

10. RELATED PARTY TRANSACTIONS

10.1 OUR GROUP'S RELATED PARTY TRANSACTIONS

10.1.1 Material related party transactions

Save as disclosed below, there are no other material related party transactions entered into by our Group which involves the interest, direct or indirect, of our Directors, major shareholders and/or persons connected to them for the past three FYEs 28 February 2019, 29 February 2020 and 28 February 2021, FPE 31 December 2021 and up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE			FPE	Between 1
				28 February 2019	29 February 2020	28 February 2021	31 December 2021	January 2022 and the LPD
				RM'000	RM'000	RM'000	RM'000	RM'000
1.	Our Group and DXN Comfort Tours	<p>Interested Director</p> <ul style="list-style-type: none"> DLBY <p>See Note (1) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.</p>	Purchase of air tickets and related travel expenses by our Group from DXN Comfort Tours	1,889	595	143	31	46
				Represents 0.4% of our Group's total expenses	Represents 0.1% of our Group's total expenses	Represents 0.02% of our Group's total expenses	Represents 0.01% of our Group's total expenses	
2.	Our Group and Nores Industries Sdn Bhd ("Nores Industries")	<p>Interested Major Shareholder and Director</p> <ul style="list-style-type: none"> DLSJ <p>Interested Director</p> <ul style="list-style-type: none"> DLBY <p>See Note (2) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.</p>	Sale of RG powder, Cordyceps powder, Lion's Mane powder, Ganoderma powder and Spirulina powder from DXN Pharma to Nores Industries	3	<1	<1	-	-
				Negligible contribution to our Group's revenue	Negligible contribution to our Group's revenue	Negligible contribution to our Group's revenue		

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE		FPE		Between 1 January 2022 and the LPD
				28 February 2019	29 February 2020	28 February 2021	31 December 2021	
				RM'000	RM'000	RM'000	RM'000	RM'000
			Payment of labour charges for packing of products by Nores Industries to DXN Industries	-	-	1,816	2,895	1,115
						Represents 1.0% of our Group's cost of goods sold	Represents 1.6% of our Group's cost of goods sold	
			Supply of manpower by DXN Industries to Nores Industries to support the packing activities outsourced to Nores Industries	-	-	-	201	-
							Represents 0.1% of our Group's cost of goods sold	
3.	Our Group and Tastiway Group (Tastiway Sdn Bhd ("Tastiway"), Tastiway Marketing Sdn Bhd ("Tastiway Marketing"), SLM Packaging Sdn Bhd ("SLM Packaging") and Kholin Sdn Bhd ("Kholin") are collectively "Tastiway Group")	Interested Major Shareholder and Director • DLSJ Interested Director • DLBY See Note (3) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.	Sale of Gano liquid mycelium, Spirulina powder, RG powder, GL powder, RG & GL mixed powder, vinegar, talcum powder and cordypine cups from our Group to Tastiway	29	56	82	67	39
				Represents 0.01% of our Group's revenue	Represents 0.01% of our Group's revenue	Represents 0.01% of our Group's revenue	Represents 0.01% of our Group's revenue	
			Purchase of Zhi-Mint products, menthol, peppermint oil, aluminium foil packaging, fresh perfume and sanitiser liquid by our Group from the Tastiway Group	3,214	3,235	6,345	10,522	3,526
				Represents 2.2% of our Group's cost of goods sold	Represents 1.7% of our Group's cost of goods sold	Represents 3.5% of our Group's cost of goods sold	Represents 5.7% of our Group's cost of goods sold	

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE		FPE		Between 1 January 2022 and the LPD
				28 February 2019	29 February 2020	28 February 2021	31 December 2021	
				RM'000	RM'000	RM'000	RM'000	RM'000
			Payment of labour charges for packing of our products by DXN Industries to Tastiway	-	-	3,086	3,887	504
						Represents 1.7% of our Group's cost of goods sold	Represents 2.1% of our Group's cost of goods sold	
4.	Our Group and "Lim Yew Lin" sole proprietorship and "Ling Chung Hwa" sole proprietorship	Interested Major Shareholder and Director <ul style="list-style-type: none"> • DLSJ Interested Director <ul style="list-style-type: none"> • DLBY <p>See Note (4) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.</p>	Payment of insurance premium by our Group to "Lim Yew Lin" sole proprietorship and "Ling Chung Hwa" sole proprietorship	713	1,322	1,046	1,571	575
				Represents 0.1% of our Group's total expenses	Represents 0.2% of our Group's total expenses	Represents 0.2% of our Group's total expenses	Represents 0.3% of our Group's total expenses	
5.	Our Group and DXN Global Group (DXN Global, DXN Land, DXN Plantation, Yiked and Richmond Sapphire are collectively "DXN Global Group")	Interested Major Shareholder <ul style="list-style-type: none"> • DXN Global Interested Directors <ul style="list-style-type: none"> • DLSJ • DLBY <p>See Note (5)(a) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.</p>	Disposal of DXN Land including its subsidiaries being Yiked, Richmond Sapphire and Bio Synergy Engineering Sdn Bhd ("Bio Synergy Engineering") by our Company (vendor) to DXN Global (purchaser) Refer to Note (5)(b) for details of this transaction	-	-	44,500	-	-
						Represents 7.1% of our Group's NA		

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE		FPE		Between 1 January 2022 and the LPD
				28 February 2019	29 February 2020	28 February 2021	31 December 2021	
				RM'000	RM'000	RM'000	RM'000	RM'000
			Disposal of 150,000 ordinary shares (representing 100.0% equity interest) and all 68,000 redeemable preference shares in DXN Plantation by our Company (vendor) to DXN Global (purchaser)	-	-	2,600	-	-
			Refer to Note (5)(c) for details of this transaction			Represents 0.4% of our Group's NA		
			Rental payable by our Group (tenants) to DXN Global Group (landlords)	504	570	555	492	190
			Refer to Note (5)(d) for the salient terms of the tenancy agreements entered into between our Group and DXN Global Group	Represents 0.7% of our Group's administrative expenses	Represents 0.7% of our Group's administrative expenses	Represents 0.4% of our Group's administrative expenses	Represents 0.6% of our Group's administrative expenses	
6.	DXN Marketing and DLSJ	Interested Major Shareholder and Director • DLSJ	Rental payable by DXN Marketing to DLSJ in respect of the rental at Unit F1-002, Happy Apartment, Jalan 17/22, 46400 Petaling Jaya, Selangor	24	24	24	20	8
			Refer to Note (6) for the salient terms of the tenancy agreements between DXN Marketing and DLSJ	Represents 0.03% of our Group's administrative expenses	Represents 0.03% of our Group's administrative expenses	Represents 0.02% of our Group's administrative expenses	Represents 0.02% of our Group's administrative expenses	

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE		FPE		Between 1 January 2022 and the LPD
				28 February 2019	29 February 2020	28 February 2021	31 December 2021	
				RM'000	RM'000	RM'000	RM'000	RM'000
7.	DXN Biogreen and DLBL	<p>Interested Major Shareholder</p> <ul style="list-style-type: none"> DLBL <p>Interested Directors</p> <ul style="list-style-type: none"> DLSJ DLBY <p>See Note (7)(a) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.</p>	<p>Rental payable by DXN Biogreen to DLBL in respect of the two units of three storey shop offices at 189 and 190, Jalan BSG 5, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah Darul Aman</p> <p>Refer to Note (7(b)) for the salient terms of the tenancy agreements between DXN Biogreen and DLBL</p>	-	30	52	43	17
					Represents 0.04% of our Group's administrative expenses	Represents 0.04% of our Group's administrative expenses	Represents 0.05% of our Group's administrative expenses	
8.	DXN Safari and Tropica Paradise Sdn Bhd	<p>Interested Major Shareholder and Director</p> <ul style="list-style-type: none"> DLSJ <p>Interested Director</p> <ul style="list-style-type: none"> DLBY <p>See Note (8) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.</p>	<p>Payment made by DXN Safari to Tropica Paradise Sdn Bhd for preparing the site for farming at Sungai Yu, Pahang</p>	-	-	729	763	-
						Represents 0.1% of our Group's NA	Represents 0.1% of our Group's NA	
9.	Our Group and Daehsan Biotech Private Ltd ("Daehsan Biotech")	<p>Interested Major Shareholder and Director</p> <ul style="list-style-type: none"> DLSJ 	<p>Purchase of finished goods being RG and GL 90 and 30 capsules and powders by DXN Marketing India from Daehsan Biotech</p>	4,475	4,711	10,881	7,580	3,370
				Represents 3.1% of our Group's cost of goods sold	Represents 2.5% of our Group's cost of goods sold	Represents 6.1% of our Group's cost of goods sold	Represents 4.2% of our Group's cost of goods sold	

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE		FPE		Between 1 January 2022 and the LPD
				28 February 2019	29 February 2020	28 February 2021	31 December 2021	
				RM'000	RM'000	RM'000	RM'000	RM'000
		See Note (9) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.	Purchase of high-density polyethylene (HDPE) containers and trading goods by our Group from Daehsan Biotech	-	-	305	36	-
						Represents 0.2% of our Group's cost of goods sold	Represents 0.02% of our Group's cost of goods sold	
			Purchase of machineries by Daxen Agritech, DXN Manufacturing India and Esen Lifesciences from Daehsan Biotech	-	-	388	-	-
						Represents 0.06% of our Group's net assets		
			Sale of GL powder, empty vegetable capsules and machineries from Daxen Agritech India to Daehsan Biotech	3,778	1,143	1,648	1,351	672
				Represents 0.4% of our Group's revenue	Represents 0.1% of our Group's revenue	Represents 0.2% of our Group's revenue	Represents 0.1% of our Group's revenue	
10.	DXN Marketing India and Sunyatee International Foundation ("Sunyatee")	Interested Major Shareholder and Director • DLSJ See Note (10) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.	Purchase of face masks, bamboo toothbrushes and bamboo ear buds by DXN Marketing India from Sunyatee	-	-	25	273	18
						Represents 0.01% of our Group's cost of goods sold	Represents 0.2% of our Group's cost of goods sold	

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE		FPE		Between 1 January 2022 and the LPD
				28 February 2019	29 February 2020	28 February 2021	31 December 2021	
				RM'000	RM'000	RM'000	RM'000	RM'000
11.	DXN Pharma and Zaman Biotech Sdn Bhd (" Zaman Biotech ")	Interested Major Shareholder and Director • DLSJ See Note (11) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.	Sale of white oyster mushroom bag log from DXN Pharma to Zaman Biotech	38	34	24	7	3
				Negligible contribution to our Group's revenue	Negligible contribution to our Group's revenue	Negligible contribution to our Group's revenue	Negligible contribution to our Group's revenue	
12.	Bio Synergy Engineering (our former subsidiary) and DXN Eco Lodge PLC	Interested Major Shareholder and Director • DLSJ See Note (12) for further details of the relationship with our Directors, major shareholder and/or persons connected to them Bio Synergy Engineering had subsequently ceased to be a subsidiary of our Company following the disposal of DXN Land and its subsidiaries to DXN Global in February 2021. For further details on the disposal, see Section 14.6.2 of this Prospectus.	Payment made for the purchase of machineries by Bio Synergy Engineering (our former subsidiary) from DXN Eco Lodge PLC	-	316	-	-	-
					Represents 0.04% of our Group's NA			

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE		FPE		Between 1 January 2022 and the LPD
				28 February 2019	29 February 2020	28 February 2021	31 December 2021	
				RM'000	RM'000	RM'000	RM'000	RM'000
13.	Bio Synergy and related parties including Nores Industries, Nores Marketing Sdn Bhd (" Nores Marketing "), Tastiway and SLM Packaging	Interested Directors • DLSJ • DLBY See Notes (2) and (3) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.	Sale of laboratory tests on food and beverages from Bio Synergy to related parties including Nores Industries, Nores Marketing, Tastiway and SLM Packaging	125 Represents 0.01% of our Group's revenue	102 Represents 0.01% of our Group's revenue	163 Represents 0.02% of our Group's revenue	133 Represents 0.01% of our Group's revenue	66
14.	DXN Solutions and related parties including DXN Comfort Tours, DXN Development, Nores Marketing and Tastiway Group	Interested Directors • DLSJ • DLBY See Notes (1), (2), (3) and (13) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.	Sale of computer hardware, provision of domain and email hosting subscription as well as website service by DXN Solutions to related parties including DXN Comfort Tours, DXN Development, Nores Marketing and Tastiway Group	4 Negligible contribution to our Group's revenue	6 Negligible contribution to our Group's revenue	3 Negligible contribution to our Group's revenue	5 Negligible contribution to our Group's revenue	6
15.	DXN Safari and DXN Plantation	Interested Major Shareholder and Director • DLSJ See Note (14) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.	Disposal of used motor vehicles by DXN Safari to DXN Plantation	-	-	-	-	79

10. RELATED PARTY TRANSACTIONS (Cont'd)**Notes:**

(1) *DLBY, our Non-Independent Non-Executive Director, is the director and a shareholder of DXN Comfort Tours holding 10.0% equity interest in DXN Comfort Tours. He is the brother of DLSJ, our Non-Independent Executive Chairman and our major shareholder by virtue of his interest in DXN Global and his beneficial ownership representing approximately 0.3% equity interest in our Company that is held on trust by DXN Global.*

(2) *Lim Chea Lin and Lee Chiew Khim are the directors and shareholders of Nores Industries and Nores Marketing. Lim Chea Lin and Lee Chiew Khim each hold 30.0% equity interest respectively in Nores Industries, and 40.0% equity interest respectively in Nores Marketing.*

Lim Chea Lin is the sister of DLSJ and DLBY, our Non-Independent Executive Chairman and Non-Independent Non-Executive Director respectively. DLSJ is also our major shareholder by virtue of his interest in DXN Global and his beneficial ownership representing approximately 0.3% equity interest in our Company that is held on trust by DXN Global.

Lee Chiew Khim is the spouse of Lim Chea Lin and the brother in-law of DLSJ and DLBY.

(3) *Lim Beng Lee and Khor Yuan Ning are the directors and shareholders of Tastiway, which is the holding company of Tastiway Marketing, SLM Packaging and Kholin. Lim Beng Lee and Khor Yuan Ning each hold 50.0% equity interest respectively in Tastiway.*

Lim Beng Lee is the brother of DLSJ and DLBY, our Non-Independent Executive Chairman and Non-Independent Non-Executive Director respectively. DLSJ is also our major shareholder by virtue of his interest in DXN Global and his beneficial ownership representing approximately 0.3% equity interest in our Company that is held on trust by DXN Global.

Khor Yuan Ning is the spouse of Lim Beng Lee and the sister in-law of DLSJ and DLBY.

(4) *Lim Yew Lin is the owner of "Lim Yew Lin" sole proprietorship while Ling Chung Hwa is the owner of "Ling Chung Hwa" sole proprietorship. Lim Yew Lin is the sister of DLSJ and DLBY, our Non-Independent Executive Chairman and Non-Independent Non-Executive Director respectively. DLSJ is also our major shareholder by virtue of his interest in DXN Global and his beneficial ownership representing approximately 0.3% equity interest in our Company that is held on trust by DXN Global.*

Ling Chung Hwa is the spouse of Lim Yew Lin and the brother in-law of DLSJ and DLBY.

(5) *DXN Global*

(a) *DXN Global is our major shareholder. DLSJ and DLBL are the major shareholders of DXN Global holding 49.9% and 50.0% equity interest respectively in DXN Global and the indirect major shareholders of DXN by virtue of their interests in DXN Global. DLSJ and DLBY are directors of DXN Global and our Non-Independent Executive Chairman and Non-Independent Non-Executive Director respectively. Lim Yew Lin, our Chief Financial Officer and Company Secretary is also a director of DXN Global.*

10. RELATED PARTY TRANSACTIONS (Cont'd)

- (b) *DXN Land was disposed of by our Group as part of a reorganisation exercise undertaken prior to our Listing. The consideration of RM44.5 million for the disposal of DXN Land by DXN was arrived at based on the unaudited NA of DXN Land and its subsidiaries as at 31 December 2020. For the salient terms of this transaction, see Section 14.6.2 of this Prospectus.*
- (c) *DXN Plantation was disposed of by our Group as part of a reorganisation exercise undertaken prior to our Listing. The consideration of RM2.6 million for the disposal of DXN Plantation by DXN was arrived at based on the unaudited NA of DXN Plantation as at 31 December 2020. For the salient terms of this transaction, see Section 14.6.1 of this Prospectus.*
- (d) *The salient terms of the tenancy agreements between our Group and DXN Global Group are as follows:*
- (i) *in respect of the tenancy agreement dated 12 October 2015 which was subsequently renewed by the letters of extension dated 29 September 2017, 9 October 2019, 14 December 2020 and 28 February 2021 between DXN and Yiked for the rental of the premise at 2nd Floor of No. 109 to 116, Jalan BSG 2, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah (“**Lot 109 to 116**”), the tenure of the tenancy is for one year commencing from 1 March 2021 to 28 February 2022. The monthly rental rate is RM12,500. Our Company subsequently entered into a tenancy agreement dated 14 February 2022 for the renewal of the tenancy for Lot 109 to 116 and the inclusion of the rental of the premise at 1st Floor of Nos. 111 to 112, Jalan BSG 2, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah for a tenure of one year commencing from 1 March 2022 to 28 February 2023 with the same monthly rental;*
- (ii) *in respect of the tenancy agreement dated 1 March 2019 which was subsequently renewed by the letter of extension dated 28 February 2021 and 4 January 2022 between DXN Pharma and DXN Global for the rental of premise known as GM 1613, Lot 2269, Tempat Bukit Tok Iting, Mukim Binjal, Daerah Kubang Pasu, Kedah, the tenure of the tenancy is for one year commencing from 1 March 2022 to 28 February 2023. The monthly rental rate is RM10,500;*
- (iii) *in respect of the tenancy agreement dated 8 July 2020 which was subsequently renewed by the letter of extension dated 30 June 2021 and renewal tenancy agreement dated 14 February 2022 between DXN Pharma and Yiked for the rental of the premise at Nos. 232 – 235, Jalan BSG 10, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for eight months commencing from 1 March 2022 to 28 February 2023. The monthly rental rate is RM5,200;*
- (iv) *in respect of the tenancy agreement dated 16 January 2020 which was subsequently renewed by the letters of extension dated 14 December 2020 and 28 February 2021, and renewal tenancy agreement dated 14 February 2022 between DXN Industries and Yiked for the rental of the premise at Ground Floor of Nos. 115 and 116, Jalan BSG 2, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for one year commencing from 1 March 2022 to 28 February 2023. The monthly rental rate is RM2,500;*

10. RELATED PARTY TRANSACTIONS (Cont'd)

- (v) *in respect of the tenancy agreement dated 12 October 2015 which was subsequently renewed by the letters of extension dated 2 October 2017, 9 October 2019, 14 December 2020 and 28 February 2021, and a renewal tenancy agreement dated 14 February 2022 between DXN Marketing and Yiked for the rental of the premise at Ground Floor of Nos. 112, 113 and 114, Jalan BSG 2, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for one year commencing from 1 March 2021 to 28 February 2022. The monthly rental rate is RM11,800;*
- (vi) *in respect of the tenancy agreement dated 7 August 2020 which was subsequently renewed by the letter of extension dated 31 May 2021 between DXN Biotech and Yiked for the rental of the premise at Nos. 230 & 231, Jalan BSG 10, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for 1 year commencing from 1 June 2021 to 28 February 2022. The monthly rental rate is RM2,500. We ended the tenancy of this premise starting from August 2021;*
- (vii) *in respect of the tenancy agreement dated 12 April 2021 which was subsequently renewed by the tenancy agreement dated 14 February 2022 between DXN Food Tech and Yiked for the rental of the premise at No. 228, Jalan BSG 9, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for one year commencing from 1 March 2022 to 28 February 2023. The monthly rental rate is RM2,500; and*
- (viii) *in respect of the tenancy agreement dated 5 April 2021 between DXN Café and Yiked for the rental of the premise at Ground Floor of Nos. 109 and 110, Jalan BSG 2, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah ("**Lot 109 and 110**")*, the tenure of the tenancy is for one year commencing from 1 March 2021 to 28 February 2022. The monthly rental rate is RM2,500. Subsequently, DXN Cafe entered into a tenancy agreement with Yiked dated 14 February 2022 for the renewal of the rental for Lot 109 and 110 and the inclusion of the rental of the premise at Ground Floor of No. 111, Jalan BSG 2, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah ("**Lot 111**"), both for a tenure of one year commencing from 1 March 2022 to 28 February 2023. The monthly rental rate for Lot 109 and 110 remains the same while the monthly rental rate for the Lot 111 is RM600.
- (6) *In respect of the tenancy agreement dated 15 March 2019 which was subsequently renewed by a tenancy agreement dated 21 December 2021 between DXN Marketing and DLSJ for the rental of the premise at Unit F1-002, Happy Apartment, Jalan 17/22, 46400, Petaling Jaya, Selangor, the tenure is for three years commencing from 1 November 2021 to 31 October 2024. The monthly rental rate is RM2,500.*
- (7) *The relationship and RPT between DXN Biogreen and DLBL are as follows:*
- (a) *DLBL is our major shareholder by virtue of her interest in DXN Global and her beneficial ownership representing approximately 26.0% equity interest in our Company that is held on trust by DXN Global. DLBL is also the spouse of DLSJ and the sister-in-law of DLBY, our Non-Independent Executive Chairman and Non-Independent Non-Executive Director respectively.*

10. RELATED PARTY TRANSACTIONS (Cont'd)

(b) *The salient terms of the tenancy agreements between our Group and DLBL are as follows:*

- (i) *in respect of the tenancy agreement dated 3 September 2019 between DXN Biogreen and DLBL for the rental of the 3-storey shop office having postal address at 189, Jalan BSG 5, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for three years commencing from 20 August 2019. The monthly rental rate is RM2,500; and*
 - (ii) *in respect of the tenancy agreement dated 3 September 2019 between DXN Biogreen and DLBL for the rental of the 3-storey shop office having postal address at 190, Jalan BSG 5, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for three years commencing from 20 August 2019. The monthly rental rate is RM1,800.*
- (8) *Datin Wan Illiyin Binti Wan Mohd Nazi is the director and shareholder holding 100.0% equity interest in Tropica Paradise Sdn Bhd. Datin Wan Illiyin Binti Wan Mohd Nazi is the spouse of our Non-Independent Executive Chairman, DLSJ and the sister-in-law to our Non-Independent Non-Executive Director, DLBY. DLSJ is also our major shareholder by virtue of his interest in DXN Global and his beneficial ownership representing approximately 0.3% equity interest in our Company that is held on trust by DXN Global.*
- (9) *DLSJ is our Non-Independent Executive Chairman and our major shareholder by virtue of his interest in DXN Global and his beneficial ownership representing approximately 0.3% equity interest in our Company that is held on trust by DXN Global. He is also the director and shareholder of Daehsan Biotech holding 95.0% equity interest in Daehsan Biotech.*
- (10) *DLSJ is our Non-Independent Executive Chairman and our major shareholder by virtue of his interest in DXN Global and his beneficial ownership representing approximately 0.3% equity interest in our Company that is held on trust by DXN Global. He was a director and shareholder holding 98.0% equity interest in Sunyatee but has since resigned on 13 March 2022 and has on the same date, obtained Sunyatee's board of directors' approval to transfer his shares to a third party. The transfer of shares has not been completed as at the LPD.*
- (11) *DLSJ is our Non-Independent Executive Chairman and our major shareholder by virtue of his interest in DXN Global and his beneficial ownership representing approximately 0.3% equity interest in our Company that is held on trust by DXN Global. He is also the director and shareholder of Zaman Biotech holding 40.0% equity interest in Zaman Biotech.*
- (12) *DLSJ is our Non-Independent Executive Chairman and our major shareholder by virtue of his interest in DXN Global and his beneficial ownership representing approximately 0.3% equity interest in our Company that is held on trust by DXN Global. He is also the shareholder of DXN Eco Lodge PLC holding 90.0% equity interest in DXN Eco Lodge PLC.*
- (13) *DLBY is our Non-Independent Non-Executive Director and brother of DLSJ, our Non-Independent Executive Chairman and our major shareholder. DLBY and Datin Kee Yew Oi, the spouse of DLBY, are the directors and shareholders of DXN Development holding 85.0% and 15.0% equity interest respectively in DXN Development.*
- (14) *DLSJ is our Non-Independent Executive Chairman and our major shareholder by virtue of his interest in DXN Global and his beneficial ownership representing approximately 0.3% equity interest in our Company that is held on trust by DXN Global. He is also a director and shareholder holding 30.0% equity interest in DXN Plantation as at the LPD.*

10. RELATED PARTY TRANSACTIONS (Cont'd)

As shown in the table, we have entered into multiple tenancy agreements with the related parties of our Company to rent properties for our Group's operations. After having considered the basis of arriving at the respective rentals (which had taken into account, among others, the rental rates of comparable units located in the vicinity of the relevant property) and the salient terms of the tenancy agreements, our Directors are of the view that the tenancy agreements entered into by our Group with the related parties are transacted on arm's length basis and on normal commercial terms that are generally available to third parties. The renewal terms of such tenancy agreements will be reviewed by the Audit Committee and if the related parties (landlords) revise and charge rental rate that are materially higher than those that would be generally available to third parties, we have the option of relocating the operations in these properties to other places.

Our Directors confirm that all the above related party transactions were transacted on an arm's length basis and on normal commercial terms which were not more favourable to the related parties than those generally available to third parties and were not detrimental to our non-interested shareholders.

Our Directors also confirm that there are no other material related party transactions that have been entered by our Group that involve the interest, direct or indirect, of our Directors, major shareholders and/or persons connected to them but not yet effected up to the date of this Prospectus.

After our Listing, we will be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders (which mandate would typically be renewed as required at each AGM of our Company) to enter into such recurrent transactions without having to seek separate shareholders' approval each time we wish to enter into such recurrent related party transactions during the validity period of the mandate.

In addition, to safeguard the interest of our Group and non-interested shareholders, and to mitigate any potential conflict of interest situation, our Audit Committee will, among others, supervise and monitor any recurrent transaction and the terms thereof and report to our Board for further action, as set out in Section 10.2.1 of this Prospectus.

10.1.2 Related party transactions entered into that are unusual in their nature or conditions

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets to which we were a party in respect of the past three FYEs 28 February 2019, 29 February 2020 and 28 February 2021, FPE 31 December 2021 and up to the LPD.

10. RELATED PARTY TRANSACTIONS (Cont'd)**10.1.3 Material outstanding loans and/or financial assistance (including guarantees of any kind)****(i) Material outstanding loans and/or financial assistance (including guarantees of any kind) made to or for the benefit of related parties**

Save as disclosed below, there are no material outstanding loans or financial assistance (including guarantees of any kind) made by our Group to or for the benefit of our related parties in respect of the past three FYEs 28 February 2019, 29 February 2020 and 28 February 2021, FPE 31 December 2021 and up to the LPD:

No.	Name of related party and nature of relationship	Name of our subsidiary extending the loan	Nature of transaction	FYE 28 / 29 February			FPE 31 December	From 1 January 2022 up to the LPD
				2019	2020	2021	2021	
				RM'000	RM'000	RM'000	RM'000	RM'000
1.	Daehsan Biotech DLSJ is the director and shareholder of Daehsan Biotech holding 95.0% equity interest in Daehsan Biotech	Daxen Agritech	The loan was extended to Daehsan Biotech by Daxen Agritech for the purpose of setting up Daehsan Biotech's manufacturing facility and operating expenses. The loan is unsecured, bearing interest of 9% per annum.	Balance outstanding as at end of financial year/period				
				10,224	11,212	6,354	176	-
				Interest income for financial year/ period				
				737	948	687	209	-
2.	Bulgano Ltd DLSJ is the shareholder of Bulgano Ltd holding 70.0% equity interest in Bulgano Ltd	DXN Bulgaria	The loan was extended to Bulgano Ltd by DXN Bulgaria for working capital and investment purposes. The loan is unsecured, bearing interest of 4.82% per annum.	Balance outstanding as at end of financial year/period				
				-	17	267	330	-
				Interest income for financial year/ period				
				-	Negligible	7	12	5

The above unsecured loans extended to Daehsan Biotech and Bulgano Ltd have been fully repaid as at the LPD. The unsecured loans were provided on an arm's length basis and on normal commercial terms that are generally available to third parties as the interest rate charged to Daehsan Biotech and Bulgano Ltd was determined after taking into consideration the interest rate published by the State Bank of India and Bulgarian National Bank, respectively at that point of time.

10. RELATED PARTY TRANSACTIONS (Cont'd)**(ii) Material outstanding loans and/or financial assistance (including guarantees of any kind) made by related parties for the benefit of our Group**

Save as disclosed below, there are no material outstanding loans or financial assistance (including guarantees of any kind) made by related parties for the benefit of our Group in respect of the past three FYEs 28 February 2019, 29 February 2020 and 28 February 2021, FPE 31 December 2021 and up to the LPD:

Related party	Name of entities receiving the advances	Date and amount of advances obtained	Nature of transaction and terms of the advances	Amount outstanding as at the latest financial period
<u>Our Director and major shareholder</u> DLSJ	DXN Biotechnology Ningxia	For the FYE 28 February 2019 / RMB8.0 million	The amount was extended by our Non-Independent Executive Chairman, DLSJ to DXN Biotechnology Ningxia to fund the set-up of the business. Non-trade in nature, unsecured, interest-free and repayable on demand.	RMB8.0 million (equivalent to RM5.3 million) as at 31 December 2021. The advances will be fully repaid prior to our Listing.
	Florin Fujian	For the FYE 28 February 2021 / RMB3.9 million For the FYE 31 December 2021 / RMB0.069 million	The amount was extended by our Non-Independent Executive Chairman, DLSJ to Florin Fujian to fund the operations and business development of the company. Non-trade in nature, unsecured, interest-free and repayable on demand.	RMB4.0 million (equivalent to RM2.6 million) as at 31 December 2021. The advances will be fully repaid prior to our Listing.
	DXN Corporation Ningxia	Prior to the FYE 28 February 2019 / RMB0.450 million	The amount was extended by our Non-Independent Chairman, DLSJ to DXN Corporation Ningxia to fund the operations and business development of the company. Non-trade in nature, unsecured, interest-free and repayable on demand	RMB0.449 million (equivalent to RM0.297 million) as at 31 December 2021. The advances will be fully repaid prior to our Listing.

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Name of entities receiving the advances	Date and amount of advances obtained	Nature of transaction and terms of the advances	Amount outstanding as at the latest financial period
	DXN	For the FYE 28 February 2019 / RM0.254 million	The amount was extended by our Non-Independent Executive Chairman, DLSJ to our Company to advance funds for the purchase of office assets. Non-trade in nature, unsecured, interest-free and repayable on demand.	RM0.071 million as at 31 December 2021. The advances will be fully repaid prior to our Listing.
	DXN Marketing	Prior to the FYE 28 February 2019 / RM0.015 million For FYE 28 February 2019 / RM1.5 million	The amount was extended by our Non-Independent Executive Chairman, DLSJ to DXN Marketing to advance funds for the company's operating expenses. Non-trade in nature, unsecured, interest-free and repayable on demand.	Nil as at 31 December 2021. The advances had been fully repaid in the FYE 28 February 2021.
	DXN Marketing India	Prior to the FYE 28 February 2019 / INR4.9 million	The amount was extended by our Non-Independent Executive Chairman, DLSJ to DXN Marketing India to fund the set-up of the business. Non-trade in nature, unsecured, interest-free and repayable on demand.	Nil as at 31 December 2021. The advances had been fully repaid in the FPE 31 December 2021.
	DXN Nigeria	For the FYE 28 February 2021 / NGN0.056 million	The amount was extended by our Non-Independent Executive Chairman, DLSJ to DXN Nigeria to fund the set-up of the business. Non-trade in nature, unsecured, interest-free and repayable on demand.	NGN0.056 million (equivalent to RM578) as at 31 December 2021. The advances will be fully repaid prior to our Listing.

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Name of entities receiving the advances	Date and amount of advances obtained	Nature of transaction and terms of the advances	Amount outstanding as at the latest financial period
<u>Our Director</u> DLBY	DXN	Prior to the FYE 28 February 2019 / RM0.007 million	The amount was by our Non-Independent Non-Executive Director, DLBY to our Company to advance funds for our Company's operating expenses. Non-trade in nature, unsecured, interest-free and repayable on demand.	Nil as at 31 December 2021. The advances had been fully repaid in the FYE 29 February 2020.

The above advances by Directors to our Group are unsecured, interest-free and repayable on demand and therefore not on an arm's length basis and not on normal commercial terms. Our Directors are of the opinion that these advances are not unfavourable to our Group.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

10.2.1 Audit Committee review

Our Audit Committee reviews related party transactions and conflicts of interest situations that may arise within our Company or Group. Our Audit Committee also reviews any transaction, procedure or course of conduct that raises questions of management integrity including our related party transactions. In reviewing the related party transactions, the following, amongst other things will be considered:

- (i) the rationale and the cost/benefit to our Company is first considered;
- (ii) where possible, comparative quotes will be taken into consideration;
- (iii) that the transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to third parties dealing on an arm's length basis; and
- (iv) that the transactions are not detrimental to our Company's non-interested shareholders.

All reviews by our Audit Committee are reported to our Board for its further action.

10.2.2 Our Group's policy on related party transactions

Related party transactions by their very nature, involve conflicts of interests between our Group and the related parties with whom our Group has entered into such transactions. Some of the officers and the Directors of our Group are also officers, directors and in some cases, shareholders of the related parties of our Group, as disclosed in this Prospectus and, with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of our Group that all related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to the third parties dealing on arm's length basis with our Group and are not to the detriment of our non-interested shareholders.

In addition, we plan to adopt a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situations and intend for the framework to be guided by the Listing Requirements and MCCG upon our Listing. The procedures which may form part of the framework include, among others, the following:

- (i) our Board shall ensure that majority of our Board's members are Independent Directors and will undertake an annual assessment of our Independent Directors;
- (ii) our Directors will be required to immediately make full disclosure of any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and
- (iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transactions to our Audit Committee for evaluation and assessment who would in turn, make a recommendation to our Board.