

4. DETAILS OF OUR IPO

4.1 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Time and/or Date
Opening of the Institutional Offering ⁽¹⁾	[•]
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., [•]
Closing of the Retail Offering	5.00 p.m., [•]
Closing of the Institutional Offering	[•]
Price Determination Date	[•]
Balloting of applications for our Issue Shares under the Retail Offering	[•]
Allotment/Transfer of our IPO Shares to successful applicants	[•]
Listing	[•]

Note:

(1) *[Other than the Institutional Offering to the Cornerstone Investors. The Master Cornerstone Placement Agreement for the acquisition of our Offer Shares by the Cornerstone Investors was entered into on [•].]*

In the event there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

4. DETAILS OF OUR IPO (Cont'd)

4.2 PARTICULARS OF OUR IPO AND PLAN OF DISTRIBUTION

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.4 and 4.2.5 of this Prospectus, respectively.

Our IPO consists of the Institutional Offering and the Retail Offering, totaling up to 1,406,250,000 IPO Shares, representing 28.2% of our enlarged issued Shares. For the avoidance of doubt, our IPO Shares offered under the Institutional Offering and the Retail Offering do not include our Shares under the Over-allotment Option.

4.2.1 Subdivision

On [●] 2022, our Company undertook a subdivision of one existing Share into approximately 20 Shares to enhance the liquidity of our Shares at the time of our Listing.

Following the completion of the Subdivision, our total issued Shares is 4,825,000,000.

Pursuant to the Subdivision, Shares were allotted to our existing shareholders based on their respective shareholding in DXN such that their effective shareholding in DXN will be the same before and after the Subdivision, as follows:

Name	Shareholding before the Subdivision				Shareholding after the Subdivision			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	(¹ 000)		(¹ 000)		(¹ 000)		(¹ 000)	
DXN Global	178,871	(¹)74.3	-	-	3,584,640	(¹)74.3	-	-
Gano Global	61,893	25.7	-	-	1,240,360	25.7	-	-
DLSJ	-	-	178,871	(²)74.3	-	-	3,584,640	(²)74.3
DLBL	-	-	178,871	(²)74.3	-	-	3,584,640	(²)74.3
KACMF	-	-	61,893	(³)25.7	-	-	1,240,360	(³)25.7
KACF LP	-	-	61,893	(⁴)25.7	-	-	1,240,360	(⁴)25.7
Total	240,764	100.0			4,825,000	100.0		

Notes:

- (1) DXN Global has legal interest of 74.3% equity interest in our Company of which it holds the legal and beneficial interest of 48.0% equity interest in our Company. The balance 26.3% equity interest in our Company is held by DXN Global on trust for DLSJ (0.3%) and DLBL (26.0%).
- (2) Deemed interested by virtue of his/her shareholding in DXN Global, applying Section 8(4) of the Act.
- (3) Deemed interested by virtue of its shareholding in Gano Global, applying Section 8(4) of the Act.
- (4) Deemed interested by virtue of its shareholding in KACMF, applying Section 8(4) of the Act.

4.2.2 Institutional Offering

The Institutional Offering involves the offering of up to 1,246,250,000 Offer Shares, representing up to 25.0% of our enlarged issued Shares, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.4 and 4.2.5 of this Prospectus, at the Institutional Price in the following manner:

- (i) 623,125,000 Offer Shares, representing 12.5% of our enlarged issued Shares to Bumiputera investors approved by the MITI; and

4. DETAILS OF OUR IPO (Cont'd)

- (ii) up to 623,125,000 Offer Shares, representing up to 12.5% of our enlarged issued Shares to the following persons:
- (a) Malaysian institutional and selected investors (other than Bumiputera investors approved by the MITI); and
- (b) foreign institutional and selected investors outside the United States in reliance on Regulation S.

[As part of the Institutional Offering, on [●], our Company, the Selling Shareholders, the Joint Global Coordinators, the Joint Bookrunners and the Cornerstone Investors entered into the Master Cornerstone Placement Agreement whereby the Cornerstone Investors have agreed to acquire from the Selling Shareholders, subject to the terms of the Master Cornerstone Placement Agreement and the individual cornerstone placement agreements, an aggregate of [●] Offer Shares, representing [●]% of our enlarged issued Shares, at RM[●] per Offer Share or the Institutional Price, whichever is lower. None of the Cornerstone Investors will individually acquire 5.0% or more of our enlarged issued Shares under the cornerstone placement agreements.]

[The cornerstone placement agreements are conditional upon, among others, the Retail Underwriting Agreement and the Placement Agreement being entered into and not having been terminated pursuant to their respective terms.]

4.2.3 Retail Offering

The Retail Offering involves the offering of 160,000,000 Issue Shares, representing approximately 3.2% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Retail Price in the following manner:

(i) Allocation to the Eligible Persons

60,000,000 Issue Shares, representing 1.2% of our enlarged issued Shares, are reserved for application by the Eligible Persons in the following manner:

Eligible Persons	No. of Eligible Persons	Aggregate no. of Issue Shares allocated
Our Directors ⁽¹⁾	3	6,200,000
Eligible employees of our Group (including directors of our subsidiaries) ⁽²⁾	735	23,800,000
Persons who have contributed to the success of our Group ⁽³⁾	166	30,000,000
Total	904	60,000,000

4. DETAILS OF OUR IPO (Cont'd)**Notes:**

- (1) *The criteria for allocation to our Directors are based on, among others, their respective roles and responsibilities in our Company and they collectively will be allocated a total of 6,200,000 Issue Shares as follows:*

Name	No. of Issue Shares allocated
DLBY	5,000,000
Teoh Hang Ching	1,000,000
Datuk Noripah Binti Kamso	200,000
Total	6,200,000

- (2) *The allocation of the Issue Shares to the eligible employees of our Group is to be made to full-time confirmed employees of our Group based on, among others, their job grade, length of service, performance and their past contributions to our Group.*
- (3) *The criteria for the allocation of the Issue Shares to persons who have contributed to the success of our Group are based on, among others, their length of business relationship with our Group and their contributions to the success of our Group.*

(ii) Allocation via balloting to the Malaysian Public

100,000,000 Issue Shares, representing 2.0% of our enlarged issued Shares, are reserved for application by the Malaysian Public, of which 50,000,000 Issue Shares have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

4. DETAILS OF OUR IPO (Cont'd)

In summary, our IPO Shares will be allocated, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.4 and 4.2.5 of this Prospectus, respectively, in the following manner:

Category	Offer for Sale		Public Issue		Total ⁽¹⁾	
	No. of Shares (^{'000})	% of our enlarged issued Shares	No. of Shares (^{'000})	% of our enlarged issued Shares	No. of Shares (^{'000})	% of our enlarged issued Shares
Retail Offering:						
Eligible Persons:						
- Our Directors	-	-	6,200	0.1	6,200	0.1
- Eligible employees of our Group (including directors of our subsidiaries)	-	-	23,800	0.5	23,800	0.5
- Persons who have contributed to the success of our Group	-	-	30,000	0.6	30,000	0.6
Malaysian Public (via balloting):						
- Bumiputera	-	-	50,000	1.0	50,000	1.0
- Non-Bumiputera	-	-	50,000	1.0	50,000	1.0
Sub-total	-	-	160,000	3.2	160,000	3.2
Institutional Offering:						
- Bumiputera investors approved by the MITI	623,125	12.5	-	-	623,125	12.5
- Other Malaysian and foreign institutional and selected investors	623,125	12.5	-	-	623,125	12.5
Sub-total	1,246,250	25.0	-	-	1,246,250	25.0
Total	1,246,250	25.0	160,000	3.2	1,406,250	28.2

Note:

(1) Based on our enlarged issued Shares of 4,985,000,000 upon our Listing.

The completion of the Retail Offering and the Institutional Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 4.2.10 of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)

4.2.4 Clawback and reallocation

The Institutional Offering and the Retail Offering shall be subject to the following clawback and reallocation provisions:

- (i) if our Issue Shares allocated to Eligible Persons are under-subscribed, such Issue Shares may be allocated to the other Malaysian and foreign institutional and selected investors under the Institutional Offering or the Malaysian Public under the Retail Offering or a combination of both, at the discretion of the Joint Global Coordinators and us;
- (ii) if our Offer Shares allocated to Bumiputera investors approved by the MITI ("**MITI Tranche**") are under-subscribed, such Offer Shares may be allocated to other Malaysian institutional investors under the Institutional Offering.

If after the above reallocation, the MITI Tranche is still under-subscribed under the Institutional Offering, and there is a corresponding over-subscription for the Issue Shares by the Malaysian Public under the Retail Offering, our Offer Shares will be clawed back from the MITI Tranche and allocated firstly, to the Bumiputera public investors under the Retail Offering via balloting process as mentioned in Section 4.2.3(ii) of this Prospectus, and thereafter to the other Malaysian Public under the Retail Offering and subsequently to the foreign institutional and selected investors under the Institutional Offering;

- (iii) subject to items (i) and (ii) above, if there is an over-subscription in the Retail Offering and there is a corresponding under-subscription in the Institutional Offering, our Offer Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and
- (iv) subject to item (i) above, if there is an over-subscription in the Institutional Offering and there is a corresponding under-subscription in the Retail Offering, our Issue Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering.

There will be no clawback and reallocation if there is an over-subscription or under-subscription in both the Institutional Offering and the Retail Offering or an under-subscription in either the Institutional Offering or the Retail Offering but no over-subscription in the other.

Any Issue Shares not taken up by any of the Eligible Persons ("**Excess Issue Shares**") will be made available for application by the other Eligible Persons who have applied for the Excess Issue Shares on top of their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:

- (a) firstly, allocation on a pro-rata basis to our Directors and eligible employees of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for;
- (b) secondly, allocation of any surplus Excess Issue Shares after item (a) above on a pro-rata basis to persons who have contributed to the success of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for; and
- (c) thirdly, to minimise odd lots.

4. DETAILS OF OUR IPO (Cont'd)

Our Board reserves the right to allot Excess Issue Shares applied for in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) to (c) above is achieved. Our Board also reserves the right to accept or reject any Excess Issue Shares application, in full or in part, without assigning any reason.

Once completed, the steps involving items (a) to (c) above will not be repeated. Should there be any balance of Excess Issue Shares thereafter, such balance will be made available for clawback and reallocation as described in item (i) above. Any Issue Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Joint Underwriters.

To the best of our knowledge and belief, there is no person who intends to subscribe for more than 5.0% of our IPO Shares.

4.2.5 Over-allotment Option

The Over-allotment Option Providers may grant an Over-allotment Option to the Stabilising Manager (on behalf of the Placement Managers) and may appoint the Stabilising Manager to undertake any price stabilisation actions. The Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) may at its absolute discretion, over-allot our Shares (on behalf of the Placement Managers) and subsequently, effect transactions to stabilise or maintain the market price of our Shares at levels that might not otherwise prevail in the open market.

Such transactions consist of bids or purchases to peg, fix or maintain the price of our Shares. If the Stabilising Manager creates a short position in our Shares in connection with the Institutional Offering, the Stabilising Manager may reduce that short position by purchasing our Shares in the open market. The Stabilising Manager may also elect to reduce any short positions by exercising all or part of the Over-allotment Option.

If granted, the Over-allotment Option will be exercisable in whole or in part by the Stabilising Manager, on one or more occasions, by giving written notice to the Over-allotment Option Providers at any time, within 30 days from the date of our Listing to purchase from the Over-allotment Option Providers up to an aggregate of 210,937,500 Shares, representing up to 15.0% of the total number of our IPO Shares offered, solely for purposes of covering over-allotments of our Shares (if any).

Subject to there being an over-allotment, the Stabilising Manager will (on behalf of the Placement Managers) enter into the Share Lending Agreement with the Over-allotment Option Providers to borrow up to an aggregate of 210,937,500 Shares to cover the over-allotments. Any Shares that may be borrowed by the Stabilising Manager under the Share Lending Agreement will be returned by the Stabilising Manager to the Over-allotment Option Providers either through the purchase of our Shares in the open market by the Stabilising Manager in the conduct of stabilisation activities or deemed returned through the exercise of the Over-allotment Option by the Stabilising Manager or a combination of both. The exercise of the Over-allotment Option will not increase the total number of Shares issued and is not intended to constitute an offer for sale of our Shares by the Over-Allotment Option Providers under our IPO.

Purchases of a security to stabilise the price or to cover the over-allotment may cause the price of the security to be higher than it might be in the absence of these purchases. Such transactions may be effected on the Main Market of Bursa Securities and in other jurisdictions where it is permissible to do so, in each case, in compliance with all applicable laws and regulations, including the CMSA and any regulations thereunder.

4. DETAILS OF OUR IPO (Cont'd)

The number of Shares that the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) may buy to undertake stabilising action, shall not exceed an aggregate of 210,937,500 Shares, representing up to 15.0% of the total number of our IPO Shares offered. However, there is no obligation on the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) to undertake any such stabilising action. Such stabilising actions may commence on or after the commencement of trading of our Shares on the Main Market of Bursa Securities and, if commenced, may be discontinued at any time and cannot be effected after the earliest of (i) the date falling 30 days from the commencement of trading of our Shares on the Main Market of Bursa Securities; or (ii) the date when the Stabilising Manager has bought, on the Main Market of Bursa Securities, an aggregate of 210,937,500 Shares, representing up to 15.0% of the total number of our IPO Shares offered to undertake the stabilising action.

4.2.6 ESOS

In conjunction with our Listing, we have established an ESOS which involves the granting of ESOS Options to the eligible Directors and employees of our Group.

The ESOS shall be administered by the ESOS committee appointed by the Board ("**ESOS Committee**") and governed by the By-Laws.

The salient features of the ESOS are as follows:

(i) **Maximum number of new Shares available under the ESOS**

The total number of new Shares which may be made available under the ESOS shall not exceed in aggregate 5.0% of our total number of issued Shares (excluding treasury shares, if any) at any one time during the duration of the ESOS ("**Maximum Limit**").

The Maximum Limit upon Listing is 249,250,000 ESOS Options, representing 5.0% of our total number of issued Shares (excluding treasury shares).

(ii) **Basis of allocation and maximum allowable allocation**

Subject to any adjustments as may be made under the By-Laws, the aggregate number of new Shares that may be offered to the eligible Directors and employees of our Group shall be determined by the ESOS Committee at its sole and absolute discretion, after taking into consideration, where applicable, the eligible Director or employee's position, ranking, performance, contribution, seniority, length of service, fulfilment of the eligibility criteria as referred to in the By-Laws or such other matters which the ESOS Committee may in its sole and absolute discretion deem fit, subject to, among others, the following:

- (a) the aggregate number of new Shares to be issued pursuant to the exercise of the ESOS Options granted under the ESOS shall not exceed the Maximum Limit and the ESOS Committee shall not be obliged in any way to offer an eligible Director or employee the ESOS Options for all the specified maximum number of our Shares the eligible Director or employee is entitled to under the ESOS;
- (b) any offer, allocation of ESOS Options under the ESOS and the related allotment of Shares to any Directors, major shareholders who are employees of our Group or our Chief Executive Officer and any person connected with them who is an employee of our Group, shall require prior approval of our shareholders in a general meeting, and they shall not vote on the resolution approving the said offer, allocation and allotment;

4. DETAILS OF OUR IPO (Cont'd)

- (c) the eligible Directors and senior management of our Group shall not be allowed to participate in the deliberation or discussion of their respective allocation of ESOS Options and/or allocations of ESOS Options to persons connected with them under the ESOS;
- (d) not more than 10.0% of our Shares available under the ESOS shall be allocated to any eligible Director or employee, who, either singly or collectively through persons connected with them, holds 20.0% or more of our total number of issued Shares (excluding treasury shares, if any); and
- (e) any performance target to be achieved before the ESOS Options can be granted and/or exercised by an eligible Director or employee shall be determined by the ESOS Committee.

(iii) Vesting period and conditions

The ESOS Committee shall have sole and absolute direction in determining whether the ESOS Options granted are subject to any vesting period and whether the ESOS Options are subject to any conditions which are required to be fulfilled by an eligible Director or employee before being vested onto the eligible Director or employee.

(iv) Duration of the ESOS

The ESOS shall be in force for a period of five years from the effective date and is renewable for a period of up to five years immediately from the expiry of the first five years.

(v) Eligibility

A Director or employee of any company within our Group which is not dormant shall be eligible for participation in the ESOS if at the date of offer is made in writing by the ESOS Committee to him/her ("**Offer Date**"), he/she:

- (a) has attained 18 years of age;
- (b) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (c) must have been confirmed in service of our Group;
- (d) where the employee or Director is under an employment contract, the contract is for a duration of at least one year and will not be expiring within three months from the Offer Date; and
- (e) has fulfilled any other criteria as may be imposed by the ESOS Committee from time to time,

provided always that the selection of any eligible Director and/or employee for participation in the ESOS shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

(vi) Exercise Price

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the exercise price payable by the eligible Directors and employees of our Group upon exercise of their ESOS Options shall be:

4. DETAILS OF OUR IPO (Cont'd)

- (a) in respect of any offer which is made in conjunction with our Listing, the Final Retail Price; and
- (b) in respect of any offer which is made subsequent to our Listing, as determined by our Board upon recommendation of the ESOS committee and shall be based on the five (5)-day volume weighted average market price of our Shares immediately preceding the Offer Date, with a discount, if any, provided always that such discount is not more than 10.0%, if deemed appropriate, or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the option period.

The exercise price as determined in the manner set out above shall be conclusive and binding on the grantee.

In conjunction with our Listing, we intend to offer up to 30.0 million ESOS Options to our Directors and employees of our Group, who meet the eligibility criteria to participate in the ESOS as set out in the By-Laws which is in Annexure D of this Prospectus. Assuming the 30.0 million ESOS Options are fully exercised into 30.0 million new Shares, such Shares will represent about 0.6% of our enlarged issued Shares upon Listing. In compliance with item (vi)(a) above, the exercise price for the said 30.0 million ESOS Options shall be the Final Retail Price.

The following is the proposed specific allocation of the ESOS Options to our eligible Directors, Key Senior Management and persons connected with them in conjunction with our Listing:

Name	Designation	No. of ESOS Options allocated
<u>Directors</u>		
DLSJ	Non-Independent Executive Chairman	3,000,000
Teoh Hang Ching	Non-Independent Executive Director and Chief Executive Officer	2,500,000
DLBY	Non-Independent Non-Executive Director	250,000
Datuk Noripah Binti Kamsu	Senior Independent Non-Executive Director	200,000
Tunku Afwida Binti Tunku A. Malek	Independent Non-Executive Director	200,000
Stefan Heitmann	Independent Non-Executive Director	200,000
<u>Key Senior Management</u>		
Lim Yew Lin	Chief Financial Officer and Company Secretary	2,000,000
Prajith Pavithran	Chief Marketing Officer	1,500,000
Teoh Thean Yong	Chief Technology Officer and Group Financial Controller	1,500,000
Tan Hiyin Tiong	Chief Operating Officer	1,500,000
Kuah Lee Peng	Chief Manufacturing Officer	1,250,000
<u>Persons connected</u>		
Teoh Shi Kee ⁽¹⁾	Regional Marketing Director	83,000
Teoh Yee Teng ⁽²⁾	Manager	74,000
Total		14, 257,000

4. DETAILS OF OUR IPO (Cont'd)

Notes:

- (1) Son of Teoh Hang Ching.
 (2) Daughter of Teoh Hang Ching.

The balance of up to 15,743,000 ESOS Options that will be granted in conjunction with our Listing will be granted to other eligible employees of our Group, who are not Directors of our Company and persons connected with them.

Any further offer, allocation or allotment under the ESOS to any of our eligible Directors, major shareholders, Chief Executive Officer, and persons connected with them who are our eligible Directors and employees other than as stated above shall require the prior approval of our shareholders in a general meeting.

The grant of the ESOS Options in conjunction with our Listing will not have an immediate effect on the consolidated NA and NA per Share until such time new Shares are issued when the ESOS Options are exercised.

For illustrative purposes only, assuming the entire 30.0 million ESOS Options are granted and vested immediately upon Listing, and that all ESOS Options are exercised at an exercise price of RM[•] for each new Share, being the Retail Price, the indicative pro forma financial effects based on our audited consolidated financial statements for the FPE 31 December 2021 are as follows:

	Pro Forma	
	Upon our Listing	Assuming exercise of the entire 30.0 million ESOS Options
	RM'000	RM'000
NA / Total equity	[•]	[•]
No. of Shares ('000)	4,985,000	5,015,000
NA per Share (RM)	[•]	[•]
Total borrowings (excluding lease liabilities)	249,464	249,464
Gearing ratio (times) ⁽¹⁾	[•]	[•]

Note:

- (1) Gearing ratio is calculated based on our total borrowings (excluding lease liabilities) divided by total equity.

Any potential effect on the consolidated NA per Share will depend on the number of ESOS Options that have been vested and the exercise price of the ESOS Options. In accordance with By-Law 11 (as set out in the By-Laws in Annexure D of this Prospectus), the aggregate number of new Shares that a grantee can subscribe under the ESOS Options in a particular year shall be determined by the ESOS Committee at its sole discretion.

4. DETAILS OF OUR IPO (Cont'd)

4.2.7 Share capital

Upon completion of our IPO, our share capital will be as follows:

	No. of Shares	RM'000
After the Subdivision	4,825,000,000	60,191
To be issued under our Public Issue	160,000,000	[●] ⁽¹⁾
Enlarged number of issued shares and share capital upon Listing	4,985,000,000	[●]

Note:

(1) Calculated based on the Retail Price and after adjusting against our share capital, the estimated listing expenses of approximately RM[●] million assumed to be directly attributable to our Public Issue.

4.2.8 Classes of shares and ranking

As at the date of this Prospectus, we only have one class of shares, being ordinary shares.

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares, subject to any applicable Rules of Bursa Depository.

Our Offer Shares rank equally in all respects with our other existing issued Shares including voting rights, and will be entitled to all rights, dividends and distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special rights attaching to any Shares we may issue in the future, our shareholders will, in proportion to the amount paid on our Shares held by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders will be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At every general meeting of our Company, each of our shareholders will be entitled to vote in person, by proxy, or by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative will have one vote for each Share held or represented. A proxy may but need not be a member of our Company.

4.2.9 Priority of the offering

In the event the demand for our IPO Shares is less than 1,406,250,000 IPO Shares, our Public Issue shall take precedence over the Offer for Sale. The demand for our IPO Shares shall be firstly satisfied with the Issue Shares under our Public Issue, and following that, any excess demand will be satisfied with the Offer Shares under the Offer for Sale.

4. DETAILS OF OUR IPO (Cont'd)

4.2.10 Minimum subscription level

There is no minimum subscription level in terms of proceeds to be raised under our IPO. However, in order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of IPO Shares will be the number of Shares required to be held by the public shareholders of our Company to comply with the minimum public shareholding spread requirement under the Listing Requirements or as approved by Bursa Securities.

Under the Listing Requirements, we are required to have a minimum of 25.0% of our Shares held by at least 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If the above requirement is not met, we may not be able to proceed with our Listing. See Section 5.3.4 of this Prospectus for details in the event there is a delay in or termination of our Listing.

4. DETAILS OF OUR IPO (Cont'd)

4.3 SELLING SHAREHOLDERS

The Offer Shares to be offered by each Selling Shareholder and their respective direct shareholding in our Company before and after our IPO and their material relationship with our Group within the past three years are as follows:

Selling shareholder	Material relationship with our Group	Shareholding after the Subdivision		Shares to be offered under the Offer for Sale		Shareholding after our IPO assuming the Over-allotment Option is not exercised		Shares under the Over-allotment Option		Shareholding assuming the Over-allotment Option is fully exercised ⁽³⁾	
		No. of Shares (⁽¹⁾ '000)	(⁽¹⁾)%	No. of Shares (⁽¹⁾ '000)	(⁽²⁾)%	No. of Shares (⁽²⁾ '000)	(⁽²⁾)%	No. of Shares (⁽²⁾ '000)	(⁽²⁾)%	No. of Shares (⁽²⁾ '000)	(⁽²⁾)%
DXN Global	Promoter and substantial shareholder	3,584,640	⁽⁴⁾ 74.3	498,500	10.0	3,086,140	61.9	167,781	3.4	2,918,359	58.5
Gano Global	Substantial shareholder	1,240,360	25.7	747,750	15.0	492,610	9.9	43,156	0.8	449,454	9.0
Total		4,825,000	100.0	1,246,250	25.0	3,578,750	71.8	210,937	4.2	3,367,813	67.5

Notes:

(1) Based on the enlarged issued Shares of 4,825,000,000 after the Subdivision.

(2) Based on the enlarged issued Shares of 4,985,000,000 upon our Listing.

(3) Assuming an Over-allotment Option of 210,937,500 Shares, representing 15.0% of the total number of our IPO Shares offered.

(4) DXN Global has legal interest of 74.3% equity interest in our Company of which it holds the legal and beneficial interest of 48.0% equity interest in our Company. The balance 26.3% equity interest in our Company is held by DXN Global on trust for DLSJ (0.3%) and DLBL (26.0%).

4. DETAILS OF OUR IPO (Cont'd)

4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM

4.4.1 Retail Price

The Retail Price was determined and agreed upon between our Directors and the Selling Shareholders in consultation with the Joint Global Coordinators, after taking into consideration the following factors:

- (i) price-to-earnings multiple of approximately [●] times based on our Group's EPS of 3.84 sen after taking into account our PATAMI of RM191.6 million for the FYE 28 February 2021 and the enlarged issued Shares of 4,985,000,000 upon our Listing;
- (ii) pro forma consolidated NA per Share of RM0.15 as at 31 December 2021 based on the enlarged issued Shares of 4,985,000,000 upon our Listing;
- (iii) our competitive strengths, as follows:
 - (a) we have a strong presence in Bolivia and Peru for direct selling of health-oriented and wellness products and a diversified exposure to high-growth markets;
 - (b) we have a business platform with a broad product portfolio and integrated production facilities;
 - (c) we have an expansive global distribution network and sustainable direct selling strategies;
 - (d) we have a strong track record of profitable growth and cash generation;
 - (e) we have a robust technology ecosystem to support global operations; and
 - (f) we have an experienced founder-led management team,
- (iv) our future plans and strategies, as follows:
 - (a) visible pathway to grow in new and existing markets;
 - (b) catering to changing consumer needs and enhancing Member engagement;
 - (c) continued expansion of our vertically-integrated global supply chain; and
 - (d) enhancing our technological ecosystem,
- (v) outlook of FFB, HDS and PCC in the direct selling industry globally, as described in Section 8 of this Prospectus; and
- (vi) prevailing market conditions, including market performance of key global indices and companies involved in similar businesses listed on Bursa Securities and regional stock exchanges, current market trends as well as investors' sentiments.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date and will be the lower of:

- (i) the Retail Price; or

4. DETAILS OF OUR IPO (Cont'd)

- (ii) the Institutional Price.

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. Further details on the refund mechanism are set out in Section 4.4.3 of this Prospectus.

The Final Retail Price and the Institutional Price will be announced within two Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment for our IPO Shares.

4.4.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process wherein prospective institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of our Offer Shares they would be prepared to acquire and the price they would be prepared to pay for our Offer Shares in respect of the Institutional Offering. This bookbuilding process commenced on [●] and will end on [●]. Upon completion of the bookbuilding process, the Institutional Price will be fixed by our Directors and the Selling Shareholders in consultation with the Joint Global Coordinators on the Price Determination Date.

4.4.3 Refund mechanism

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest. The refund will be made:

- (i) in the form of cheques to be despatched by ordinary post to the address maintained with Bursa Depository for applications made via the Application Form; or
- (ii) by crediting into the accounts of the successful applicants with the Participating Financial Institution for applications made via the Electronic Share Application or the Internet Participating Financial Institution for applications made via the Internet Share Application,

within 10 Market Days from the date of final ballot of applications, at the successful applicants' own risk.

For further details on the refund mechanism, see Section 15.9 of this Prospectus.

4.4.4 Expected market capitalisation

Based on the Retail Price, the total market capitalisation of our Company upon our Listing would be approximately RM[●] billion.

You should also note that the market price of our Shares upon our Listing is subject to the vagaries of market forces and other uncertainties. You are reminded to carefully consider the risk factors as set out in Section 5 of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)

4.5 DILUTION

Dilution is the amount by which our pro forma consolidated NA per Share after our IPO is less than the price paid by retail, institutional and selected investors for our Shares. Our pro forma consolidated NA per Share as at 31 December 2021 after adjusting for the payment of interim dividends in respect of the FYE 28 February 2022 of RM10.0 million and RM15.0 million in January 2022 and April 2022 respectively (“**Subsequent Events**”), the Subdivision, and before adjusting for our IPO was RM0.15, based on 4,825,000,000 Shares following the Subdivision.

After taking into account the enlarged issued Shares from the issuance of 160,000,000 Issue Shares and after adjusting for the use of proceeds from our Public Issue, our pro forma consolidated NA per Share as at 31 December 2021 would be RM[●]. This represents an immediate increase in consolidated NA per Share of RM[●] to our existing shareholders and an immediate dilution in NA per Share of RM[●] (representing [●]%) of the Retail Price and the Institutional Price (assuming the Final Retail Price and the Institutional Price will equal the Retail Price), to the retail/institutional and selected investors.

The following table illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Final Retail Price and the Institutional Price:

	<u>RM</u>
Final Retail Price/Institutional Price	[●]
Pro forma consolidated NA per Share as at 31 December 2021 after the Subsequent Events and the Subdivision and before adjusting for our IPO	0.15
Pro forma consolidated NA per Share as at 31 December 2021, after the Subsequent Events and the Subdivision and after adjusting for the use of proceeds from our Public Issue	[●]
Increase in consolidated NA per Share to our existing shareholders	[●]
Dilution in pro forma consolidated NA per Share to the retail/institutional and selected investors	[●]
Dilution in pro forma consolidated NA per Share to the retail/institutional and selected investors as a percentage of the Retail Price/Institutional Price	[●]%

None of our substantial shareholders, Directors, Key Senior Management, or persons connected to them had acquired our Shares in the past three years up to and including the LPD or have the right to acquire and/or subscribe for our Shares as at the LPD.

4.6 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM[●] million⁽¹⁾ in the following manner:

<u>Details of use of proceeds</u>	<u>Estimated timeframe for use from the date of our Listing</u>	<u>RM'000</u>	<u>%</u>
Repayment of bank borrowings ⁽²⁾	Within 24 months	[●]	[●]
Working capital	Within 6 months	[●]	[●]
Defray fees and expenses relating to our IPO and Listing	Within 3 months	[●]	[●]
Total		<u>[●]</u>	<u>100.0</u>

4. DETAILS OF OUR IPO (Cont'd)

Notes:

- (1) We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.
- (2) The estimated timeframe for the repayment of bank borrowings is within 24 months instead of a shorter timeframe as the term loan has yet to be fully drawn down.

Further details on the use of proceeds from our Public Issue are as follows:

4.6.1 Repayment of bank borrowings

We intend to use RM[●] million of the proceeds from our Public Issue to fully repay the following banking facilities:

Type of facilities ⁽⁴⁾	OCBC Bank (Malaysia) Berhad		United Overseas Bank (Malaysia) Berhad
	Term loan ⁽¹⁾	Term loan ⁽¹⁾	Revolving credit ⁽²⁾
Amount outstanding as at the LPD ('000)	USD[●] / RM[●]	USD[●] / RM[●]	USD[●] / RM[●]
Maturity date	1 June 2026	1 November 2031	Revolving tenure of 30 days
Interest rate	3.77%	3.87%	1.72% - 1.95%
Saving in finance cost ('000)	RM[●]	RM[●]	RM[●] ⁽³⁾

Notes:

- (1) The term loan of USD[●] million (equivalent to RM[●] million) was obtained to finance the acquisition of a piece of freehold land in Cyberjaya, Malaysia, whereas the term loan of USD[●] million (equivalent to RM[●] million) was obtained to finance the construction of DXN Cyberville, a wellness and retreat centre with apartments on the said land. See Section 7.5.2.2 of this Prospectus for further information on DXN Cyberville.
- (2) The revolving credits were to fund the working capital requirements of our Group including purchase of raw materials and packaging materials, payment of distribution expenses and payment of administrative and selling expenses.
- (3) Calculated based on the interest rate of 1.95%.
- (4) There are no prepayment penalties for repayment of the term loans and revolving credits.

The repayment of the above banking facilities is expected to have a positive financial impact on our Group with interest savings of approximately RM[●] million per annum.

4.6.2 Working capital

We intend to allocate approximately RM[●] million of the proceeds from our Public Issue to supplement the working capital requirements of our Group, mainly for the purchase of the primary raw materials used to produce our finished goods, including coffee powder, non-dairy creamer, sugar, cocoa powder and wheat cereal powder, and primary packaging materials, including aluminium foil, empty capsules, labels and plastic containers. See Section 7.12 of this Prospectus for further information on these raw materials.

4. DETAILS OF OUR IPO (Cont'd)

This working capital allocation is expected to enhance our Group's liquidity and cash flow position and to reduce our reliance on external financing.

4.6.3 Defray fees and expenses for our IPO and Listing

The estimated fees and expenses for our IPO and Listing to be borne by us are estimated to be RM[●] million, comprising the following:

	<u>RM'000</u>
Professional fees	[●]
Fees payable to authorities	[●]
Brokerage, underwriting and placement fees	[●]
Other fees and expenses such as printing, advertising, travel and roadshow expenses	[●]
Miscellaneous expenses and contingencies	[●]
Total	[●]

If the actual fees and expenses for our IPO and Listing are higher than budgeted, the shortfall will be funded out of the portion allocated for our working capital requirements. On the other hand, if the actual fees and expenses are lower than budgeted, the difference will be used to fund our working capital requirements.

The actual proceeds accruing to our Group will depend on the Institutional Price and the Final Retail Price. If the actual proceeds are higher than budgeted above, the excess will be used for our working capital requirements. Conversely if the actual proceeds are lower than budgeted above, the proceeds allocated for our working capital requirements will be reduced.

Given the timing of the use of proceeds to be raised from our Public Issue may not be immediate and as part of our efficient capital management to maximise profit income, we intend to place the proceeds raised from our Public Issue or any balance (including accrued profit, if any) in the interest-bearing accounts with the licensed financial institution(s) and/or in money-market deposit instruments/funds.

Our Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of up to approximately RM[●] billion will accrue entirely to the Selling Shareholders. The Selling Shareholders will bear their own professional fees and placement fees as well as other miscellaneous expenses for the Offer for Sale which are estimated to be approximately RM[●] million.

4.7 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.7.1 Brokerage fee

We will pay brokerage in respect of the Issue Shares under the Retail Offering at the rate of 1.0% (exclusive of applicable tax) of the Final Retail Price in respect of all successful applications which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

4. DETAILS OF OUR IPO (Cont'd)

The Joint Global Coordinators and the Joint Bookrunners are entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us or the Selling Shareholders.

4.7.2 Underwriting commission

As stipulated in the Retail Underwriting Agreement, the Joint Managing Underwriters and the Joint Underwriters have agreed to underwrite the Issue Shares under the Retail Offering for an underwriting commission of [●]% (exclusive of applicable tax) of the Retail Price multiplied by the total number of Issue Shares underwritten under the Retail Offering in accordance with the terms of the Retail Underwriting Agreement.

4.7.3 Placement fee

The Selling Shareholders for the Offer Shares and us for the Issue Shares will pay the Joint Global Coordinators and the Joint Bookrunners a placement fee and selling commission of [●]% (exclusive of applicable tax) and may pay the Joint Global Coordinators and the Joint Bookrunners a discretionary fee of up to [●]% (exclusive of applicable tax) of the Institutional Price multiplied by the number of IPO Shares sold to Malaysian and foreign institutional and selected investors in accordance with the terms of the Placement Agreement.

4.8 DETAILS OF THE UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENTS

4.8.1 Underwriting

We have entered into the Retail Underwriting Agreement with the Joint Managing Underwriters and the Joint Underwriters to severally and not jointly (nor jointly and severally) underwrite 160,000,000 Issue Shares under the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus and upon the terms and subject to the conditions of the Retail Underwriting Agreement.

Details of the underwriting commission are set out in Section 4.7.2 of this Prospectus, while the salient terms of the Retail Underwriting Agreement are as follows:

[●]

4.8.2 Placement

We and the Selling Shareholders expect to enter into the Placement Agreement with the Joint Global Coordinators and the Joint Bookrunners in relation to the placement of up to 1,246,250,000 Offer Shares under the Institutional Offering, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.4 and 4.2.5 of this Prospectus, respectively. We and the Selling Shareholders will be requested to give various representations, warranties and undertakings, and to indemnify the Joint Global Coordinators and the Joint Bookrunners against certain liabilities in connection with our IPO. The terms of the Placement Agreement are subject to negotiations and may include termination events that are different from those under the Retail Underwriting Agreement as set out in Section 4.8.1 of this Prospectus.

4.8.3 Lock-up arrangement

[●]

4. DETAILS OF OUR IPO (Cont'd)

4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS accounts, either directly in their names or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective CDS accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares are required to trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

It is expected that our Shares will commence trading on Bursa Securities approximately 10 Market Days after the close of the Institutional Offering. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.