting to 6.27%, 3.79% and 0.95% of the total cost of sales of our Group for the Financial Years Under Review, respectively. Our Group has ceased all transactions with UT Holdings since FYE 2022.

(b) Mr.Mark Tools (M) Sdn Bhd

- (i) Goh Chye Hin is a director and shareholder of 50.75% equity interest in Mr.Mark Tools (M) Sdn Bhd. Lim Kok Beng was a past director and shareholder of 9.42% equity interest in Mr.Mark Tools (M) Sdn Bhd. Lim Kok Beng has since resigned as director of Mr.Mark Tools (M) Sdn Bhd on 27 July 2020 and disposed of his entire shareholdings in Mr.Mark Tools (M) Sdn Bhd on 30 November 2020; and
- (ii) Mr.Mark Tools (M) Sdn Bhd supplied trading products to our Group amounting to less than 0.01% of the total cost of sales of our Group for the FYE 2020. The transactions between our Group and Mr.Mark Tools (M) Sdn Bhd were carried out on an arms' length basis and on normal commercial terms which were not more favourable to Mr.Mark Tools (M) Sdn Bhd than those generally available to third parties. Our Group has ceased all purchase transactions with Mr.Mark Tools (M) Sdn Bhd since FYE 2020.

11. CONFLICT OF INTERESTS (Cont'd)

11.2 MONITORING AND OVERSIGHT OF CONFLICT OF INTERESTS

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 interests 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 interests 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 interests of a Director, our Nomination Committee will:

- (a) Immediately inform our Board of the conflict of interests situation after deliberating with the Audit and Risk Management Committee;
- (b) 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 interests (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 conflict of interests.

In relation to (b) 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.

11.3 DECLARATIONS OF CONFLICT OF INTERESTS BY OUR ADVISERS

(a) Declaration by Mercury Securities

Mercury Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interests in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent for our Listing.

(b) Declaration by Rosli Dahlan Saravana Partnership

Rosli Dahlan Saravana Partnership has given their written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interests in its capacity as the Solicitors for our Listing.

(c) Declaration by Baker Tilly Monteiro Heng PLT

Baker Tilly Monteiro Heng PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interests in its capacity as the External Auditors and Reporting Accountants for our Listing.

(d) Declaration by SMITH ZANDER

SMITH ZANDER has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interests in its capacity as the IMR for our Listing.