
10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, subject to certain exemptions, a “related party transaction” is a transaction entered into by a listed issuer or its subsidiaries, which involves the interest, direct or indirect, of a related party. A “related party” is defined as a director, major shareholder or person connected with such director or major shareholder (including a person who is or was a director or major shareholder within the preceding 6 months before the transaction was entered into). “Major shareholder” means a shareholder with a shareholding of 10% or more (or 5% or more where such person is the largest shareholder in the company) of all the voting shares in the company.

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10. RELATED PARTY TRANSACTIONS (CONT'D)

10.1.1 Material Related Party Transactions

Save for the Acquisitions and disclosed below, our Group has not entered into nor proposes to enter into any material related party transactions for the Financial Years Under Review up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	From 1 June 2023 and up to the LPD RM'000
1.	<ul style="list-style-type: none"> Orient Biotech Dutch Dairy 	<ul style="list-style-type: none"> Orient Biotech is a wholly-owned subsidiary of OB Holdings ES Teoh and CT Wong are Directors and major shareholders of OB Holdings Lee Bao Yu is a Director of OB Holdings Teoh Eng Hua was a director and shareholder of Dutch Dairy Teoh Eng Hua is the brother of ES Teoh, being a Director and major shareholder of OB Holdings ES Teoh and CT Wong were shareholders of Dutch Dairy 	<ul style="list-style-type: none"> (i) Sales of milk powder by Orient Biotech to Dutch Dairy ⁽¹⁾ (ii) Rental income received by Orient Biotech from Dutch Dairy ⁽²⁾ 	<p>2,251 (7.57% of the Group's revenue)</p> <p>3 (0.05% of the Group's PBT)</p>	<p>2,813 (6.46% of the Group's revenue)</p> <p>4 (0.04% of the Group's PBT)</p>	<p>883 (1.90% of the Group's revenue)</p> <p>1 (0.01% of the Group's PBT)</p>	-

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	From 1 June 2023 and up to the LPD RM'000
		<ul style="list-style-type: none"> ES Teoh and Lee Bao Yu were directors of Dutch Dairy 					
2.	<ul style="list-style-type: none"> Orient Biotech Vegecaps Supplies Sdn Bhd (“Vegecaps Supplies”) 	<ul style="list-style-type: none"> Orient Biotech is a wholly-owned subsidiary of OB Holdings Teoh Eng Hua is a director and sole shareholder of Vegecaps Supplies Teoh Eng Hua is the brother of ES Teoh, being a Director and major shareholder of OB Holdings 	<ul style="list-style-type: none"> (i) Purchase of food ingredients by Orient Biotech from Vegecaps Supplies (ii) Sales of raw materials from Orient Biotech to Vegecaps Supplies (iii) Purchase of machines by Orient Biotech from Vegecaps Supplies 	<p>34 (0.19% of the Group's cost of sales)</p> <p>-</p> <p>-</p>	<p>221 (0.87% of the Group's cost of sales)</p> <p>-</p> <p>442 (1.63% of the Group's NA)</p>	<p>263 (0.96% of the Group's cost of sales)</p> <p>12 (0.03% of the Group's revenue)</p> <p>-</p>	<p>-</p> <p>-</p> <p>-</p>
3.	<ul style="list-style-type: none"> Orient Laboratories Dutch Dairy 	<ul style="list-style-type: none"> Orient Laboratories is a wholly-owned subsidiary of OB Holdings ES Teoh and CT Wong are Directors and major shareholders of OB Holdings Lee Bao Yu is a Director of OB Holdings 	<ul style="list-style-type: none"> (i) Rental income received by Orient Laboratories from Dutch Dairy ⁽³⁾ (ii) Purchase of Habbatus Sauda Oil by Orient Laboratories from Dutch Dairy 	<p>108 (1.68% of the Group's PBT)</p> <p>50 (0.28% of the Group's cost of sales)</p>	<p>108 (1.00% of the Group's PBT)</p> <p>-</p>	<p>9 (0.07% of the Group's PBT)</p> <p>-</p>	<p>-</p> <p>-</p>

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	From 1 June 2023 and up to the LPD RM'000
		<ul style="list-style-type: none"> Teoh Eng Hua was a director and shareholder of Dutch Dairy Teoh Eng Hua is the brother of ES Teoh, being a Director and major shareholder of OB Holdings ES Teoh and CT Wong were shareholders of Dutch Dairy ES Teoh and Lee Bao Yu were directors of Dutch Dairy 					
4.	<ul style="list-style-type: none"> Orient Laboratories Vegecaps Supplies 	<ul style="list-style-type: none"> Orient Laboratories is a wholly-owned subsidiary of OB Holdings Teoh Eng Hua is a director and sole shareholder of Vegecaps Supplies Teoh Eng Hua is the brother of ES Teoh, being a Director and major shareholder of OB Holdings 	Purchase of food ingredients by Orient Laboratories from Vegecaps Supplies	-	-	3 (0.01% of the Group's cost of sales)	12

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2021	FYE 2022	FYE 2023	From 1 June 2023 and up to the LPD
				RM'000	RM'000	RM'000	RM'000
5.	<ul style="list-style-type: none"> Orient Biotech ES Teoh 	<ul style="list-style-type: none"> Orient Biotech is a wholly-owned subsidiary of OB Holdings ES Teoh is a Director and major shareholder of OB Holdings 	(i) Rental expenses paid by Orient Biotech to ES Teoh ⁽⁴⁾	12 (0.19% of the Group's PBT)	12 (0.11% of the Group's PBT)	17 (0.14% of the Group's PBT)	8
			(ii) Disposal of motor vehicles to ES Teoh	-	-	79 (0.64% of the Group's PBT)	-
6.	<ul style="list-style-type: none"> Orient Biotech Der Abakus Sdn Bhd ("Der Abakus") 	<ul style="list-style-type: none"> Orient Biotech is a wholly-owned subsidiary of OB Holdings Teoh Eng Hua is a director and shareholder of Der Abakus with 40.00% direct equity interest Teoh Eng Hua is the brother of ES Teoh, being a Director and major shareholder of OB Holdings 	Sales of fortified F&B by Orient Biotech to Der Abakus	3,378 (11.37% of the Group's revenue)	9,806 (22.51% of the Group's revenue)	13,317 (28.67% of the Group's revenue)	2,067
7.	<ul style="list-style-type: none"> Orient Biotech B Bintang 	<ul style="list-style-type: none"> Orient Biotech is a wholly-owned subsidiary of OB Holdings Lee Bao Yu is a Director of OB Holdings 	Sales of fortified F&B and dietary supplements by Orient Biotech to B Bintang	281 (0.95% of the Group's revenue)	159 (0.37% of the Group's revenue)	24 (0.05% of the Group's revenue)	-

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	From 1 June 2023 and up to the LPD RM'000
		<ul style="list-style-type: none"> • Lim Nai Tiang is a director and sole shareholder of B Bintang • Lim Nai Tiang is the sister-in-law of ES Teoh, being a Director and major shareholder of OB Holdings • Lee Bao Yu was director and shareholder of B Bintang ⁽⁵⁾ 					
8.	<ul style="list-style-type: none"> • Orient Biotech • Famp 	<ul style="list-style-type: none"> • Orient Biotech is a wholly-owned subsidiary of OB Holdings • ES Teoh is a Director and major shareholder of OB Holdings • ES Teoh was director and shareholder of Famp ⁽⁶⁾ 	Sales of fortified F&B by Orient Biotech to Famp	26 (0.09% of the Group's revenue)	23 (0.05% of the Group's revenue)	-	-
9.	<ul style="list-style-type: none"> • Orient Biotech • Petavit Sdn Bhd ("Petavit") 	<ul style="list-style-type: none"> • Orient Biotech is a wholly-owned subsidiary of OB Holdings • Lee Bao Yu is a Director of OB Holdings 	Sales of fortified F&B by Orient Biotech to Petavit	-	39 (0.09% of the Group's revenue)	193 (0.42% of the Group's revenue)	-

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	From 1 June 2023 and up to the LPD RM'000
		<ul style="list-style-type: none"> Lee Bao Yu was director and shareholder of Petavit ⁽⁷⁾ 					
10.	<ul style="list-style-type: none"> Orient Biotech Petavit Marketing 	<ul style="list-style-type: none"> Orient Biotech is a wholly-owned subsidiary of OB Holdings Lee Bao Yu is a Director of OB Holdings Lee Bao Yu was the sole proprietor of Petavit Marketing ⁽⁸⁾ 	Sales of fortified F&B by Orient Biotech to Petavit Marketing	13 (0.04% of the Group's revenue)	315 (0.72% of the Group's revenue)	-	-
11.	<ul style="list-style-type: none"> Bonlife Der Abakus 	<ul style="list-style-type: none"> Bonlife is a wholly-owned subsidiary of OB Holdings Teoh Eng Hua is a director and shareholder of Der Abakus with 40.00% direct equity interest Teoh Eng Hua is the brother of ES Teoh, being a Director and major shareholder of OB Holdings 	Sales of dietary supplements by Bonlife to Der Abakus	-	-	2 (0.004% of the Group's revenue)	

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	From 1 June 2023 and up to the LPD RM'000
12.	<ul style="list-style-type: none"> • Bonlife • Petavit 	<ul style="list-style-type: none"> • Bonlife is a wholly-owned subsidiary of OB Holdings • Lee Bao Yu is a Director of OB Holdings • Lee Bao Yu was director and shareholder of Petavit ⁽⁷⁾ 	<ul style="list-style-type: none"> (i) Sales of fortified F&B by Bonlife to Petavit (ii) Rental income received by Bonlife from Petavit ⁽⁹⁾ 	-	-	1 (0.002% of the Group's revenue)	-
				-	-	4 (0.03% of the Group's PBT)	-
13.	<ul style="list-style-type: none"> • Bonlife • Dutch Dairy 	<ul style="list-style-type: none"> • Bonlife is a wholly-owned subsidiary of OB Holdings • ES Teoh and CT Wong are Directors and major shareholders of OB Holdings • Lee Bao Yu is a Director of OB Holdings • Teoh Eng Hua was a director and shareholder of Dutch Dairy • Teoh Eng Hua is the brother of ES Teoh, being a Director and major shareholder of OB Holdings 	Rental income received by Bonlife from Dutch Dairy ⁽¹⁰⁾	-	-	1 (0.01% of the Group's PBT)	-

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	From 1 June 2023 and up to the LPD RM'000
		<ul style="list-style-type: none"> ES Teoh and CT Wong were shareholders of Dutch Dairy ES Teoh and Lee Bao Yu were directors of Dutch Dairy 					
14.	<ul style="list-style-type: none"> Bonlife Teoh Eng Hua 	<ul style="list-style-type: none"> Bonlife is a wholly-owned subsidiary of OB Holdings Teoh Eng Hua is the brother of ES Teoh, being a Director and major shareholder of OB Holdings 	Sales of fortified F&B and dietary supplements by Bonlife to Teoh Eng Hua	-	7 (0.02% of the Group's revenue)	7 (0.02% of the Group's revenue)	4
15.	<ul style="list-style-type: none"> Orient Biotech Special Gain 	<ul style="list-style-type: none"> Orient Biotech is a wholly-owned subsidiary of OB Holdings ES Teoh and CT Wong are Directors and major shareholders of OB Holdings ES Teoh and CT Wong are directors and shareholders of Special Gain, each having 50.00% direct equity interest, respectively 	Disposal of 2 pieces of leasehold lands together with a factory erected thereon by Orient Biotech to Special Gain ⁽¹⁾	-	-	570 (2.13% of the Group's NA)	-

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	From 1 June 2023 and up to the LPD RM'000
16.	<ul style="list-style-type: none"> • Orient Laboratories • Special Gain 	<ul style="list-style-type: none"> • Orient Laboratories is a wholly-owned subsidiary of OB Holdings • ES Teoh and CT Wong are Directors and major shareholders of OB Holdings • ES Teoh and CT Wong are directors and shareholders of Special Gain, each having 50.00% direct equity interest, respectively 	<p>Disposal of 2 pieces of freehold agricultural lands by Orient Laboratories to Special Gain ⁽¹²⁾</p>	-	-	7,530 (28.09% of the Group's NA)	-
17.	<ul style="list-style-type: none"> • Orient Biotech • Teoh Wei Chin and Lee Bao Yu 	<ul style="list-style-type: none"> • Orient Biotech is a wholly-owned subsidiary of OB Holdings • Teoh Wei Chin is the spouse of Lee Bao Yu, and the son of ES Teoh and CT Wong. ES Teoh and CT Wong are the father-in-law and mother-in-law of Lee Bao Yu • ES Teoh and CT Wong are Directors and major shareholders of OB Holdings 	<p>Disposal of a piece of leasehold land together with a 3 storey terrace factory by Orient Biotech to Teoh Wei Chin and Lee Bao Yu ⁽¹³⁾</p>	-	-	1,080 (4.03% of the Group's NA)	-

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	From 1 June 2023 and up to the LPD RM'000
		<ul style="list-style-type: none"> Lee Bao Yu is a Director of OB Holdings 					
18.	<ul style="list-style-type: none"> Orient Laboratories Teoh Wei Chin 	<ul style="list-style-type: none"> Orient Laboratories is a wholly-owned subsidiary of OB Holdings Teoh Wei Chin is the son of ES Teoh and CT Wong ES Teoh and CT Wong are Directors and major shareholders of OB Holdings 	Disposal of a unit of retail outlet by Orient Laboratories to Teoh Wei Chin ⁽¹⁴⁾	-	-	1,650 (6.16% of the Group's NA)	-

10. RELATED PARTY TRANSACTIONS (CONT'D)

Notes:

- (1) The principal activity of Dutch Dairy is trading of milk powder, for which Dutch Dairy trades milk powder to third party manufacturers. Our Group no longer sells milk powder to Dutch Dairy since 1 November 2022. On the even date, the business of trading of milk powder to third party manufacturers has ceased and the trading of milk powder is now carried out by Orient Biotech. Subsequently, ES Teoh and CT Wong had disposed of their entire equity interest in Dutch Dairy to Tay Shing Yang, an independent third party on 23 August 2023.
- (2) Our Group rented an office located at No. A-1-29, 162 Residency, KM12, Jalan Ipoh-Rawang, 68100 Batu Caves, Selangor from a third party. Our Group sublets a part of the office area to Dutch Dairy since 1 October 2020 and the rental arrangement had ceased on 30 September 2022.
- (3) Dutch Dairy had rented a retail unit located at Unit 1-85, Kompleks Kenanga Wholesale City, No. 2, Jalan Gelugor, 55200 Kuala Lumpur ("**Kenanga Wholesale City Unit 1-85**") from our Group continuously for 3 years commencing from 1 July 2019 until 30 June 2022 pursuant to the letters signed between Orient Laboratories (as landlord) and Dutch Dairy (as tenant) at a monthly rental of RM9,000.00. Despite the absence of termination provisions in the said letters, the rental arrangement had ceased on 30 June 2022 based on mutual agreement.
- (4) Our Group had rented an office premise located at C1-13A, 162 Residency, KM12, Jalan Ipoh-Rawang, 68100 Batu Caves, Selangor Darul Ehsan from ES Teoh for a term of 1 year from 1 June 2021 until 31 May 2022 and subsequently for a term of 2 years commencing from 1 June 2022 until 31 May 2024 pursuant to a tenancy agreement dated 1 June 2021 and 1 June 2022 (as supplemented by a supplemental letter dated 27 September 2023), respectively between ES Teoh (as landlord) and Orient Biotech (as tenant). The monthly rental is RM1,000.00 from 1 June 2021 to 31 December 2022, RM2,000.00 from 1 January 2023 to 30 September 2023 and RM2,900.00 from 1 October 2023 to 31 May 2024.
- (5) Lee Bao Yu had disposed of her entire equity interest in B Bintang to Pui Jin Kong, a third party on 8 November 2022. She also ceased to be a director of B Bintang on 5 October 2022. The transactions entered between our Group and B Bintang subsequent to 8 November 2022 are not shown as B Bintang is no longer a related party to the Directors, major shareholders and/or persons connected with them.
- (6) ES Teoh had disposed of his entire equity interest in Famp to Teoh Wei Ken, nephew of ES Teoh on 2 November 2021. He also ceased to be a director of Famp on 18 October 2021. The transactions entered between the Group and Famp subsequent to 2 November 2021 are not shown as Famp is no longer a related party to the Directors, major shareholders and/or persons connected with them.
- (7) Lee Bao Yu had disposed of her entire equity interest in Petavit to Lim Senny, a third party on 31 May 2023. She also ceased to be a director of Petavit on 31 May 2023.
- (8) The business registration of Petavit Marketing had expired on 7 February 2023 and Lee Bao Yu has no intention to renew the business registration.
- (9) Our Group rented an office located at No. A-1-29, 162 Residency, KM12, Jalan Ipoh-Rawang, 68100 Batu Caves, Selangor from a third party. Bonlife sublets a part of the office area to Petavit since 1 November 2022 and the rental arrangement had ceased on 31 May 2023.
- (10) Our Group rented an office located at No. A-1-29, 162 Residency, KM12, Jalan Ipoh-Rawang, 68100 Batu Caves, Selangor from a third party. Bonlife sublets a part of the office area to Dutch Dairy since 1 October 2022 and the rental arrangement had ceased on 31 December 2022.

10. RELATED PARTY TRANSACTIONS (CONT'D)

- (11) Orient Biotech (as vendor) had entered into a sale and purchase agreement dated 28 October 2022 with Special Gain (as purchaser) for the disposal of 2 pieces of leasehold lands held under PM 284 Lot 3356 and PM 285 Lot 3357, both in Mukim Jasin, District of Jasin, State of Melaka, measuring 366 sq. mt., respectively, together with a factory erected thereon at a purchase price of RM570,000.00, which was arrived at on a willing-buyer willing-seller basis after taking into consideration the market value of the properties of RM570,000.00 as appraised by an independent valuer on 17 August 2022. This transaction was completed on 2 November 2022.
- (12) Orient Laboratories (as vendor) had entered into 2 sale and purchase agreements dated 20 September 2022 with Special Gain (as purchaser) for the disposal of freehold agriculture vacant lands held under Geran Mukim 5439, Lot 1344, Mukim Rawang, District of Gombak, State of Selangor measuring 1.2014 hectares and Geran Mukim 8061, Lot 86003, Mukim Rawang, District of Gombak, State of Selangor measuring 0.8183 hectares at the purchase price of RM4,530,000.00 and RM3,000,000.00, respectively. Both lands are adjacent to each other. The purchase consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration the market value of the properties of RM7,530,000.00 as appraised by an independent valuer on 16 June 2022. This transaction was completed on 30 September 2022.
- (13) Orient Biotech (as vendor) had entered into a sale and purchase agreement dated 14 March 2023 with Teoh Wei Chin and Lee Bao Yu (as purchasers) for the disposal of all that piece of leasehold land held under H.S.(M) 17969, PT 29434, Mukim Batu, District of Gombak, State of Selangor together with a 3 storey terrace factory erected thereon at the purchase price of RM1,080,000.00, which was arrived at on a willing-buyer willing-seller basis after taking into consideration the market value of the property of RM1,080,000.00 as appraised by an independent valuer on 6 March 2023. This transaction was completed on 12 May 2023.
- (14) Orient Laboratories (as vendor) had entered into a sale and purchase agreement dated 1 December 2022 with Teoh Wei Chin (as purchaser) for the disposal of all that parcel of retail unit held under strata title Geran 73333/M1/2/220, Petak No. 220, Tingkat No. 2, Bangunan No. M1, Lot 1283 Seksyen 69, Bandar Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring 60 sq. mt. (or **Kenanga Wholesale City Unit 1-85**) at the purchase price of RM1,650,000.00, which was arrived at on a willing-buyer willing-seller basis after taking into consideration the market value of the property of RM1,650,000.00 as appraised by an independent valuer on 1 November 2022. This transaction was completed on 1 December 2022.

Save as disclosed below, the Directors confirm that all the other related party transactions between our Group and our Directors and/or major shareholders and/or persons connected to them, were transacted on an arm's length basis and on normal commercial terms which are not unfavourable to our Group and are not detrimental to the minority shareholders:

- (i) The transactions with Dutch Dairy as set out in item 1(i) were not carried out on arm's length as the selling price for Dutch Dairy is lower than the market price. This is due to Orient Biotech and Dutch Dairy were held by common shareholders, i.e. ES Teoh and CT Wong. However, as set out in note (1) above, ES Teoh and CT Wong had disposed of their entire equity interest in Dutch Dairy to Tay Shing Yang, an independent third party on 23 August 2023. Based on the audited financial statement of Dutch Dairy for FYE 31 May 2023, Dutch Dairy had ceased the business of trading in milk powder to third party manufacturers on 31 October 2022. Since 1 November 2022, the trading of milk powder is carried out by Orient Biotech;
- (ii) The transaction with ES Teoh as set out in item 5 was not carried out on arm's length as Orient Biotech rented the office premise from ES Teoh at a rate lower than the market rate prior to 30 September 2023. From 1 October 2023 onwards, both parties have entered into a supplemental letter to revise the monthly rental from RM2,000.00 to RM2,900.00 on arm's length basis; and

10. RELATED PARTY TRANSACTIONS (CONT'D)

- (iii) The transactions with Dutch Dairy as set out in items 1(ii) and 13, and the transaction with Petavit as set out in item 12(ii) were not carried out on arm's length as our Group sublet part of the office to the related companies for which the shared working space were not quantifiable. However, the arrangements to sublet part of our Group's office premise to Dutch Dairy and Petavit had ceased as at LPD.

10.2 RELATED PARTY TRANSACTIONS THAT ARE UNUSUAL IN NATURE OR CONDITIONS

Our Directors have confirmed that there are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Company and/or any of our subsidiaries were party for the Financial Years Under Review and up to the LPD.

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10. RELATED PARTY TRANSACTIONS (CONT'D)

10.3 OUTSTANDING LOANS AND/OR FINANCIAL ASSISTANCE PROVIDED TO OR FOR THE BENEFIT OF RELATED PARTIES OR BY THE RELATED PARTIES

Save as disclosed below, there are no outstanding loans (including guarantees of any kind) and/or financial assistance that have been granted by our Group to or for the benefit of the related parties or by the related parties for the Financial Years Under Review and up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	Outstanding amount as at			LPD
				31 May 2021 RM'000	31 May 2022 RM'000	31 May 2023 RM'000	
1.	<ul style="list-style-type: none"> Orient Biotech Bagan Eco-Farm 	<ul style="list-style-type: none"> Orient Biotech is a wholly-owned subsidiary of OB Holdings ES Teoh and CT Wong are Directors and major shareholders of OB Holdings ES Teoh and CT Wong are directors and shareholders of Bagan Eco-Farm, each having a 37.50% and 12.50% direct equity interest, respectively Teoh Eng Sin is a director and shareholder of Bagan Eco-Farm with 12.50% direct equity interest Teoh Eng Sin is the brother of ES Teoh, being a Director and major shareholder of OB Holdings Wong Chung Low is a shareholder of Bagan Eco-Farm with 37.50% direct equity interest 	<ul style="list-style-type: none"> Advance provided by Orient Biotech to Bagan Eco-Farm for payment of expenses ⁽¹⁾ Rental collected by Orient Biotech on behalf of Bagan Eco-Farm ⁽²⁾ 	-	5	-	-
				50	-	-	-

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	Outstanding amount as at			LPD
				31 May 2021 RM'000	31 May 2022 RM'000	31 May 2023 RM'000	
		<ul style="list-style-type: none"> Wong Chung Low is the sister of CT Wong, being a Director and major shareholder of OB Holdings Yeoh Sek Phin is a director of Bagan Eco-Farm Yeoh Sek Phin is the brother in law of ES Teoh and CT Wong, being the Directors and major shareholders of OB Holdings 					
2.	<ul style="list-style-type: none"> Orient Biotech Dutch Dairy 	<ul style="list-style-type: none"> Orient Biotech is a wholly-owned subsidiary of OB Holdings ES Teoh and CT Wong are Directors and major shareholders of OB Holdings Lee Bao Yu is a Director of OB Holdings Teoh Eng Hua was a director and shareholder of Dutch Dairy Teoh Eng Hua is the brother of ES Teoh, being a Director and major shareholder of OB Holdings ES Teoh and CT Wong were shareholders of Dutch Dairy 	<ul style="list-style-type: none"> Amount payable by Dutch Dairy to Orient Biotech for the purchase of milk powder ⁽³⁾ Excess payment by Dutch Dairy for the purchase of milk powder 	52	-	-	-
				-	95	-	-

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	Outstanding amount as at			LPD
				31 May 2021 RM'000	31 May 2022 RM'000	31 May 2023 RM'000	
		<ul style="list-style-type: none"> ES Teoh and Lee Bao Yu were directors of Dutch Dairy 					
3.	<ul style="list-style-type: none"> Orient Biotech Orient Development Sdn Bhd ("Orient Development") 	<ul style="list-style-type: none"> Orient Biotech is a wholly-owned subsidiary of OB Holdings ES Teoh and CT Wong are Directors and major shareholders of OB Holdings ES Teoh and CT Wong are directors and shareholders of Orient Development, each having 50.00% direct equity interest, respectively 	Advances provided by Orient Biotech to Orient Development for working capital	306	-	-	-
4.	<ul style="list-style-type: none"> Orient Biotech ES Teoh 	<ul style="list-style-type: none"> Orient Biotech is a wholly-owned subsidiary of OB Holdings ES Teoh is a Director and major shareholder of OB Holdings 	Short-term advances provided by ES Teoh to Orient Biotech for working capital	50	92	-	-
5.	<ul style="list-style-type: none"> Orient Laboratories ES Teoh 	<ul style="list-style-type: none"> Orient Laboratories is a wholly-owned subsidiary of OB Holdings ES Teoh is a Director and major shareholder of OB Holdings 	Short-term advances provided by ES Teoh to Orient Laboratories for working capital	210	-	-	-

10. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Nature of relationship	Nature of transaction	Outstanding amount as at			LPD
				31 May 2021 RM'000	31 May 2022 RM'000	31 May 2023 RM'000	
6.	<ul style="list-style-type: none"> • Bonlife • ES Teoh 	<ul style="list-style-type: none"> • Bonlife is a wholly-owned subsidiary of OB Holdings • ES Teoh is a Director and major shareholder of OB Holdings 	Short-term advances provided by ES Teoh to Bonlife for working capital	50	-	-	-

Notes:

- (1) Advance for payment of expenses such as quit rent and assessments.
- (2) Due to Bagan Eco-Farm not having the benefit of an online banking facility, Orient Biotech had collected rental payments from third-party tenants on behalf of Bagan Eco-Farm. Subsequently, Orient Biotech had remitted the rental collected on behalf of Bagan Eco-Farm to Bagan Eco-Farm.
- (3) Dutch Dairy had purchased milk powder from Orient Biotech in the past and it generally advanced surplus payment to Orient Biotech for future purchases. As at 31 May 2020, Dutch Dairy had deposited excess amount of RM0.59 million in Orient Biotech. During the FYE 2021, the amount from the purchase of milk powder had exceeded the amount advanced by Dutch Dairy, which in turn resulted in the amount of RM0.05 million being owed by Dutch Dairy to Orient Biotech.

As at LPD, all of these amounts have been fully repaid.

Our Directors confirm that the advances outlined above were not made on an arm's length basis as they were interest-free, unsecured and repayable on demand. As at LPD, these advances were fully paid. Moving forward, our Group has put in place strict internal control and compliance procedures and no further advances or loans will be given to any related parties of our Group unless such advances and loans are permitted under applicable law and the Listing Requirements and brought to our Audit Committee and our Board for deliberation and approval.

There is no other financial assistance made by us to or for the benefit of related parties for the Financial Years under Review and up to LPD save for a corporate guarantee provided by Orient Biotech for the benefit of Special Gain in respect of banking facilities amounting to RM2,450,000 granted by Hong Leong Bank Berhad to Special Gain. Hong Leong Bank Berhad had on 9 October 2023 irrevocably and unconditionally discharged and released Orient Biotech from the said corporate guarantee.

10. RELATED PARTY TRANSACTIONS (CONT'D)

10.4 PROVISION OF GUARANTEES BY OUR SUBSTANTIAL SHAREHOLDERS FOR THE BANKING FACILITIES GRANTED TO OUR GROUP

Our Directors, namely, ES Teoh and CT Wong have jointly and severally provided personal guarantees for the banking facilities extended by Hong Leong Islamic Bank Berhad, Hong Leong Bank Berhad, Public Bank Berhad and OCBC (Malaysia) Bank Berhad (“**Financiers**”) to Orient Biotech and Bonlife. The aggregate amount of facilities secured as at LPD is approximately RM40.22 million.

As at LPD, the details of the facilities granted to Orient Biotech and Bonlife are as follows:

No.	Financiers	Type of Facilities	Facility Limit RM'000	Outstanding amount as at LPD RM'000
1.	OCBC Bank (Malaysia) Berhad	Overdraft	700	251
		Tradeline facilities	3,800	435
		5-year term loan 1	1,000	427
		3-year term loan 2	1,014	570
		5-year term loan 3	947	-(1)
2.	Hong Leong Bank Berhad	Fixed term loan	2,000	-(1)
		Overdraft	500	401
		Tradeline facilities	4,500	-(1)
3.	Hong Leong Islamic Bank Berhad	Term financing 1	12,100	11,445
		Term financing 2	13,500	-(1)
4.	Public Bank Berhad	Hire purchase financing	100	84
			60	57
Total			40,221	13,670

Note:

(1) The said facility is yet to be utilised by Orient Biotech.

We have written to the Financiers to obtain a release and/or discharge of the guarantees by substituting the same with a corporate guarantee from our Group and/or other securities from our Group acceptable to the Financiers. Until such release and/or discharge are obtained from the respective Financiers, ES Teoh and CT Wong will continue to guarantee the respective banking facilities extended to our Group.

As at LPD, we have received conditional approvals from all our Financiers to discharge the above guarantees upon our Listing by substituting the same with a corporate guarantee from our Group and/or other securities from our Group acceptable to the Financiers.

10. RELATED PARTY TRANSACTIONS (CONT'D)

10.5 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

10.5.1 Audit and Risk Management Committee review

Moving forward, our Audit and Risk Management Committee will review the terms of any related party transactions and ensure that any related party transactions (including any recurrent related party transactions) will be undertaken on arm's length basis and on normal commercial terms. Our Group has established the following procedures:

- (i) whether the terms of the related party transactions are fair and on arms' length basis to our Group and would apply on the same basis if the transaction did not involve a related party;
- (ii) the rationale for our Group to enter into the related party transaction and the nature of alternative transactions, if any;
- (iii) whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of the transaction and the nature of the related parties' interest in the transaction; and
- (iv) at least 2 other contemporaneous transactions with third parties for similar products and/or quantities will be used as comparison, to determine if the price and terms offered by related parties are fair and reasonable and comparable to those offered by other third parties for the same or substantially similar type of products / services and / or quantities.

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

10.5.2 Our Group's policy on related party transactions and conflicts of interest

It is the policy of our Group that all related party transactions and conflicts of interest must be immediately and fully disclosed by our interested or conflicted Directors or substantial shareholders to the management for reporting to our Audit and Risk Management Committee.

In the event there are any proposed related party transactions that require prior shareholders' approval, any related party who is our Directors, major shareholders and/or persons connected with them who have any interest, whether direct or indirect in the proposed related party transactions will abstain from deliberation and voting on resolution(s) pertaining to the respective transactions. Such interested Director and/or major shareholder will also undertake to ensure that persons connected with him/her, if any, will abstain from voting on the resolution approving the proposed related party transaction at the general meeting.

After our Listing and in accordance with the Listing Requirements, we will be required to seek our shareholders' approval each time we enter into material related party transactions. However, if the related party transactions are 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 related party transactions during the validity period of the mandate.

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