

10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Under the Listing Requirements, a “**related party transaction**” is a transaction entered into by a listed issuer or its subsidiaries that involves the interest, direct or interest, of a related party. A “**related party**” of a listed issuer is:

- (i) a director, having the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six months of the date on which the terms of the transaction were agreed upon, a director of the listed issuer, its subsidiaries or holding company or a chief executive of the listed issuer, its subsidiaries or holding company; or
- (ii) a major shareholder and includes any person who is or was within the preceding six months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or its subsidiaries or holding company, having an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares is:
 - (a) 10.0% or more of the total number of voting shares in the corporation; or
 - (b) 5.0% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation; or
- (iii) a person connected with such director or major shareholder.

10. RELATED PARTY TRANSACTION (Cont'd)

The table below sets out the list of the related parties who transacted with our Group during the past three FYE 31 December 2018, FYE 31 December 2019, FYE 31 December 2020, FPE 31 March 2021 and up to the LPD:

| No. | Related party | Principal activities | Nature of relationship |
|-----|---|--|--|
| 1. | Dato' Seri Ong | - | Dato' Seri Ong is our Director and major shareholder. |
| 2. | Evergreen Malaysia | Shipping agent services | <ul style="list-style-type: none"> • Evergreen Malaysia is a wholly-owned subsidiary of Peony Investment S.A. • Peony Investment S.A. is a major shareholder of our subsidiary, namely ICSD. |
| 3. | Greenpen Freight Services Sdn Bhd ("Greenpen Freight Services") | Forwarding agent, warehousing and related services | <ul style="list-style-type: none"> • Dato' Seri Ong is our Director and major shareholder. He is also a director and major shareholder of Greenpen Freight Services. • OCTSB is our major shareholder. OCTSB is also a substantial shareholder of Greenpen Freight Services. • Ong Guat Ee is our major shareholder. She is also a substantial shareholder of Greenpen Freight Services via her equity interest in OCTSB. |
| 4. | Greenpen Properties Sdn Bhd ("Greenpen Properties") | Property investment | <ul style="list-style-type: none"> • Dato' Seri Ong is our Director and major shareholder. He is also a director and major shareholder of Greenpen Properties. • OCTSB is our major shareholder. OCTSB is also a major shareholder of Greenpen Properties. • Ong Guat Ee is our major shareholder. She is also a major shareholder of Greenpen Properties via her equity interest in OCTSB. • Ooi Lean Hin is our Director and major shareholder. He is also a director of Greenpen Properties. • Peony Investment S.A. is a major shareholder of our subsidiary, namely ICSD. It is also a major shareholder of Greenpen Properties. |

10. RELATED PARTY TRANSACTION (Cont'd)

| No. | Related party | Principal activities | Nature of relationship |
|-----|---|---|--|
| 5. | MTTC | Stevedoring services, lighter operations, shipping agent services and letting of properties | <ul style="list-style-type: none"> • MTTC is our major shareholder. • Dato' Seri Ong is our Director and major shareholder. He is also a director and major shareholder of MTTC. • Ooi Lean Hin is our Director and major shareholder. He is also a director of MTTC. • Clarice Ong is our Director. She is also a director of MTTC. • OCTSB is our major shareholder. It is also a major shareholder of MTTC. • Ong Guat Ee is our major shareholder. She is also a major shareholder of MTTC via her equity interest in OCTSB. |
| 6. | Ong Chun Tee | - | Ong Chun Tee is a son of Dato' Seri Ong, our Director and major shareholder and a brother of Clarice Ong, our Director. |
| 7. | Ooi Lean Hin | - | Ooi Lean Hin is our Director and major shareholder. |
| 8. | Pac De Pac Services (Port Klang) Sdn Bhd ("Pac De Pac") | Warehousing and storage services | <ul style="list-style-type: none"> • Dato' Seri Ong is our Director and major shareholder. He is also a director and major shareholder of Pac De Pac via his equity interest in Priority Synergy Sdn Bhd ("Priority Synergy") of which Priority Synergy is a major shareholder of Pac De Pac. • Ooi Lean Hin is our Director and major shareholder. He is a director and substantial shareholder of Pac De Pac. • Chan Huan Hin is our Director. He is a director and major shareholder of Pac De Pac via his equity interest in Priority Synergy. • Lee Hock Saing is our major shareholder. He is also a shareholder of Pac De Pac. |

10. RELATED PARTY TRANSACTION (Cont'd)

| No. | Related party | Principal activities | Nature of relationship |
|-----|--|---|---|
| 9. | Perceptive Logistics | Haulage, distribution and transportation services | <ul style="list-style-type: none"> Perceptive Logistics is an indirect associated company of our Company. Dato' Seri Ong is our Director and major shareholder. He is also a director and major shareholder of Perceptive Logistics via his equity interest in Priority Haulage & Distribution Sdn Bhd ("Priority Haulage"), of which Priority Haulage is a major shareholder of Perceptive Logistics, through OCTSB. |
| | | | <ul style="list-style-type: none"> Ooi Lean Hin is our Director and major shareholder. He is also a director and substantial shareholder of Perceptive Logistics. |
| | | | <ul style="list-style-type: none"> OCTSB is our major shareholder. It is also a major shareholder of Perceptive Logistics via its equity interest in Priority Haulage. |
| | | | <ul style="list-style-type: none"> Ong Guat Ee is our major shareholder. She is also a major shareholder of Perceptive Logistics via her equity interest in Priority Haulage through OCTSB. |
| 10. | Perceptive Logistics Properties Sdn Bhd (" Perceptive Logistics Properties ") | Property investment | <ul style="list-style-type: none"> Perceptive Logistics Properties is a wholly-owned subsidiary of Evergreen Malaysia, which in turn is a wholly-owned subsidiary of Peony Investment S.A. Peony Investment S.A. is a major shareholder of our subsidiary, namely ICSD. |
| 11. | Persila Sdn Bhd (" Persila ") | Haulage and distribution services | <ul style="list-style-type: none"> Persila is a wholly-owned subsidiary of Perceptive Logistics, which in turn is an indirect associated company of our Company. Dato' Seri Ong is our Director and major shareholder. He is also a director and major shareholder of Persila via his equity interest in Perceptive Logistics. Ooi Lean Hin is our Director and major shareholder. He is also a director of Persila. OCTSB is our major shareholder. It is also a major shareholder of Persila via its equity interest in Perceptive Logistics through Priority Haulage. Ong Guat Ee is our major shareholder. She is also a major shareholder of Persila via her equity interest in Perceptive Logistics. |

10. RELATED PARTY TRANSACTION (Cont'd)

| No. | Related party | Principal activities | Nature of relationship |
|-----|--|---|--|
| 12. | Priority Cargo Sdn Bhd ("Priority Cargo") | Freight forwarding and related services | <ul style="list-style-type: none"> • Dato' Seri Ong is our Director and major shareholder. He is also a director and major shareholder of Priority Cargo via his equity interest in MTTC and OCTSB. • Ooi Lean Hin is our Director and major shareholder. He is also a director of Priority Cargo. • Clarice Ong is our Director. She is also a director of Priority Cargo. • MTTC is our major shareholder. It is also a major shareholder of Priority Cargo. • OCTSB is our major shareholder. It is also a major shareholder of Priority Cargo. • Ong Guat Ee is our major shareholder. She is also a major shareholder of Priority Cargo via her equity interest in OCTSB. |
| 13. | Priority Synergy | Freight forwarding and related services | <ul style="list-style-type: none"> • Dato' Seri Ong is our Director and major shareholder. He is also a director and major shareholder of Priority Synergy. • Ooi Lean Hin is our Director and major shareholder. He is also a major shareholder of Priority Synergy. • Chan Huan Hin is our Director. He is also a director and major shareholder of Priority Synergy. • Clarice Ong is our Director. She is also a director of Priority Synergy. • MTTC is our major shareholder. It is also a major shareholder of Priority Synergy via its equity interest in Priority Cargo, of which Priority Cargo is a major shareholder of Priority Synergy. • OCTSB is our major shareholder. It is also a major shareholder of Priority Synergy via its equity interest in Priority Cargo. • Ong Guat Ee is our major shareholder. She is also a major shareholder of Priority Synergy via her equity interest in OCTSB. |

10. RELATED PARTY TRANSACTION (Cont'd)

| No. | Related party | Principal activities | Nature of relationship |
|-----|--|---------------------------------------|--|
| 14. | Round-the-World Logistics Corp Sdn Bhd ("Round-the-World") | Forwarding agent and related services | <ul style="list-style-type: none"> • Dato' Seri Ong is our Director and major shareholder. He is also a director and major shareholder of Round-the-World. • Ooi Lean Hin is our Director and major shareholder. He is also a director of Round-the-World. • OCTSB is our major shareholder. It is also a major shareholder of Round-the-World. • Ong Guat Ee is our major shareholder. She is also a major shareholder of Round-the-World via her equity interest in OCTSB. |
| 15. | Tham Yee Lan | - | Tham Yee Lan is the spouse of Ooi Lean Hin, our Director and major shareholder. |

10. RELATED PARTY TRANSACTION (Cont'd)

10.1.1 Material related party transactions

Save as disclosed below and the Acquisitions set out in Section 6.2 of this Prospectus, 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 with them for the past three FYE 31 December 2018, 31 December 2019, FYE 31 December 2020, FPE 31 March 2021 and up to the LPD:

(i) Material related party transactions that are one off and non-recurrent

Save for the Acquisitions, prior to our IPO, we have undertaken the following material non-recurrent related party transactions:

| No. | Nature of transaction | Transacting parties | FYE 31 December | | | FPE | |
|-----|--|--|-----------------------------------|-----------------------------------|------------------|------------------------------|--|
| | | | 2018 (RM'000) | 2019 (RM'000) | 2020 (RM'000) | 31 March 2021 (RM'000) | Between 1 April 2021 up to the LPD (RM'000) |
| 1. | Acquisition of ordinary shares in LP Multi Terminal by MTT Shipping of: | | | | | | |
| | (a) 1,500,000 ordinary shares in LP Multi Terminal, representing 30.00% equity interest in LP Multi Terminal, from Ooi Lean Hin on 28 March 2019 via cash consideration. | MTT Shipping (buyer) and Ooi Lean Hin (seller) | - | 1,485 | - | - | - |
| | | | | Represents 0.5% of our Group's NA | | | |
| | (b) 1,000,000 ordinary shares in LP Multi Terminal, representing 20.00% equity interest in LP Multi Terminal, from Tham Yee Lan on 16 May 2018 via cash consideration. | MTT Shipping (buyer) and Tham Yee Lan (seller) | 1,000 | - | - | - | - |
| | | | Represents 0.4% of our Group's NA | | | | |
| | (c) 1,050,000 ordinary shares in LP Multi Terminal, representing 21% equity interest in LP Multi Terminal on 16 May 2018 from Ong Chun Tee via cash consideration. | MTT Shipping (buyer) and Ong Chun Tee (seller) | 1,050 | - | - | - | - |
| | | | Represents 0.4% of our Group's NA | | | | |

10. RELATED PARTY TRANSACTION (Cont'd)

| No. | Nature of transaction | Transacting parties | FYE 31 December | | FPE | | |
|-----|---|--|-----------------------------------|--|------------------|------------------------------|--|
| | | | 2018 (RM'000) | 2019 (RM'000) | 2020 (RM'000) | 31 March 2021 (RM'000) | Between 1 April 2021 up to the LPD (RM'000) |
| | (d) 950,000 ordinary shares in LP Multi Terminal, representing 19% equity interest in LP Multi Terminal on 16 August 2019, from Ong Chun Tee via cash consideration. | MTT Shipping (buyer) and Ong Chun Tee (seller) | - | 950 Represents 0.3% of our Group's NA | - | - | - |
| 2. | Acquisition of ordinary shares in MTT Realty Holdings by MTT Shipping of: | | | | | | |
| | (a) one ordinary share in MTT Realty Holdings, representing less than 0.001% equity interest in MTT Realty Holdings, from Ooi Lean Hin on 10 December 2018 via cash consideration. | MTT Shipping (buyer) and Ooi Lean Hin (seller) | RM1.00 | - | - | - | - |
| | (b) 2,449,999 ordinary shares in MTT Realty Holdings, representing approximately 49.0% equity interest in MTT Realty Holdings, from Dato' Seri Ong on 10 December 2018 via cash consideration. | MTT Shipping (buyer) and Dato' Seri Ong (seller) | (¹)2,450 | - | - | - | - |
| | | | Represents 0.9% of our Group's NA | | | | |
| 3. | Acquisition by MTT Shipping of one ordinary share in MTT Shipping Perawang, then representing 100% equity interest in MTT Shipping Perawang, from Ooi Lean Hin on 24 October 2018 via cash consideration. | MTT Shipping (buyer) and Ooi Lean Hin (seller) | RM1.00 | - | - | - | - |

10. RELATED PARTY TRANSACTION (Cont'd)

| No. | Nature of transaction | Transacting parties | FYE 31 December | | | FPE | |
|-----|---|---|--|------------------|------------------|------------------------------|--|
| | | | 2018 (RM'000) | 2019 (RM'000) | 2020 (RM'000) | 31 March 2021 (RM'000) | Between 1 April 2021 up to the LPD (RM'000) |
| 4. | Purchase of a parcel of industrial land and building by ICSD from Perceptive Logistics Properties. Refer to Note (2) for the salient terms of the sale and purchase agreement for the aforesaid transaction. | ICSD (buyer) and Perceptive Logistics Properties (seller) | 31,800 Represents 11.3% of our Group's NA | - | - | - | - |
| 5. | Purchase of liquid tank containers which are used for our depot operations by our Group from Perceptive Logistics. | Our Group (buyer) and Perceptive Logistics (seller) | - | - | (3)23 | - | - |
| 6. | Purchase of office cabin by MTT Shipping from Greenpen Freight Services | MTT Shipping (buyer) and Greenpen Freight Services (seller) | - | - | 12 | - | - |
| | | | | | | | Negligible contribution to our Group's NA Negligible contribution to our Group's NA |

10. RELATED PARTY TRANSACTION (Cont'd)

Notes:

- (1) Approximately RM2,377,000 was paid in FYE 31 December 2019.
- (2) Sale and purchase agreement dated 25 July 2018 between Perceptive Logistics Properties and ICSD for the purchase of a parcel of industrial land and building known as Lot 4-A and Lot 4-B, Lingkar Sultan Mohamed 2, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor by ICSD from Perceptive Logistics Properties for a total purchase consideration of RM31,800,000 in cash ("Acquisition of Port Klang Yard"). As at the LPD, the Acquisition of Port Klang Yard has been completed.
- (3) Approximately RM13,000 was paid in FPE 31 March 2021.

(ii) Material related party transactions that are recurrent in nature

| No. | Nature of transaction | Transacting parties | FYE 31 December | | | FPE 31 March 2021 (RM'000) | Between 1 April 2021 up to the LPD (RM'000) |
|-----|---|---|---|---|--|--|--|
| | | | 2018 (RM'000) | 2019 (RM'000) | 2020 (RM'000) | | |
| 1. | Provision of freight services by MTT Shipping to: | | | | | | |
| (a) | Greenpen Services | Freight MTT Shipping (supplier) and Greenpen Freight Services (customer) | 14,698 Represents 2.7% of our Group's revenue | 12,978 Represents 2.5% of our Group's revenue | 14,876 Represents 2.9% of our Group's revenue | 3,430 Represents 2.0% of our Group's revenue | 3,144 Represents 1.9% of our Group's revenue |
| (b) | Priority Cargo | MTT Shipping (supplier) and Priority Cargo (customer) | 9 Negligible contribution to our Group's revenue | 5 Negligible contribution to our Group's revenue | 10 Negligible contribution to our Group's revenue | 50 Negligible contribution to our Group's revenue | 21 Negligible contribution to our Group's revenue |

10. RELATED PARTY TRANSACTION (Cont'd)

| No. | Nature of transaction | Transacting parties | FYE 31 December | | | FPE | Between 1 April 2021 up to the LPD (RM'000) |
|-----|--|--|--|--|--|---|---|
| | | | 2018 (RM'000) | 2019 (RM'000) | 2020 (RM'000) | | |
| (c) | Priority Synergy | MTT Shipping (supplier) and Priority Synergy (customer) | 13,246 Represents 2.5% of our Group's revenue | 11,142 Represents 2.2% of our Group's revenue | 11,157 Represents 2.2% of our Group's revenue | 4,082 Represents 2.4% of our Group's revenue | 6,200 Represents 3.7% of our Group's revenue |
| (d) | Round-the-World | MTT Shipping (supplier) and Round-the-World (customer) | 2,973 Represents 0.6% of our Group's revenue | 2,423 Represents 0.5% of our Group's revenue | 2,450 Represents 0.5% of our Group's revenue | 834 Represents 0.5% of our Group's revenue | 1,052 Represents 0.6% of our Group's revenue |
| 2. | Provision of container depot services by our Group to: | | | | | | |
| (a) | Pac De Pac | MTT Shipping Logistics Centre (supplier) and Pac De Pac (customer) | - | - | 16 Negligible contribution to our Group's revenue | 8 Negligible contribution to our Group's revenue | 7 Negligible contribution to our Group's revenue |
| (b) | Perceptive Logistics | Our Group (suppliers) and Perceptive Logistics (customer) | 357 Represents 0.1% of our Group's revenue | 343 Represents 0.1% of our Group's revenue | 443 Represents 0.1% of our Group's revenue | 125 Contributed 0.1% of our Group's revenue | 124 Represents 0.1% of our Group's revenue |

10. RELATED PARTY TRANSACTION (Cont'd)

| No. | Nature of transaction | Transacting parties | FYE 31 December | | | FPE | Between 1 April 2021 up to the LPD (RM'000) |
|-----|---|--|--|--|--|--|--|
| | | | 2018 (RM'000) | 2019 (RM'000) | 2020 (RM'000) | | |
| | (c) Evergreen Malaysia | ICSD (supplier) and Evergreen Malaysia (customer) | 8,106 Represents 1.5% of our Group's revenue | 7,553 Represents 1.5% of our Group's revenue | 5,400 Represents 1.0% of our Group's revenue | 1,467 Represents 0.9% of our Group's revenue | 1,417 Represents 0.8% of our Group's revenue |
| | (d) Persila | ICSD (supplier) and Persila (customer) | - | - | 42 Represents 0.01% of our Group's revenue | 17 Represents 0.01% of our Group's revenue | 17 Represents 0.01% of our Group's revenue |
| 3. | Purchase of logistics services (from port to customer premises or vice versa) by MTT Shipping from: | | | | | | |
| | (a) Greenpen Freight Services | MTT Shipping (customer) and Greenpen Freight Services (supplier) | 1,202 Represents 0.3% of our Group's direct costs | 1,386 Represents 0.3% of our Group's direct costs | 1,226 Represents 0.3% of our Group's direct costs | 310 Represents 0.3% of our Group's direct costs | 283 Represents 0.2% of our Group's direct costs |
| | (b) Priority Synergy | MTT Shipping (customer) and Priority Synergy (supplier) | 3,429 Represents 0.8% of our Group's direct costs | 3,148 Represents 0.8% of our Group's direct costs | 2,633 Represents 0.6% of our Group's direct costs | 1,270 Represents 1.0% of our Group's direct costs | 624 Represents 0.5% of our Group's direct costs |

10. RELATED PARTY TRANSACTION (Cont'd)

| No. | Nature of transaction | Transacting parties | FYE 31 December | | | FPE | Between 1 April 2021 up to the LPD |
|-----|--|--|---|---|---|---|---|
| | | | 2018 | 2019 | 2020 | | |
| | | | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| 4. | Purchase of haulage services (from port to depot) by our Group from: | | | | | | |
| | (a) Perceptive Logistics | Our Group (customer) and Perceptive Logistics (supplier) | 953 | 813 | 1,137 | 390 | 263 |
| | | | Represents 0.2% of our Group's direct costs | Represents 0.2% of our Group's direct costs | Represents 0.3% of our Group's direct costs | Represents 0.3% of our Group's direct costs | Represents 0.2% of our Group's direct costs |
| | (b) Persila | MTT Shipping (customer) and Persila (supplier) | 392 | 533 | 360 | 119 | 57 |
| | | | Represents 0.1% of our Group's direct costs | Represents 0.1% of our Group's direct costs | Represents 0.1% of our Group's direct costs | Represents 0.1% of our Group's direct costs | Negligible contribution to our Group's direct costs |
| 5. | Purchase of stevedorage services by MTT Shipping from MTTC | MTT Shipping (customer) and MTTC (supplier) | 860 | 763 | 782 | 354 | 237 |
| | | | Represents 0.2% of our Group's direct costs | Represents 0.2% of our Group's direct costs | Represents 0.2% of our Group's direct costs | Represents 0.3% of our Group's direct costs | Represents 0.2% of our Group's direct costs |

10. RELATED PARTY TRANSACTION (Cont'd)

| No. | Nature of transaction | Transacting parties | FYE 31 December | | | FPE | Between 1 April 2021 up to the LPD (RM'000) |
|-----|---|---|--|--|--|--|--|
| | | | 2018 (RM'000) | 2019 (RM'000) | 2020 (RM'000) | | |
| 6. | Purchase of agency services by MTT Shipping from Greenpen Freight Services where Greenpen Freight Services acts as the representative agent of MTT Shipping in Penang and Kuantan | Greenpen Freight Services (agent) to MTT Shipping (principal) | 1,416 Represents 0.3% of our Group's direct costs | 1,335 Represents 0.3% of our Group's direct costs | 1,562 Represents 0.4% of our Group's direct costs | 554 Represents 0.5% of our Group's direct costs | 561 Represents 0.5% of our Group's direct costs |
| 7. | Rental payable by MTT Shipping to Priority Synergy for an office premise in Port Klang Refer to Note (1) for the salient terms of the tenancy agreement between MTT Shipping and Priority Synergy | MTT Shipping (tenant) and Priority Synergy (landlord) | 66 Represents 0.2% of our administrative expenses | 66 Represents 0.2% of our administrative expenses | 66 Represents 0.2% of our administrative expenses | 17 Represents 0.2% of our administrative expenses | 17 Represents 0.2% of our administrative expenses |
| 8. | Rental payable by MTT Shipping to Greenpen Properties for an office premise in Johor Refer to Note (2) for the salient terms of the tenancy agreement between MTT Shipping and Greenpen Properties | MTT Shipping (tenant) and Greenpen Properties (landlord) | 60 Represents 0.2% of our administrative expenses | 60 Represents 0.1% of our administrative expenses | 60 Represents 0.2% of our administrative expenses | 15 Represents 0.2% of our administrative expenses | 15 Represents 0.2% of our administrative expenses |

10. RELATED PARTY TRANSACTION (Cont'd)

| No. | Nature of transaction | Transacting parties | FYE 31 December | | | FPE | Between 1 April 2021 up to the LPD (RM'000) |
|-----|---|--|---|--|--|---|---|
| | | | 2018 (RM'000) | 2019 (RM'000) | 2020 (RM'000) | | |
| 9. | Rental payable and utilities charges by ICSD to Perceptive Logistics for renting of depot in Pasir Gudang | ICSD (tenant) and Perceptive Logistics (landlord) | 487 Represents 0.1% of our Group's direct costs | 426 Represents 0.1% of our Group's direct costs | 575 Represents 0.1% of our Group's direct costs | 272 Represents 0.2% of our Group's direct costs | 273 Represents 0.2% of our Group's direct costs |
| | Refer to Note (3) for the salient terms of the tenancy agreement between ICSD and Perceptive Logistics | | | | | | |
| 10. | Rental payable and utilities charges by Perceptive Logistics to ICSD for renting of depot in Port Klang | ICSD (landlord) and Perceptive Logistics (tenant) | 16 Represents 0.2% of our Group's other operating income | 519 Represents 8.4% of our Group's other operating income | 450 Represents 6.6% of our Group's other operating income | 171 Represents 14.9% of our Group's other operating income | 173 Represents 15.1% of our Group's other operating income |
| | Refer to Note (4) for the salient terms of the tenancy agreement between Perceptive Logistics and ICSD | | | | | | |
| 11. | Rental payable by ICSD to Perceptive Logistics Properties for renting of depot in Port Klang | ICSD (tenant) and Perceptive Logistics Properties (landlord) | 739 Represents 0.2% of our Group's direct costs | - | - | - | - |
| | Refer to Note (5) for the salient terms of the tenancy agreement between ICSD and Perceptive Logistics Properties | | | | | | |

10. RELATED PARTY TRANSACTION (Cont'd)

Notes:

- (1) Tenancy agreement dated 1 January 2011 between Priority Synergy (landlord) and MTT Shipping (tenant) for the rent of the premise known as No. 16, Jalan Sungai Aur/KS 4, 42000 Port Klang, Selangor Darul Ehsan, by MTT Shipping for a tenancy period of three years, commencing from 1 January 2011 and expiring on 31 December 2014 at a monthly rental of RM5,500. The tenancy was subsequently extended through the execution of tenancy extension agreements by both parties dated 1 January 2015, 1 January 2018, 1 January 2020 and 1 January 2021. Pursuant to the latest tenancy extension agreement dated 1 January 2021, the tenancy period is extended to 31 December 2021 at a monthly rental of RM5,500, with all the terms, conditions and provisions of the tenancy agreement dated 1 January 2011 incorporated therein.
 - (2) Tenancy agreement dated 1 January 2018 between Greenpen Properties (landlord) and MTT Shipping (tenant) for the rent of the premise known as Ground & 1st Floor, No. 10, Jalan Permas 10/9, Bandar Baru Permas Jaya, 81750 Masai, Johor Bahru, Johor Darul Takzim, by MTT Shipping for a tenancy period of three years, commencing from 1 January 2018 and expired on 31 December 2020 at a monthly rental of RM5,000. The parties subsequently executed a new tenancy agreement dated 1 January 2021 for the rent of the same premise by MTT Shipping, for a tenancy period of one year, commencing from 1 January 2021 and expiring on 31 December 2021, at a monthly rental of RM5,000.
 - (3) Perceptive Logistics (landlord) granted ICSD (tenant) a rent of an approximately 366,290 square feet in area on part of the land known as PLO 699, Zone 12, Jalan Keluli 8, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor Darul Takzim by ICSD for a tenancy period of one year, commencing from 1 January 2018 to 31 December 2018 at a monthly rental of RM34,848. The parties have subsequently entered into a land rental agreement dated 1 January 2019 to record such tenancy arrangement in writing and extended the rent of such demised premises for another tenancy period of one year, commencing from 1 January 2019 to 31 December 2019 at a monthly rental of RM34,848. Following the expiry of the tenancy period of 31 December 2019, ICSD continued with the tenancy arrangement in respect of such demised premises on monthly basis at a monthly rental of RM34,848 from 1 January 2020 to 31 December 2020. ICSD has rented an additional land area of approximately 59,718 square feet on part of the same land at an additional monthly rental of RM14,930 from 1 January 2020 to 31 October 2020. From 1 November 2020 to 31 December 2020, ICSD has rented an additional land area of approximately 14,850 square feet at an additional monthly rental of RM3,713.
 - (4) The parties have subsequently entered into a land rental agreement dated 1 January 2021 to extend the rental of an approximately 363,290 square feet in area on part of the same land for another tenancy period of one year, commencing from 1 January 2021 to 31 December 2021, at a revised monthly rental of RM90,822.
- (4) Land rental agreement dated 1 January 2019 between ICSD (landlord) and Perceptive Logistics (tenant) for the rent of an approximately 5.31 acres in area on part of the land known as Lot 4-B, Lingkar Sultan Mohamed 2, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan, by ICSD for a tenancy period of three years, commencing from 1 January 2019 and expiring on 31 December 2021, at a monthly rental of RM36,000. The aforementioned tenancy agreement was subsequently amended via the execution of a letter dated 1 October 2019 to a revised monthly rental of RM29,000, together with a reduced rent area of 3.47 acres, effective from 1 October 2019 to 30 September 2020. Following the expiry of the tenancy on 30 September 2020, Perceptive Logistics continued with the tenancy arrangement in respect of a revised rent area of approximately 4.44 acres at a monthly rental of RM29,000 until 31 December 2020.
- The parties have subsequently terminated the afore-mentioned tenancy agreement dated 1 January 2019 and entered into a land rental agreement dated 1 January 2021 to record the rent of a revised rent area of 3.6 acres on part of the same land for a tenancy period of one year, commencing from 1 January 2021 to 31 December 2021, at a monthly rental of RM49,000.

10. RELATED PARTY TRANSACTION (Cont'd)

- (5) *Prior to the completion of the Acquisition of Port Klang Yard, ICSD (tenant) rented Lot 4-A, Lingkaran Sultan Mohamed 2, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan from Perceptive Logistics Properties (landlord) on a monthly basis at a monthly rental of RM64,000 from 1 January 2018 to 30 November 2018 and an apportioned rental of RM35,096.77 from 1 December 2018 to 17 December 2018 respectively.*

Our Directors confirm that all the above related party transactions were carried out on arm's length basis as the respective considerations were fixed at the prevailing market rate and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties and are 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 involves the interest, direct or indirect, of our Directors, major shareholders and/or persons connected to them but not yet affected 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 such related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders to enter into these 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 our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Committee will, among others, supervise and monitor any recurrent related party transaction and the terms thereof and report to our Board for further action. Where necessary, our Board would make appropriate disclosure in our annual report with regard to any recurrent related party transaction entered into by us.

10. RELATED PARTY TRANSACTION (Cont'd)

10.1.2 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 our Group was a party for the past three FYE 31 December 2018, FYE 31 December 2019, FYE 31 December 2020, FPE 31 March 2021 and up to the LPD.

10.1.3 Material outstanding loans and financial assistance (including guarantees of any kind) made to or for the benefit of related parties

Our Group has not granted any loans or financial assistance (including guarantees of any kind) to or for the benefit of our related parties in respect of the past three FYE 31 December 2018, FYE 31 December 2019, FYE 31 December 2020, FPE 31 March 2021 and up to the LPD.

10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS**10.2.1 Audit Committee review**

The Audit Committee reviews related party transactions and conflicts of interest situations that may arise within our Company or Group. The Audit Committee reviews the procedures set by our Company to monitor related party transactions to ensure the integrity of these transactions, procedures or course of conducts. In reviewing the related party transactions, the following, among other things, will be considered:

- (a) the rationale and the cost/benefit to our Company is first considered;
- (b) where possible, comparative quotes will be taken into consideration;
- (c) 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
- (d) that the transactions are not detrimental to our Company's non-interested shareholders.

All reviews by the 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 conflict of interest 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 public dealing at arm's length with our Group and are not detrimental to 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 situation and intend for the framework to be guided by the Listing Requirements and MCGG upon our Listing. The procedures which may form part of the framework including, among other things, 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;

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

- (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 the Audit Committee for evaluation and assessment who would in turn, make a recommendation to our Board.