

14. ADDITIONAL INFORMATION

14.1 SHARE CAPITAL

- (i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than six months after the date of issue of this Prospectus.
- (ii) As at the LPD, we have only one class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iii) Save as disclosed in Sections 4.2 and 6.1.5 of this Prospectus, our Company has not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within the two years immediately preceding the date of this Prospectus.
- (iv) As at the date of this Prospectus, save for our Issue Shares reserved for subscription by the Eligible Persons as disclosed in Section 4.2.3 of this Prospectus and the ESOS as disclosed in Section 4.2.6 of this Prospectus, there is currently no other scheme involving our employees and Directors in the share capital of our Company or any of our subsidiaries.
- (v) Save for the ESOS as disclosed in Section 4.2.6 of this Prospectus, we have not agreed, conditionally or unconditionally, to put the share capital of our Company or any of our subsidiaries under option.
- (vi) As at the date of this Prospectus, neither we nor our subsidiaries have any outstanding warrants, options, convertible securities or uncalled capital.
- (vii) Save as disclosed in Sections 2.2 and 12.4 of this Prospectus, and save as provided for under our Constitution as reproduced in Section 14.2 below and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in our Company or any of our subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

14.2 EXTRACTS OF OUR CONSTITUTION

The following provisions are reproduced from our Constitution and are qualified in its entirety by reference to our Constitution and by applicable law. The words, terms and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless they are otherwise defined or the context otherwise requires.

Words	Meaning
appointing director	: A director who appoints an alternate director.
benefits	: In relation to benefits payable or to be given to directors, means any benefits referred to in Section 230(1) of the CA.
Board	: The Board of Directors for the time being of the Company.
Bursa Securities	: Bursa Malaysia Securities Berhad.
CA	: Companies Act 2016 (Act 777) and every statutory modification or re-enactment thereof for the time being in force.
CMSA	: Capital Markets and Services Act 2007 (Act 671) and every statutory modification or re-enactment thereof for the time being in force.

14. ADDITIONAL INFORMATION (Cont'd)

Words	Meaning
Company	: DXN Holdings Bhd. (Registration No. 199501033918 (363120-V)) or by whatever name called from time to time.
Constitution	: This constitution of the Company as originally framed or as altered from time to time by special resolution.
Deposited Security	: A security, as defined under Section 2 of the SICDA, of the Company standing to the credit of a securities account of a Depositor and includes securities in a Securities Account that is in suspense subject to the provisions of the SICDA and DR.
Deposited Share or Depository Shares	: A share which is a Deposited Security.
Depositor	: A holder of a securities account.
Depository	: Bursa Malaysia Depository Sdn. Bhd., the depository of the Company's shares prescribed under Section 14 of the SICDA. This term can also mean another depository acting as such a depository, approved to be a central depository under the SICDA. Successors-in-title and permitted assigns are also included in this term.
directors	: Directors for the time being of the Company (inclusive alternate or nominee directors).
DR	: Rules of the Depository as defined under the SICDA and any appendices thereto including any amendment that may be made from time to time.
electronic form	: Documents or information sent or supplied by electronic means or by any other means while in electronic form (such as by e-mail, text message, fax or sending a compact disc by post) whereby a recipient of such documents or information would be able to retain a copy.
electronic means	: A document or information is sent or supplied by electronic means if it is sent initially, and received at its destination by means of electronic equipment for the processing (which expression includes digital compression) or storage of data, and entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means.
existing shares	: Shares in issue at the relevant time.
General Meeting	: A meeting of shareholders held in accordance with this Constitution. This includes any General Meeting held as the Company's Annual General Meeting.
hard copy	: Documents or information sent or supplied in paper copy or similar form which can be read. It also covers, anyhow, any hard copy referred to in Section 612(1) of the CA.

14. ADDITIONAL INFORMATION (Cont'd)

Words	Meaning
Laws	: All laws, by-laws, regulations, rules, orders and/or official directions for the time being in force affecting the Company and its subsidiaries including but not limited to the CA, the applicable securities laws, the LR, the SICDA and every other law for the time being in force concerning companies and affecting the Company and any other practice notes, practice directives and guidelines imposed on the Company by the Securities Commission Malaysia.
listed security	: A security or securities of the Company admitted to the Official List.
LR	: Listing Requirements of the Main Market. For the purpose of this Constitution, it also covers any practice notes or directives, guidance notes or other directions issued by Bursa Securities and any amendment that may be made from time to time in relation to the Listing Requirements.
Malaysia	: Federation of Malaysia.
Main Market	: Main Market of Bursa Securities or any other market of Bursa Securities on which the Company is listed at the relevant time.
Non-Depository Shares	: Shares which are not Deposited Shares.
Official List	: A list specifying all securities listed on the Main Market.
pay	: In relation to the payment of commission, means a payment of commission pursuant to Section 80 of the CA. For other times, when used elsewhere, this term can cover any kind of reward or payment for services.
person or people	: These terms cover corporate bodies and unincorporated bodies, established anywhere. They do not, however, cover unincorporated bodies, when used in relation to transfers or registration of shareholders which involve Deposited Shares and these bodies are not allowed or recognised by the SICDA or DR.
rights	: In relation to the rights of a share means, the rights attached to the share, when issued, or afterwards.
ROD	: A record of depositors of holders of securities of the Company kept by the Depository under the SICDA and DR.
ROM	: Register of members of the Company to be kept pursuant to the CA, and unless otherwise expressed to the contrary, includes the ROD.
securities	: The meaning of this term is as meant by Section 2 of the CMSA.
securities account	: This is an account which the Depository establishes for the Depositor under the SICDA and DR. It is to record the deposit, withdrawal and dealing of securities.

14. ADDITIONAL INFORMATION (Cont'd)

Words	Meaning
shareholders	: Holders of the Company's shares. Where those shares are deposited with the Depository under the SICDA and DR, it must be a person whose name appears on the ROD as the holder of such shares and treated as a member of the Company under Section 35 of the SICDA. This is subject to the SICDFOR and this Constitution. This term does not also include, the Depository in its capacity as a bare trustee or nominee company. Where those shares are not deposited and do not need to be deposited under the SICDA, it must be a person whose name appears in the ROM.
SICDA	: Securities Industry (Central Depositories) Act 1991 (Act 453).
SICDFOR	: Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996.
written or in writing	: In writing or in any way representing or copying words legibly so that they are permanent. It includes anything in electronic form. It may also be partly in one form and partly in another. Where used in relation to notices of meeting, it must be in hard copy or electronic form in the way allowed by Sections 319 and 320 of the CA, subject to the LR. Where used in another context, it must be in a form allowed or not prohibited by the CA or the LR.

14.2.1 Remuneration of Directors**Clause 198 – Directors' fees and benefits**

"The fees and benefits payable to the directors shall annually be determined by an ordinary resolution of the Company in a General Meeting and shall (unless such resolution otherwise provides) be divisible among the directors as they may agree provided always that:

- (a) salaries payable to executive directors may not include a commission on or percentage or turnover;
- (b) fees payable to non-executive directors shall be a fixed sum and not by a commission on or percentage of profits or turnover;
- (c) any fee paid to an alternate director shall be agreed between himself and the appointing director and shall be paid out of the remuneration of the appointing director; and
- (d) fees and benefits payable to directors shall not be increased except pursuant to an ordinary resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the meeting."

Clause 199 – Directors' expenses

"The Board can also repay to a director all expenses properly incurred in:

- (a) attending and returning from shareholders' meetings, Board meetings or Board committee meetings; or
- (b) any other way in connection with the Company's business."

14. ADDITIONAL INFORMATION (Cont'd)

Extra fees**Clause 200**

"The Board can award extra fees to a director who:

- (a) holds an executive position;
- (b) acts as chairman or deputy chairman; or
- (c) serves on a Board committee or board at the request of the Board."

Clause 201

"If by arrangement with the directors, any director shall perform or render any special duties or services outside his ordinary duties as a director in particular without limiting to the generality of the foregoing if any director being willing shall be called upon to perform extra services or to make any special efforts in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of directors, the Company may remunerate the director so doing a special remuneration in addition to his directors' fees and such special remuneration may be by way of a fixed sum or otherwise as may be arranged."

Pensions and other benefits**Clause 202**

"Subject to the CA and the LR, the Board can decide whether to provide:

- (a) pensions;
- (b) annual payments; or
- (c) other allowances or benefits,

to any people including people who are or who were directors of the Company. The Board can decide to extend these arrangements to relations or dependants of, or people connected to, these people. The Board can also decide to contribute to a scheme or fund or to pay premiums to a third party for these purposes."

Clause 203

"The Company can only provide pensions and other similar benefits to:

- (a) people who are or were directors; and
- (b) relations or dependants of, or people connected to, those directors or former directors,

the receipt of a benefit of any kind given in accordance with this clause does not prevent a person from being or becoming a director of the Company."

14. ADDITIONAL INFORMATION (Cont'd)**Clause 204**

“Shareholders must approve the matters in Clauses 198 to 203 as far as the Laws require in relation to directors’ fees and benefits. There must be annual shareholders’ approvals by ordinary resolution at a General Meeting for the fees of the directors and any benefits payable to the directors. Compensation for loss of employment of a director or former director must have shareholders’ approvals by ordinary resolution passed at a General Meeting, where required by the CA and the LR.”

14.2.2 Voting and borrowing powers of Directors**Clause 213 - Voting at Board meetings**

“Matters for decision which arise at a Board meeting will be decided by a majority vote. If the votes are equal, the chairman of the meeting has a second casting vote. However, the chairman will not have a second casting vote where only 2 directors form the quorum or at which only 2 directors are competent to vote on the question at issue.”

When directors can vote on things**Clause 220**

“A director cannot vote (and if the director does vote, such vote will not be counted) on a resolution about a contract, proposed contract or arrangement in which the director (or a person connected with the director) is directly or indirectly interested.”

Clause 223

“This clause applies if the Board is considering proposals to appoint 2 or more directors to positions with the Company or any company in which the Company has an interest. It also applies if the Board is considering fixing or varying the terms of the appointment. These proposals can be split up to deal with each proposed director separately. If this is done, each proposed director can vote (unless the proposed director is prevented from voting under Clause 220) and be counted in the quorum for each resolution.”

Clause 224

“If a question comes up at a meeting about whether a director (other than the chairman of the meeting) has all interest or whether the director can vote or be counted in the quorum, and the director does not agree to abstain from voting on the question or not be counted in the quorum, the question must be referred to the chairman of the meeting. The chairman’s ruling about the director is conclusive, unless the nature or extent of the director’s interests has not been fairly disclosed to the Board. If the question comes up about the chairman of the meeting, the question will be decided by a resolution of the Board. The chairman cannot vote on the question but can be counted in the quorum. The Board’s resolution about the chairman is conclusive, unless the nature or extent of the chairman’s interests has not been disclosed to the Board.”

Borrowing powers**Clause 246**

“To the extent that the CA, the LR and this Constitution allow, the Board can exercise all the powers of the Company to:

- (a) borrow money of any sum or sums from any person, bank, firm or company;
- (b) mortgage or charge all or any part of the Company’s business, property and assets (present and future);

14. ADDITIONAL INFORMATION (Cont'd)

- (c) issue debentures and other securities; and
- (d) give security (including (without limitation), guarantees, indemnities and mortgages and charges) either outright or as collateral security, for a debt, liability or obligation of the Company or another person.”

Clause 247

“The director shall not borrow any money or mortgage or charge any of the Company’s or its subsidiaries’ undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.”

14.2.3 Alteration of capital**Clause 43 – Power to reduce capital**

“The shareholders can pass a special resolution to reduce in any way the Company’s share capital in accordance with Subdivision 4 of Division 1 of Part III of CA, whether with the confirmation of the Court or a solvency statement.”

Power to alter capital**Clause 44**

“The shareholders can alter the Company’s share capital in accordance with the CA.”

Clause 45

“If any shares are consolidated or divided, the Board may deal with any fractions of shares which result or any other problem that arises. If the Board decide to sell any shares which represent fractions, they must sell for the best price they can reasonably obtain and distribute the net proceeds of sale among shareholders in proportion to their fractional entitlements or shall be disregarded and will be dealt with by the Board in such a manner as they deem fit at their absolute discretion and in the best interest of the Company. The Board can sell to a person (including the Company, if CA and LR allow) and can authorise a person to transfer those shares to the buyer or in accordance with the buyer’s instructions. The buyer does not need to take any action to check how any money paid is used. The buyer’s ownership will not be affected if the sale was irregular or invalid in any way.”

Clause 46

“The shareholders can convert any paid-up shares into stock and reconvert any stock into paid-up shares in accordance with the CA.”

14.2.4 Transfer of Shares**Clause 41 - Renunciations of allotted but unissued shares**

“Where a share or other security has been allotted to a person but that person has not yet been entered on the ROM or ROD, the Board can recognise a transfer (called a renunciation) by that person of their right to the share to be renounced in favour of some other person. Allotments can only apply if the terms on which the share or other security is allotted are consistent with renunciation. The Board can impose terms and conditions regulating renunciation rights.”

14. ADDITIONAL INFORMATION (Cont'd)**Securities transfers****Clause 57**

“The transfers of any listed security or class of listed security shall be made by way of book entry by the Depository in accordance with the DR and, notwithstanding Sections 105, 106 and 110 of the CA, but subject to Section 148(2) of the CA and any exemption that may be made from compliance with Section 148(1) of the CA, the Company shall be precluded from registering and effecting any transfer of the listed security.”

Clause 59

“Transfers of Non-Depository Shares must be in such prescribed form under the CA. If the CA does not prescribe a specific form, the transfer must be in the usual standard form, or such form as approved by the Board. A transfer must be signed, or made effective in some other way, by or on behalf of the persons making and receiving the transfer.”

Clause 60

“The Depository may refuse to transfer any Deposited Shares which does not comply with the SICDA and DR. A shareholder can transfer some or all of their Non-Depository Shares unless this Constitution states otherwise.”

Clause 63

“The Board can refuse to register such a transfer delivered:

- (a) where the transfer breaches any law or regulation or licensing or requirement (of any jurisdiction) which applies to the Company or any of its subsidiaries or any entity in which any of them have an interest;
- (b) where the transfer is unlawful under Malaysian law; or
- (c) the transfer relates to partly paid shares where a call has been made and is unpaid.”

14.2.5 Changes in capital and variation of class rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any rights

Clause 27 – Shares and special rights

“The Company can issue new shares and attach any rights and restrictions to them, as long as this is not restricted by special rights previously given to holders of any existing shares. Subject to this, the rights of new shares can take priority over the rights of existing shares, or existing shares can take priority over them, or the new shares and the existing shares can rank equally. These rights and restrictions can apply to sharing in the Company’s profits or assets. Other rights and restrictions can also apply, for example, those relating to the right to vote.”

Clause 30 - Changing special rights of shares

“If the Company’s share capital is divided into different classes of share, the special rights attached to any of these classes may (subject to Section 90 of the CA and whether or not the Company is being wound up) be varied or withdrawn if the shareholders approve this by passing a special resolution. This must be passed at a separate meeting of the holders of that class of shares. This is called a class meeting. Alternatively, the holders of at least 75% of the existing shares of that class (by voting rights) can give their written consent.”

14. ADDITIONAL INFORMATION (Cont'd)**14.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS**

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date is fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be a shareholder of our Company and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

14.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

Subject to Section 14.3 above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on our Shares, which is imposed by Malaysian law or by our Constitution.

14.5 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION

As at the LPD, save as disclosed below, there are no governmental decrees, regulations or other legislations that may affect the repatriation of capital and the remittance of profits of our material foreign subsidiaries to Malaysia:

(i) Malaysia

All corporations in Malaysia are required to adopt a single tier dividend. All dividends distributed by Malaysian resident companies under a single-tier dividend are not taxable. Further, the Government does not levy withholding tax on dividend payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian resident companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

(ii) India

Certain of our subsidiaries in India are prohibited from paying dividend to parties outside of India. Foreign shareholder/holding company are taxed on any gains realised on their exit, dividends, interest, royalties and fee for technical services on a gross basis. The applicable tax rates are prescribed under the Indian Income Tax Act, 1961, read with the tax treaties, where applicable. Remittance of dividends, interest, royalties and fee for technical services are also subject to the provisions of the FEMA. Dividend, interest, royalties and fee for technical services can be freely repatriated by an Indian company to its foreign shareholder's holding company under the FEMA Regulations without requiring permission from the central bank of India i.e. RBI, subject to completion of formalities in connection therewith.

Impact on the availability of cash and cash equivalents for use by the holding company and remittance of dividends, interest or other payments to shareholders of the holding company

Any cash and cash equivalents, available for use by the foreign shareholders/holding company, shall be subject to tax payable (including tax deducted at source by Indian company) as prescribed under the India's domestic tax laws.

14. **ADDITIONAL INFORMATION** (Cont'd)**(iii) China****Regulation related to foreign exchange**

Pursuant to the *Regulations of the PRC on Foreign Exchange Administration* promulgated on 5 August 2008 and various regulations issued by the State Administration of Foreign Exchange (“SAFE”) and other relevant PRC governmental authorities, RMB is freely convertible only to the extent of current account items such as trade-related receipts and payments, interest and dividends. Capital account items, such as direct equity investments, loans and repatriation of investments, require the prior approval of the SAFE or its local counterpart for conversion of RMB into a foreign currency such as USD and remittance of the foreign currency outside the PRC.

Regulation related to dividend distribution

The principal laws governing dividend distributions by our PRC subsidiary include the Company Law of the PRC which was promulgated on 29 December 1993 and amended on 26 October 2018. Dividend distribution by a wholly foreign-owned enterprises (“WFOE”) is further governed by the Foreign Investment Law of the PRC which was promulgated on 15 March 2019 and became effective on 1 January 2020, and its implementation regulations were promulgated on 26 December 2019 and became effective on 1 January 2020.

PRC companies may pay dividends only out of their accumulated profits, if any, which are determined in accordance with the PRC accounting standards. In addition, PRC companies are required to set aside each year at least 10% of their after-tax profit based on the PRC accounting standards to their statutory general reserve fund until the cumulative amount of such reserve fund reaches 50% of their registered capital. These reserves are not distributable as cash dividends. Furthermore, a WFOE in the PRC may also be required to set aside individual funds for employee welfare, bonuses and development at its discretion and as stipulated in its articles of association. These reserves or funds are not distributable as dividends.

(iv) Mexico

There is no restriction on the repatriation of capital and remittance of profits out of Mexico. After tax-profit account (“CUFIN”) represents profits that have already been subject to Mexican income tax (“ISR”). In the event that a dividend is a non-CUFIN distribution, the company is subject to ISR at 42.86%. Conversely, if the dividend is a CUFIN distribution, it would not be subject to ISR.

From year 2014 onwards, an additional 10.0% withholding tax was levied on dividends (CUFIN and non-CUFIN) paid by Mexican company to Mexican individuals and non-Mexican tax residents (corporate or individual) to the extent that the dividends result from profits generated after 31 December 2013.

Other kinds of payments (e.g. interests, royalties, services) made to foreign related parties may be subject to income tax withholding, the rate may vary depending on the type of payment made. The withholding tax rate may be reduced with a tax treaty to avoid double taxation if certain tax requirements are met. There are certain deductibility limitations for the Mexican company making these payments to foreign related parties, which shall be analysed case by case.

14. ADDITIONAL INFORMATION (Cont'd)**(v) Indonesia****Repatriation of capital**

The Indonesian law allows for foreign investors to transfer and repatriate capital, profits, dividends and other income. However, the Indonesian government has the right to enforce the provisions of the laws and regulation which require the reporting of implementation of fund transfers and defer the repatriation if the investor has any unsettled legal liabilities in Indonesia.

Remittance of profit

There are no restrictions on the remittance of profits from Indonesia to overseas. However, pursuant to Bank Indonesia Regulation No. 18/19/PBI/2016 on Foreign Exchange Transaction to Indonesian Rupiah between Bank and Foreign Parties dated 5 September 2016, Indonesian commercial banks are restricted from transferring IDR overseas and therefore, any remittance of profit from Indonesia must first be converted to a foreign currency.

Taxation of dividends for a non-resident individual or non-resident entity (a "Non-Indonesian Holder")

Dividends declared by the Indonesian subsidiaries out of retained earnings and distributed to a Non-Indonesian Holder in respect of shares are subject to Indonesian income tax, currently at the rate of 20%, on the amount of the distribution (in the case of cash dividends) or on the shareholders' proportional share of the value of the distribution. A lower rate provided under certain double taxation treaties may be applicable provided that, among other, the recipient is the beneficial owner of the dividend (certain criteria must be met as regulated by the Indonesian tax authorities) and is able to complete and provide a Certificate of Tax Residence, i.e. Indonesian Directorate General of Taxation Form to the Indonesian companies.

(vi) Peru

There is no restriction on the repatriation of capital and remittance of profits out of Peru. Withholding taxes will apply in the payment of dividends or profits as indicated below:

(a) Income tax

A company incorporated in Peru is subject to taxation on its worldwide income at a tax rate of 29.5% on net income.

(b) Withholding taxes

Peruvian entities must withhold taxes on income paid to foreign entities at the following rates:

- (i) 5.0%: Dividend and profit distributions.
- (ii) 4.99%: Interest on loans (provided certain conditions are met).
- (iii) 30.0%: Interest on loans granted by related parties.
- (iv) 15.0%: Technical assistance services.
- (v) 30.0% (unless otherwise specifically provided): Other kinds of income (including royalties and digital services).

(c) VAT

A 18.0% VAT applies to, among others, the sale of goods, rendering or first use of services within the country and the import of goods. Peruvian VAT is structured under a debit/credit system, according to which input VAT may be used as a credit against output VAT (subject to certain rules).

14. ADDITIONAL INFORMATION (Cont'd)

(vii) Bolivia

There are no restrictions on the repatriation of capital and the remittance of profits to foreign beneficiaries. According to Bolivian tax law, the distribution of profits from Bolivian sources (dividends from companies domiciled in Bolivia) to foreign beneficiaries is subject to a 12.5% withholding tax that corresponds to the Corporate Income Tax - Foreign Beneficiaries.

Additionally, Law 3446, Financial Transaction Taxes (*Impuesto a las Transacciones Financieras*), enacted in 2006, establishes a Financial Transaction Tax to remittances abroad made through the Bolivian Financial System subject to a 0.3% withholding tax which is applied by a financial entity.

Finally, the Central Bank of Bolivia collects a commission of 2.0% from any transfer of money abroad.

Net profits generated from foreign investment (dividends) may be transferred abroad in foreign currency freely through the financial system, subject to compliance with tax obligations and registration of the foreign investment with the Central Bank of Bolivia.

(viii) Philippines

Under Philippines law, profits remitted by a branch to its head office which are "effectively connected" with the conduct of its trade or business in the Philippines (i.e., profits derived from the business activity in which the corporation is engaged) are generally subject to a final withholding tax of 15.0%. The tax base for branch profit remittance tax is the profit applied or earmarked for remittance abroad without deduction for the tax component thereof. Profits that are not "effectively connected" with the conduct of the foreign corporation's business in the Philippines (e.g., interests received from savings deposit, dividends received from another corporation) are not subject to branch profit remittance tax, but may be subject to other applicable income taxes under Philippines law.

(ix) United States

Under the laws of United States, payments made by the company to a foreign shareholder as dividends, interest, royalties or other amounts from United States sources, which are considered fixed and determinable, annual or periodic, are generally subject to a flat withholding tax of 30.0% of the gross amount of the payment.

(x) Thailand

Any dividends declared by a Thai corporation shall be paid within one month from the date such shareholders' or directors' resolution (as the case may be) has been passed and at each distribution of dividend, at least 5.0% of the profits shall be put into a reserve fund until the company's reserve fund reaches 10.0% of its capital or more.

14. ADDITIONAL INFORMATION (Cont'd)

Thai foreign exchange controls are administered by the Bank of Thailand which has granted commercial banks and certain other entities the authority to conduct foreign exchange transactions as authorised agents of the Bank of Thailand. The Bank of Thailand has instituted measures since 1998 to restrict certain foreign exchange transactions relating to the THB currency by domestic financial institutions with non-residents of Thailand and to safeguard against instability and speculation in the domestic currency market. However, relaxations may be granted from time to time as the Bank of Thailand considers appropriate to the particular financial circumstances. These measures, among other things: (i) limit the value of foreign exchange transactions relating to the THB currency that commercial banks in Thailand can enter with a non-resident who has underlying trade or investment activities in Thailand for such foreign exchange transactions not exceeding the actual value of the underlying trade or investment activity and, for the transactions without any underlying trade or investment activity in Thailand, not exceeding THB200 million (equivalent to RM25.2 million) per non-resident and its related parties as a group, except for foreign exchange spot transactions that relate to the THB currency; and (ii) regulate direct loans granted to non-residents.

The outward remittance from Thailand of, among other cases, (i) dividends after payment of the applicable Thai taxes (if applicable), (ii) proceeds from sales (including capital gains) of securities (e.g. shares, warrants, investment units, bonds, debentures, promissory notes, bills of exchange), (iii) interest on loan from overseas (including inter-company loan) in which such loan is remitted in Thailand and (iv) principal payment of loan from overseas (including inter-company loan) in which such loan is remitted in Thailand, is required to inform the relevant authorised agent without having to submit additional supporting documents or evidence if the amount is less than USD200,000 (equivalent to RM0.8 million) or the equivalent amount in relevant currency per remittance. If the amount is at least USD200,000 (or its equivalent) in the relevant currency, a form must be submitted to the authorised agent together with documents or evidence as to the particular transaction.

In relation to taxation, the repatriation of the following forms of funds abroad from a Thai corporation to a foreign corporation is subject to the following withholding taxes according to Thai tax laws:

- (a) the dividend of a Thai corporation payable to a foreign corporation is a taxable/assessable income and, unless any tax treaty benefits, it is subject to withholding tax at the rate of 10.0%;
- (b) a decrease of the capital in a Thai corporation (either by reducing the number of shares or lowering the par value of each share) at the amount which does not exceed the total amount of profits and reserves payable to a foreign corporation is a taxable/assessable income of such foreign corporation and, unless any tax treaty benefits, it is subject to withholding tax at the rate of 15.0%; and
- (c) the benefit returned after the dissolution of a Thai corporation with monetary value exceeding its investment cost payable to a foreign corporation is a taxable/assessable income of such foreign corporation and, unless any tax treaty benefits, it is subject to withholding tax at the rate of 15.0%.

When a Thai corporation repatriates funds to a foreign corporation, the Thai corporation is required to withhold the applicable withholding taxes mentioned above from the funds payable and remit such taxes withheld to the Thai Revenue Department.

14. ADDITIONAL INFORMATION (Cont'd)**(xi) Colombia****(a) Foreign exchange regime**

The general foreign exchange control regime in Colombia is governed by the following main regulations: (i) Law 9 of 1991; (ii) External Resolution No. 1 of 2018 issued by the Central Bank (Banco de la República); (iii) External Circular DCIP-83 and its amendments, issued by the Central Bank, (iv) Decree 1068 of 2015; and (v) Decree 119 of 2017. The Colombian foreign exchange regime imposes no restrictions on foreign exchange operations, including capital flows in foreign or domestic currency between Colombia and other countries or between residents and non-residents. This includes remittances of dividends in foreign currency to their foreign shareholders overseas and repatriation of funds or investment back to home country, provided that repatriation of funds must always be declared before the Colombian Central Bank and are subject to exchange regulation, including the fact that Colombian law requires that such operations be undertaken only through authorised foreign exchange market intermediaries or through compensation accounts.

Under the Colombian foreign exchange regime, foreign capital investments in Colombian companies are considered direct foreign investment and must be mandatorily channelled through the foreign exchange market, for which purpose it is necessary to report the investment with the Colombian Central Bank by filing foreign exchange declarations. The registration of the foreign investment grants the foreign investor the following exchange rights:

- (i) reinvesting profits or retaining the surplus of non-distributed profits with right to be remitted abroad.
- (ii) capitalise the sums with right to be remitted abroad, which comprehend resources in local currency or any other good or right which is the product of obligations derived from the investment.
- (iii) remit abroad in a freely convertible currency the net profits periodically generated by their investments.
- (iv) remit abroad in freely convertible currency the amounts received as a result of the transfer of the investment in the country, or of the liquidation of the company, portfolio or capital reduction.

Bearing in mind the above, foreign capital investments in Colombia, its reinvestment and the repatriation of the corresponding profits must be channelled through the foreign exchange market, via a foreign exchange market intermediary or compensation accounts. Where a foreign investor has carried out an operation that must be mandatorily channelled through the foreign exchange market, without duly registering and channelling it through the foreign exchange market, such foreign investor will not be entitled to the abovementioned exchange rights.

14. ADDITIONAL INFORMATION (Cont'd)**(b) Taxation****Taxation of dividends in Colombia**

Unless otherwise provided in any applicable tax treaty, as a general rule, dividends paid by a Colombian company to non-Colombian-tax residents (foreign companies, for instance) are subject to income tax in Colombia, depending on the classification of said dividends, as follows:

- (I) “Untaxed dividends”: According to articles 48 and 49 of the Colombian Tax Code, “Untaxed dividends” refer to dividends that are paid out from business profits that were fully taxed at the level of the dividend-distributing company.

In this case, the payment of “Untaxed dividends” are subject to a 10% withholding tax for income tax purposes, following article 245 of the Colombian Tax Code.

- (II) “Taxed dividends”: According to articles 48 and 49 of the Colombian Tax Code, “Taxed dividends” refer to dividends that are paid out from business profits that were not fully tax at the level of the dividend-distributing company. In this regard, it should be noted that it is possible that the company might not be fully taxed on its business profits because of the application of certain tax benefits that cannot be shifted from the company to its shareholders (for instance, exempt incomes, compensation of tax losses, special deductions, etc.).

In this case, the payment of “Taxed dividends” are subject to a withholding tax for the general income tax purposes, as follows:

Year 2019	Year 2020	Year 2021	Years following 2021
33%	32%	31%	30%

Once, the withholding tax for the general income tax purposes has been subtracted from the so-called “Taxed dividends”, the 10.0% withholding tax is then applied to the resulting amount, according to article 245 of the Colombian Tax Code.

(xii) Mongolia

Under Mongolian laws, the investor shall have the right to a free repatriation of capital and the remittance of profits upon full performance of tax obligations in the territory of Mongolia.

There are applicable taxations imposed pursuant to the Mongolian Corporate Income Tax Law and the applicable tax treaties with Mongolia i.e. Double Taxation Treaty between Mongolia and Singapore. Income derived from Mongolia which include dividend paid by Mongolian entity to a non-resident entity shall be subject to Mongolian income tax at the rate of 20%. However, under the Double Taxation Treaty between Mongolia and Singapore, the tax charged shall not exceed 5% of the gross amount of dividends if (i) the beneficial owner is a company which holds directly at least 25% of the capital of the company paying the dividends; and (ii) the beneficial owner of the dividends is a resident of Singapore.

Save as disclosed above, there are no restrictions under Mongolian laws on the repatriation of capital and the remittance of profit by or to the corporation that directly affect the availability of cash and cash equivalent for use by the corporation.

14. ADDITIONAL INFORMATION (Cont'd)**(xiii) Morocco**

Generally, investors who invest foreign currency in Morocco are allowed to repatriate the same amount without prior authorisation from the foreign exchange office. Certain forms of repatriation of funds for the benefit of foreign investors (including dividends, profits made by Moroccan branches of foreign companies, interests on shareholders' loans and proceeds resulting from sale of shares and assets or liquidation of a Moroccan company) are not subject to the prior authorisation of the foreign exchange regulator. Their repatriation is uncapped and is not subject to any time limit provided that certain requirements are met which include, among others, it must have at least 3 years of activity and the accounts must be certified without reservation by an auditor. As an exception, payment of management fees, research and development costs to a foreign company requires the prior approval from the foreign exchange office.

Morocco has executed tax treaties with several countries providing for the absence of double taxation, including the Morocco-Malaysia Convention which aims to ban double taxation.

14.6 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts that are not in the ordinary course of our business within the period covered by the historical financial information as disclosed in this Prospectus and up to the date of this Prospectus:

14.6.1 Share sale agreement dated 26 February 2021 between our Company and DXN Global in respect of the disposal of the entire equity interest in DXN Plantation Sdn. Bhd. ("DXN Plantation")

On 26 February 2021, our Company entered into a share sale agreement with DXN Global for the disposal of 150,000 ordinary shares and 68,000 preference shares in DXN Plantation, representing 100% of the issued share capital of DXN Plantation, for a consideration of RM2.6 million ("**DXN Plantation Consideration**").

In addition to the DXN Plantation Consideration, DXN Global agreed to repay in full to our Company, for and on behalf of DXN Plantation, the intercompany loan amounting to RM95.6 million as at 26 February 2021 ("**DXN Plantation Intercompany Loan**"). Our Company utilised the dividends payable to DXN Global on 26 February 2021 in the amount equivalent to the aggregate sum of the DXN Plantation Consideration and the DXN Plantation Intercompany Loan as payment towards the DXN Plantation Consideration and the DXN Plantation Intercompany Loan. The sale and purchase of the shares was completed on 26 February 2021.

14.6.2 Share sale agreement dated 26 February 2021 between our Company and DXN Global in respect of the disposal of the entire equity interest in DXN Land Sdn. Bhd. ("DXN Land") and Yiked-DXN Stargate Sdn. Bhd. ("YDSSB")

On 26 February 2021, our Company entered into a share sale agreement with DXN Global for the disposal of the following:

- (i) 5,000,000 ordinary shares in DXN Land, representing 100% of the total issued share capital of DXN Land;
- (ii) 390,000 redeemable preference shares in YDSSB, representing 100% of the total issued redeemable preference shares of YDSSB; and
- (iii) 2,510,000 ordinary shares in YDSSB, representing 100% of the total issued share capital of YDSSB,

for a total consideration of RM44.5 million ("**DXN Land and YDSSB Consideration**").

14. ADDITIONAL INFORMATION (Cont'd)

In addition to the DXN Land and YDSSB Consideration, DXN Global agreed to repay in full to our Company, for and on behalf of DXN Land, the intercompany loan amounting to RM4.6 million as at 26 February 2021 (“**Intercompany Loan**”). Our Company utilised the dividends declared payable to DXN Global on 26 February 2021 in the amount equivalent to the aggregate sum of the DXN Land and YDSSB Consideration, and the Intercompany Loan as payment towards the DXN Land and YDSSB Consideration and the Intercompany Loan. The sale and purchase of the shares was completed on 26 February 2021.

14.6.3 Share sale agreement dated 17 May 2022 between DXN Corporation Ningxia and Fujian Anxi Jinjiang Source Tea Technology Co., Ltd in respect of the disposal of the entire 80.0% interest in the total registered share capital in Florin Fujian

On 17 May 2022, DXN Corporation Ningxia entered into a share sale agreement with Fujian Anxi Jinjiang Source Tea Technology Co., Ltd for the disposal of its entire 80.0% interest in the total registered share capital in Florin Fujian for a consideration of RMB58,660,000 (equivalent to RM39.0 million). Out of the total disposal consideration, RMB40,000,000 (equivalent to RM26.6 million) will be paid in 2 tranches where the first tranche of RMB10,000,000 (equivalent to RM6.6 million) will be paid in 3 instalments within 3 to 15 business days from the date of the Florin Fujian SSA and the second tranche of RMB30,000,000 (equivalent to RM19.9 million) will be paid by the purchaser to DXN Corporation Ningxia within 30 days after the purchaser has obtained a bank loan which is expected to be obtained within three months. The balance purchase consideration of RMB18,660,000 million (equivalent to RM12.4 million) will be offset in cash and goods supply.

The transfer of the shares will be made within seven working days from the receipt of payment of second tranche. The sale and purchase of the shares was completed on [●].

14.7 MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability in the 12 months immediately preceding the date of this Prospectus.

14.8 CONSENTS

The written consents of the Principal Adviser, Legal Advisers, Joint Global Coordinators, Joint Bookrunners, Joint Managing Underwriters, Joint Underwriters, Share Registrar, Issuing House and company secretaries as listed in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of KPMG PLT for the inclusion of its name, the Accountants' Report, the Reporting Accountants' Letter on the Pro Forma Consolidated Statements of Financial Position and all references thereto in the form and context in which they are included in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Frost & Sullivan for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are included in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

14. ADDITIONAL INFORMATION (Cont'd)**14.9 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at our registered office during office hours for a period of six months from the date of this Prospectus:

- (i) our Constitution;
- (ii) our material contracts as referred to in Section 14.6 of this Prospectus;
- (iii) our audited consolidated financial statements for the FYEs 28 February 2019, 29 February 2020 and 28 February 2021 and FPE 31 December 2021;
- (iv) audited financial statements of each of our subsidiaries for the past three financial years (save for certain subsidiaries which are not required to prepare audited financial statements under their respective country's corporation laws);
- (v) Reporting Accountants' Letter on the Pro Forma Consolidated Statements of Financial Position as included in Section 12.5 of this Prospectus;
- (vi) Accountants' Report as included in Section 13 of this Prospectus;
- (vii) IMR Report as included in Section 8 of this Prospectus;
- (viii) By-Laws as included in Annexure D of this Prospectus; and
- (ix) letters of consent referred to in Section 14.8 of this Prospectus.

14.10 RESPONSIBILITY STATEMENTS

Our Directors, our Promoter and the Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Maybank IB, being the Principal Adviser, Joint Global Coordinator and Joint Bookrunner for the Institutional Offering, and Joint Managing Underwriter and Joint Underwriter for the Retail Offering, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.