

11. CONFLICT OF INTEREST

11.1 INTEREST IN ENTITIES WHICH CARRY ON A SIMILAR TRADE AS THAT OF OUR GROUP OR WHICH ARE OUR CUSTOMERS OR SUPPLIERS

11.1.1 Interest in businesses or corporations that carry on a similar trade as that of our Group

As at the LPD, none of our Directors and substantial shareholders have any interest, whether direct or indirect, in other businesses or corporations that carry on a similar trade to that of our Group.

11.1.2 Interest in the business of our customers and/or suppliers

As at the LPD, none of our Directors and substantial shareholders have any interest, whether direct or indirect, in any entity which is a customer and/or supplier of our Group, save as disclosed below:

<u>No.</u>	<u>Company name</u>	<u>Principal activity</u>	<u>Nature</u>	<u>Interested Director / substantial shareholder</u>	<u>Nature of interest</u>
1.	Tessereum Limited	Developer for web based and mobile based software application	Tessereum Limited is related to our Directors and substantial shareholders. Tessereum Limited is our supplier for FYE 2022. The purchases from Tessereum Limited for FYE 2022 amounted to approximately RM789,551, accounting for 30.03% of our total purchases.	Ooi Kok Hong and See Chin Joo, our Executive Directors and substantial shareholders. Ku Chia Loon, our Non-Independent Non-Executive Director. Koo Hong @ Ku Hong Hai, our substantial shareholder.	37.5% of the ordinary shares and 100% of the convertible preference shares ⁽¹⁾ of Tessereum Limited is held by Arboratory Limited, which is in turn held by Defyx Sdn Bhd (43.22%) and Netval Ventures (56.78%). Ooi Kok Hong is the director and major shareholder of Tessereum Limited by virtue of his direct shareholdings (31.25% of the ordinary shares held in Tessereum Limited) and indirect shareholdings through Arboratory Limited by virtue of his shareholdings in Defyx Sdn Bhd. See Chin Joo is the indirect major shareholder of Tessereum Limited through Arboratory Limited by virtue of his direct shareholdings in Defyx Sdn Bhd.

11. CONFLICT OF INTEREST (CONT'D)

<u>No.</u>	<u>Company Name</u>	<u>Principal Activity</u>	<u>Nature</u>	<u>Interested Director / Substantial Shareholder</u>	<u>Nature of Interest</u>
					<p>Ku Chia Loon is the son of Koo Hong @ Ku Hong Hai, who is an indirect major shareholder of Tessereum Limited through Arboratory Limited by virtue of his direct shareholdings in Netval Ventures.</p> <p>Koo Hong @ Ku Hong Hai is the indirect major shareholder of Tessereum Limited through Arboratory Limited by virtue of his direct shareholdings in Netval Ventures.</p>

Note:

(1) Upon full conversion of the convertible preference shares, Arboratory Limited will hold 96.56% ordinary shares of Tessereum Limited.

Our Board (save for the interested Directors namely Ooi Kok Hong, See Chin Joo and Ku Chia Loon) is of the view that the interests of Ooi Kok Hong, See Chin Joo and Ku Chia Loon (through his father, Koo Hong @ Ku Hong Hai) and Koo Hong @ Ku Hong Hai in Tessereum Limited do not give rise to a conflict of interest situation due to the following:

- (i) Tessereum Limited's business is not competing with our Group and our Group does not develop any animation production management software;
- (ii) the transactions between our Group and Tessereum Limited were carried out on arm's length basis and normal commercial terms which are not detrimental to the non-interested shareholders, after taking into consideration other alternative animation production management software with similar characteristics and priced within similar range as the TESSR software used by our Group; and
- (iii) our Group is not dependent on Tessereum Limited, in which the software sublicense agreement is replaceable without significant cost incurred in the event that that our Company decides to discontinue the agreement.

Moving forward, following our Listing, our Audit and Risk Management Committee will continue to review and assess the financial risk and matters in relation to any related party transactions and potential conflict of interest situations that may arise to ensure that transactions are carried out in the best interest of our Group. These matters may include any transaction, procedure or course of conduct within our Group that raise questions of management integrity.

11. CONFLICT OF INTEREST (CONT'D)

11.2 MONITORING AND OVERSIGHT OF CONFLICT OF INTEREST

Upon Listing, the Audit and Risk Management Committee will assess the financial risk and matters relating to any potential conflict of interest situation that may arise within our Group including any transaction, procedure or course of conduct that raises questions of management integrity, to ensure that transactions are carried out on terms that are not detrimental and in the best interest of our Group. Any future dealings with parties in which the Directors and substantial shareholders of our Company have interest, direct or indirect, will be based on established procedures for related party transactions to ensure that they are carried out on an arms' length basis.

Notwithstanding the above, the interests that are held by our Directors and substantial shareholders and the interests that may be held by our Directors and substantial shareholders in the future in other businesses or corporations which are carrying on a similar trade as our Group and/or 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 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 interest. Such transactions will be carried out on arm's length basis and on normal commercial terms.

11.3 DECLARATION BY THE ADVISERS ON CONFLICT OF INTEREST

11.3.1 Declaration by Kenanga IB

Kenanga IB confirms that there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent for our IPO.

11.3.2 Declaration by Foong & Partners

Foong & Partners confirms that there is no existing or potential conflict of interest in its capacity as the Solicitors as to Malaysian law in respect of our IPO.

11.3.3 Declaration by Russell Bedford

Russell Bedford confirms that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants for our IPO.

11.3.4 Declaration by Vital Factor

Vital Factor confirms that there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher for our IPO.