

## 11. CONFLICTS 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 Involvement of our Directors and substantial shareholders in entities which carry on a similar trade as that of our Group

As at the LPD, save as disclosed below, our Directors and substantial shareholders do not have any interest, direct or indirect, in any entities which are carrying on a similar trade as that of our Group:

No.	Entity	Director and/or substantial shareholder	Nature	Principal activity	Nature of interest
1.	Daehsan Biotech	<u>Substantial shareholder and Director</u> DLSJ	Similar trade as that of our Group	Manufacturing, trading, export and import and dealing in Ganoderma mushroom, Cordyceps mushroom and similar mushroom products and producing RG and GL capsules and powder	DLSJ is a director and shareholder holding 95.0% equity interest in Daehsan Biotech

Our Board is of the view that any potential conflict of interest situation which may arise through the interest of DLSJ in Daehsan Biotech has been mitigated on the basis that:

- (i) the business and operations of Daehsan Biotech are not in direct competition with the business and operations of our Group given that:
  - (a) as at the LPD, Daehsan Biotech is principally involved in the production of ready to be consumed RG and GL capsules and powders (collectively referred to as “**RG and GL capsules/powders**”) which are then solely sold as finished goods to our subsidiary, DXN Marketing India in India;
  - (b) the business and operations of Daehsan Biotech are relatively small and Daehsan Biotech does not have the necessary machineries and resources to produce and market other products apart from RG and GL capsules/powders. As such, Daehsan Biotech is not able to offer the same range of products as our Group and hence, does not compete with our Group; and
  - (c) Daehsan Biotech is not involved in trading and distribution of wellness consumer products including food and beverages, food supplements and consumer products. Accordingly, Daehsan Biotech does not compete with our direct selling business;
- (ii) all sales and purchases between our Group and Daehsan Biotech are transacted on an arm’s length basis and on normal commercial terms which are not more favourable to them than those generally available to third parties; and

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

- (iii) our Group is not dependent on Daehsan Biotech for their products (being the RG and GL capsules/powders) as our subsidiary, Daxen Agritech is also involved in the manufacturing of RG and GL capsules/powders. Our Group is also in the process of expanding DXN Manufacturing India's facility in Telangana which is expected to commence operations in the fourth quarter of 2022.

**11.1.2 Involvement of our Directors and substantial shareholders in entities which are our customers or suppliers**

Save as disclosed below, as at the LPD, our Directors and substantial shareholders do not have any interest, direct or indirect, in any entities which are our customers or suppliers:

<b>No.</b>	<b>Entity</b>	<b>Director and/or substantial shareholder</b>	<b>Nature of transaction</b>	<b>Principal activity</b>	<b>Nature of interest</b>
1.	DXN Development	<b><u>Director</u></b> DLBY	Customer of computer hardware	Construction and property development and trading in construction materials	DLBY is a director and shareholder holding 85.0% equity interest in DXN Development
2.	Daehsan Biotech	<b><u>Substantial shareholder and Director</u></b> DLSJ	Customer of GL powder, empty vegetable capsules and machineries  Supplier of finished foods being RG and GL 90 and 30 capsules and powders, high-density polyethylene containers and machineries	Manufacturing, trading, export and import and dealing in Ganoderma mushroom, Cordyceps mushroom and similar mushroom products and producing RG and GL capsules and powder	DLSJ is a director and shareholder holding 95.0% equity interest in Daehsan Biotech
3.	DXN Comfort Tours	<b><u>Director</u></b> DLBY	Supplier of air tickets and related travel services	Travel agents and tour operators which provides flights and hotel booking services as well as inbound and outbound tour packages	DLBY is a director and shareholder holding 10.0% equity interest in DXN Comfort Tours

## 11. CONFLICTS OF INTEREST (Cont'd)

<u>No.</u>	<u>Entity</u>	<u>Director and/or substantial shareholder</u>	<u>Nature of transaction</u>	<u>Principal activity</u>	<u>Nature of interest</u>
4.	Sunyatee	<u>Substantial shareholder and Director</u> DLSJ	Supplier of face masks, bamboo toothbrushes and bamboo ear buds	Charitable organisation established for amongst others, improving living standards of farmers and reducing malnutrition among children in the agricultural society in India	DLSJ is a shareholder holding 98.0% equity interest in Sunyatee
5.	Zaman Biotech	<u>Substantial shareholder and Director</u> DLSJ	Customer of white oyster mushroom bag log	General trading	DLSJ is a director and shareholder holding 40.0% equity interest in Zaman Biotech

Our Board is of the view that any potential conflict of interest situation which may arise through the interests of our Directors and substantial shareholder in entities which are our customers or suppliers (collectively to be referred as “**Related Customers**” and/or “**Related Suppliers**”) has been mitigated due to the following:

- (i) all sales and purchases with the Related Customers and Related Suppliers are transacted on an arm’s length basis and on normal commercial terms which are not more favourable to them than those generally available to third parties;
- (ii) our Group is not dependent on any of the Related Customers and Related Suppliers. For the FYE 28 February 2019, FYE 29 February 2020, FYE 28 February 2021 and FPE 31 December 2021, the total sales to the Related Customers represent less than 1.0% of our Group’s revenue whereas the total purchases from the Related Suppliers (excluding rental payable by our Group) represent less than 8.1% of our Group’s total purchases;
- (iii) in addition, the involvement of our Directors in the Related Customers and Related Suppliers does not affect their contributions to our Group as:
  - (a) DLSJ, our Non-Independent Executive Chairman is not involved in the day-to-day operations of any of the Related Customers and/or the Related Suppliers (collectively, “**Related Entities**”) as the Related Entities are managed by the respective management of the Related Entities. DLSJ only attends board and shareholder meetings of the Related Entities to discharge his principal role and duty as a shareholder/non-executive director as well as provide advice from governance and industrial experience perspective; and
  - (b) DLBY is holding a non-executive role in our Group and thus is not involved in the day-to-day operations of our Group.

As set out in Section 10.2.1 of this Prospectus, our Audit Committee 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 Audit Committee will also ensure that any such transactions are carried out on terms that are not detrimental to our Group.

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

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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 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 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. CONFLICTS OF INTEREST *(Cont'd)*

### 11.2 DECLARATION BY ADVISERS ON CONFLICTS OF INTEREST

#### 11.2.1 Declaration by Maybank IB

Maybank IB, being the Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO, and its related and associated companies ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders and/or our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other, and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the Maybank Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at the LPD, Malayan Banking Berhad, the holding company of Maybank IB, and Maybank Islamic Berhad, a subsidiary of Malayan Banking Berhad, have extended credit facilities to our Group in their ordinary course of business. None of the proceeds raised from our Public Issue will be used to repay the borrowing owing to the Maybank Group. The credit facilities granted to our Group do not impose any condition in relation to our IPO and/or Listing.

In addition, Edwin Gerungan, an Independent Non-Executive Director of Malayan Banking Berhad and a Commissioner of PT Bank Maybank Indonesia Tbk, a subsidiary of Malayan Banking Berhad, is also is a member of KV Asia Capital's International Advisory Committee. As at the LPD, he also holds 239,836 preference shares (0.5%) in Gano Global, which in turn is our substantial shareholder. Edwin Gerungan is not involved in the operations of our Group via Gano Global as he merely holds preference shares in Gano Global.

Maybank IB is of the view that the abovementioned does not give rise to a conflict of interest situation in its capacity as Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO due to the following:

- (i) Malayan Banking Berhad and Maybank Islamic Berhad are a licensed commercial bank and Islamic bank respectively, and the extension of credit facilities to our Group arose in their ordinary course of business;
- (ii) the conduct of the Maybank Group in its banking business is strictly regulated by, among others, the Financial Services Act, 2013, Islamic Financial Services Act, 2013 and its own internal controls and checks;
- (iii) the total aggregate outstanding amount owed by our Group to the Maybank Group of about RM5.5 million as at the LPD is not material when compared to the audited NA of the Maybank Group as at 31 December 2021 of RM85.8 billion;
- (iv) Edwin Gerungan is not involved in the operations of our Group;

## 11. CONFLICTS OF INTEREST (Cont'd)

- (v) Edwin Gerungan's preference shares in Gano Global are plain vanilla with preference as to dividends and on liquidation or winding-up but with no conversion rights or other special rights attached; and
- (vi) Edwin Gerungan is not involved in the mandate for Maybank IB to act as Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO.

Accordingly, Maybank IB confirms that there is no conflict of interest situation in its capacity as Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO.

### 11.2.2 Declaration by CIMB

CIMB and its affiliated, related and associated companies, as well as its holding company, CIMB Group Holdings Berhad, and the subsidiaries and associated companies of its holding company ("**CIMB Group**") form a diversified financial group and are engaged in a wide range of businesses relating to amongst others, retail banking, investment banking, commercial banking, brokerage, securities trading, asset and funds management and credit transaction services business. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates.

In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with our Company and/or our affiliates, any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Company and/or our affiliates. This is a result of the business of the CIMB Group generally acting independent of each other, and accordingly, there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Company and/or our affiliates

As at the LPD, the CIMB Group has not extended credit facilities to our Group in its ordinary course of business.

CIMB confirms that there is no conflict of interest situation in its capacity as Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO.

### 11.2.3 Declaration by CLSA

In the ordinary course of business, CLSA and/or its affiliated companies ("**CLSA Group**"), may engage in transactions with and perform services for our Company and/or our affiliates. Subject to the laws and regulations in the relevant jurisdictions, members of the CLSA Group engage in investment banking transactions including, without limitation, corporate finance, mergers and acquisitions, merchant banking, equity and fixed income sales, trading and research, derivatives, foreign exchange, futures, asset management, custody, clearance and securities lending in their ordinary course of business with our Company and/or our affiliates. Further, and subject to the laws and regulations in the relevant jurisdictions, any member of the CLSA Group may at any time offer or provide its services to, or engage in any transactions (on its own account or otherwise) with our Company and/or our affiliates, hold long or short positions, and may trade or otherwise effect transactions for its own account or the accounts of its other customers in debt or equity securities or senior loans of our Company and/or our affiliates.

## 11. CONFLICTS OF INTEREST (Cont'd)

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As at the LPD, CLSA is of the view that there is no conflict of interest situation, in accordance with its internal compliance policies, in its capacity as Joint Global Coordinator and Joint Bookrunner for our IPO.

### 11.2.4 Declaration by RHB IB

RHB IB and its related and associated companies ("**RHB Banking Group**"), form a diversified financial group and engage in private banking, commercial banking and investment banking transactions which include, among others, brokerage, securities trading, assets and fund management as well as credit transaction services. The RHB Banking Group has engaged and may in the future engage in transactions with and perform services for our Group, in addition to the roles set out in this Prospectus.

In addition, any member of the RHB Banking Group may at any time, in the ordinary course of business, offer to provide its services or to engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders, our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the RHB Banking Group generally acting independently of each other and accordingly, there may be situations where parts of the RHB Banking Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of our Group. The related companies of RHB IB may also bid for our Shares to be offered under the Institutional Offering.

As at the LPD, the RHB Banking Group has not extended credit facilities to our Group in its ordinary course of business.

RHB IB confirms that it is not aware of any circumstance that exists or is likely to exist to give rise to a conflict of interest situation in its capacity as Joint Bookrunner and Joint Underwriter for our IPO.

### 11.2.5 Declaration by KPMG PLT

KPMG PLT confirms that there is no existing or potential conflict of interest situation in its capacity as Auditors and Reporting Accountants to our Company in relation to our IPO.

### 11.2.6 Declaration by Albar & Partners

Albar & Partners confirms that there is no conflict of interest situation in its capacity as the legal adviser to our Company as to Malaysian law in relation to our IPO.

### 11.2.7 Declaration by Clifford Chance Pte Ltd

Clifford Chance Pte Ltd confirms that there is no conflict of interest situation in its capacity as the legal adviser to our Company as to United States federal securities law and English law in relation to our IPO.

### 11.2.8 Declaration by Adnan Sundra & Low

Adnan Sundra & Low confirms that there is no conflict of interest situation in its capacity as the legal adviser to the Joint Global Coordinators, Joint Bookrunners, Joint Managing Underwriters and Joint Underwriters as to Malaysian law in relation to our IPO.

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

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**11.2.10 Declaration by Allen & Overy LLP**

Allen & Overy LLP confirms that there is no conflict of interest situation in its capacity as the legal adviser to the Joint Global Coordinators and Joint Bookrunners as to United States federal securities law and English law in relation to our IPO.

**11.2.11 Declaration by Frost & Sullivan**

Frost & Sullivan confirms that there is no conflict of interest situation in its capacity as the IMR in relation to our IPO.