



DXN Holdings Bhd.
Registration No.: 199501033918
(363120-V)



Interlocking Growth, Precision-Driven Future

ANNUAL REPORT 2024

28th

ANNUAL GENERAL MEETING

DATE

Monday, 12 August 2024

TIME

10.00am

HELD PHYSICALLY AT

DXN Cyberville,
Jalan Teknokrat 1, Cyberjaya,
63000 Cyberjaya,
Selangor



ABOUT THIS COVER

An array of five main gears is visualised on the cover, to represent DXN's strategic pillars of Market Expansion, Product Innovation, Capacity Building, Sustainability, and Technological Advancement. A network of smaller gears illustrates the crucial supporting business strategies for community engagement, supply chain optimisation, and financial stability.

The gear assembly meshes smoothly to symbolise the synergy and harmony of DXN's operations in driving the company forward. This dynamic visual conveys the clockwork precision of DXN's strive towards attaining its set goals and aspirations.



For more information,
visit our website
www.dxn2u.com



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BUSINESS OVERVIEW

A World of Opportunities with DXN's
One World One Market

WHO WE ARE AND WHAT WE DO

Datuk Lim Siow Jin (“DLSJ”) founded DXN Holdings Bhd. and its subsidiaries (“DXN Group” or “the Group”) in 1995 with the establishment of DXN Marketing in Kedah, Malaysia. His vision revolves around advocating the use and benefits of traditional medicines and herbal products, particularly in China, Japan and across Asia. Over the years, DXN Group has broadened its product range, encompassing health-oriented and wellness consumer goods such as fortified food and beverages, health supplements, personal care and cosmetics formulations.

521 SKUs

of Products in DXN Group's portfolio

Presence in

48 Countries

comprising:

78 Sales Branches

12 Exclusive External Distribution Agencies

Members in more than

180 Countries

17.1 million Registered Members

3.6 million Active Members*

* Defined as Members who have purchased a product and any newly registered Members in the preceding and current calendar year, based on the cut-off date of 31 December for any particular year.

Today, DXN Group boasts a diverse portfolio comprising 521 stock-keeping units (“SKUs”), with 375 SKUs manufactured in-house. With a global presence, DXN Group operates through seventy eight (78) sales

branches and twelve (12) exclusive external distribution agencies in forty eight (48) countries, serving over 17.1 million registered Members across more than 180 countries, with 3.6 million active Members. Notably, independent market researcher Frost & Sullivan recognised DXN Group as one of Peru and Bolivia’s top ten (10) players in 2022, based on regional sales within the direct selling industry.

2 research facilities in Malaysia and China

84 research staff across

Facilities across Malaysia, China, India, Indonesia, Dubai and Mexico:

7 cultivation facilities

13 manufacturing facilities

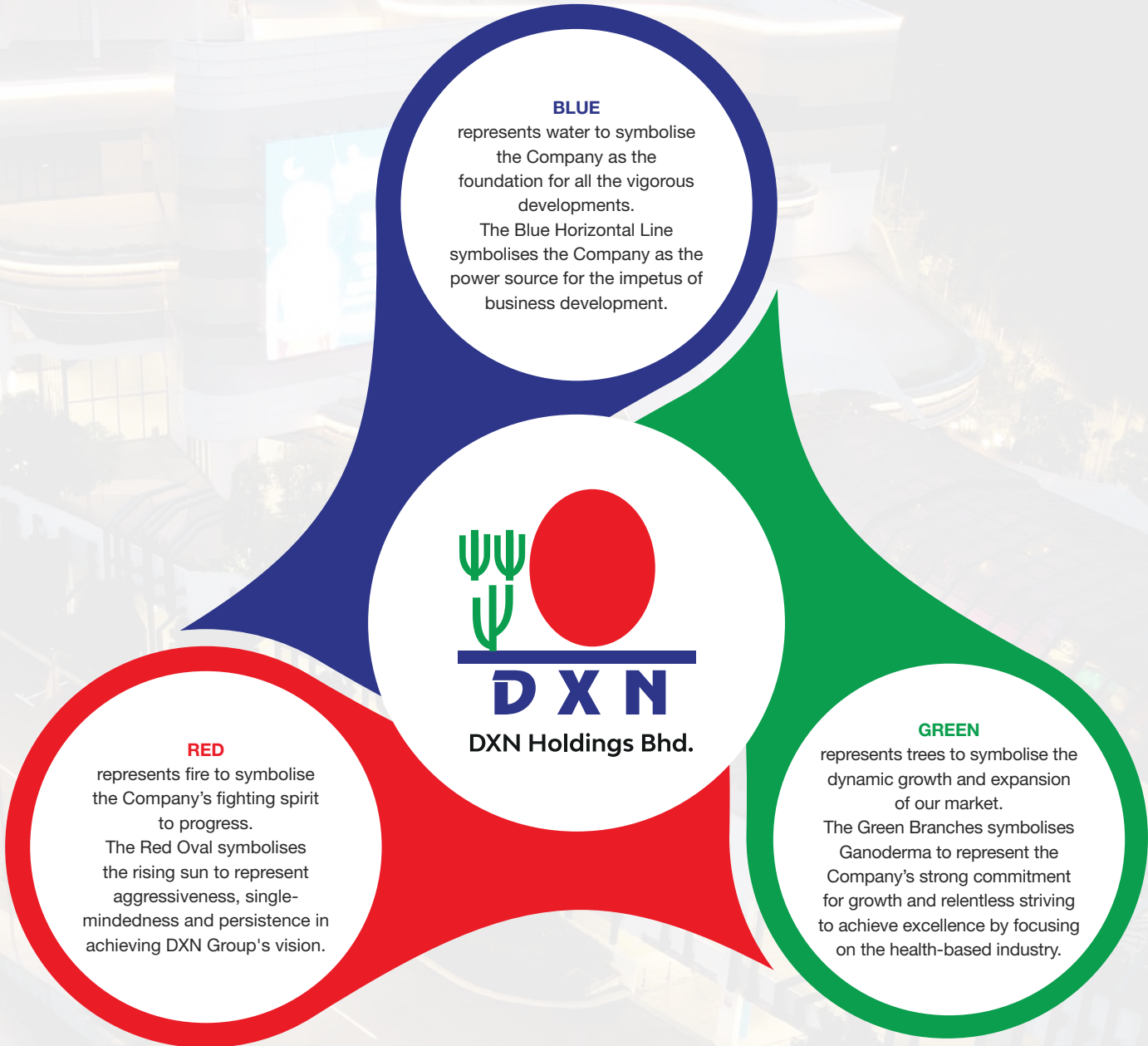
Facilities in the pipeline for 2024:

1 cultivation facility

2 manufacturing facilities

A vertically-integrated supply chain supports DXN Group's operations, incorporating in-house research, cultivation and manufacturing capabilities. The Group's research team, consisting of eighty four (84) staff across facilities in Malaysia and China, focuses on product development and enhancing cultivation and manufacturing techniques. DXN Group operates seven (7) cultivation facilities and thirteen (13) manufacturing facilities across Malaysia, China, India, Indonesia, Dubai and Mexico, producing Ganoderma, Spirulina and various other herbs and ingredients used in its finished capsules, tablets and powdered and liquid beverages. Furthermore, DXN Group has plans to add one (1) cultivation facility and two (2) manufacturing facilities by 2024 to enhance its production capabilities further.

BUSINESS OVERVIEW



GLOBAL DISTRIBUTION NETWORK

- Global Member base allows effective and cost-efficient distribution across broad geographies
- Feedback from consumers via Members guides future product innovation and development and decreases new market entry risks

INTEGRATED PRODUCTION CAPABILITIES

- Vertically-integrated supply chain enables strict product quality control
- Facilities are strategically situated across markets to leverage local resources and to ensure reliability and cost-efficiency to fulfil demand in target markets

QUALITY PRODUCT PORTFOLIO

- Products have active herbal ingredients that deliver health benefits to consumers
- Research capabilities to extract benefits from active ingredients and develop new products

BUSINESS OVERVIEW



BUSINESS OVERVIEW



BUSINESS OVERVIEW

OUR MAIN PRODUCTS

521 SKUs

of Health-Oriented and Wellness Consumer Products:

221

FFB Products

130

HDS Products

106

PCC Products

64

Lifestyle and Living Products

Our range of products can be categorised into four (4) main categories: (1) FFB, (2) HDS, (3) PCC and (4) Other Products and Other Business Activities. There are 521 SKUs of which 375 SKUs of health-oriented and wellness consumer products that we manufacture in-house across these product categories where FFB and HDS products manufactured in Malaysia are Halal certified.

FORTIFIED FOOD AND BEVERAGES

Currently, we have 221 products under FFB with Lingzhi Black Coffee and Lingzhi Coffee 3-in-1 being our main Group revenue contributors, each accounting for more than 5% of our gross revenue. The key products under this category include:



DXN LINGZHI COFFEE 3-IN-1
DXN Lingzhi Coffee 3-in-1 is a blend of quality coffee beans with 100% pure Lingzhi with no artificial colourings, flavourings or preservatives.



DXN COCOZHI®
DXN Cocozhi® is a chocolate-flavoured powdered drink formulated from cocoa and Ganoderma extract.



DXN SPIRULINA CEREAL
DXN Spirulina Cereal is made from high-fibre cereals and Spirulina powder.



DXN MORINZHI
DXN Morinzhi is a beverage made from Noni and enriched with Roselle.



DXN LINGZHI BLACK COFFEE
DXN Lingzhi Black Coffee is a black coffee powder with added Ganoderma extract. It has no sugar additives.



DXN CORDYCEPS COFFEE 3-IN-1
DXN Cordyceps Coffee 3-in-1 is made from instant coffee powder and Cordyceps.



DXN CORDYPINE®
DXN Cordypine® is a blend of Cordyceps and naturally fermented pineapple juice.



DXN MORINZYME®
DXN Morinzyme® is a fermented juice which is produced by fermenting Noni concentrate.

BUSINESS OVERVIEW

HEALTH AND DIETARY SUPPLEMENTS

We produce and sell 130 types of supplements made with various natural ingredients such as Ganoderma, Spirulina, Cordyceps and Green Chiretta. Below are the key products of this category:



DXN REISHI GANO (RG)
DXN Reishi Gano (RG) is 100% made from the fruiting body of Ganoderma. It is harvested from 90-day-old Ganoderma cultivated in accredited organic farms and is available in capsule and powder form.



DXN GANOCELIUM (GL)
DXN Ganocelium (GL) is made from the mycelium of Ganoderma and is available in capsule and powder form.



DXN REISHILIUM POWDER
DXN Reishilium Powder is made from a mixture of the mycelium and fruiting body of Ganoderma.



DXN SPIRULINA
DXN Spirulina is made from cultivated Spirulina and is available in tablet, capsule and powder forms.



DXN CORDYCEPS
DXN Cordyceps is available in tablet, capsule and powder forms and is made from Cordyceps that have been cultivated and harvested at the DXN Group's facilities.



DXN LION'S MANE MUSHROOM
Lion's Mane mushroom, which is also known as "Bear's Head" and "Monkey's Head" mushroom, is used in traditional Chinese medicine to strengthen the body's digestive functions. DXN Lion's Mane mushroom is available in tablet and powder forms.



DXN ANDRO-G
DXN Andro-G is made from Green Chiretta and is available in capsule form.

BUSINESS OVERVIEW

PERSONAL CARE AND COSMETICS

Our current range includes 106 PCC products. Key products include:



Ganozhi Toothpaste
Ganozhi Toothpaste contains Ganoderma extract, food gel, menthol and food flavouring. It is made without saccharin or colouring.



Ganozhi Soap
Ganozhi Soap is a soap enriched with Ganoderma extract and palm oil.



Ganozhi Shampoo
Ganozhi Shampoo is a pH-balanced shampoo that contains Ganoderma extract and vitamin B5.



Gano Massage Oil
Gano Massage Oil contains high-quality palm oil and all-natural Ganoderma extract.



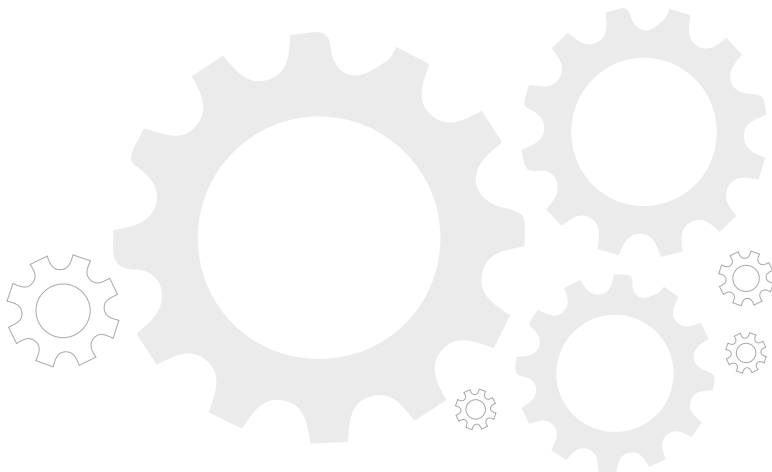
Ganozhi Body Foam
Ganozhi Body Foam is a mild cleansing body foam enriched with Ganoderma extract.

OTHER PRODUCTS

Our portfolio also includes a range of sixty four (64) other products including DXN Kimono, pressure cooker, tea infuser, diesel fuel additives, fruit and vegetable washing liquid, laundry detergent, kettles, air purifiers and a home water filtration system.



DXN Energy Plus Water System
DXN Energy Plus Water System is a water filtration system that employs a six-filter cartridge system. Each filter cartridge has a different function, for example, removing sediment or removing bacteria.



BUSINESS OVERVIEW

OUR COMPETITIVE STRENGTHS

Strong presence in Bolivia and Peru for direct selling of health-oriented and wellness products and a diversified exposure to high-growth markets

Product innovation and sustainable in-house manufacturing processes have enabled us to remain competitive in the current high growth markets as we continue to expand globally. Frost & Sullivan has ranked us to be among the top three (3) in the high-growth markets of Peru and Bolivia in 2022, based on total retail sales of FFB via direct selling, with a market share of 33% and 36% respectively.

Business platform with a broad product portfolio and integrated production facilities

The growing demand in the health-oriented and wellness sector within the direct selling industry is attributed to a changing consumer preference towards quality products with health benefits, while the supply chain is driven by product innovation and integrated manufacturing. We exclusively sell our own-branded products manufactured in-house to maintain control over the quality of products offered to consumers through R&D based upon nutrition science and long proven experience.

Expansive global distribution network and sustainable direct selling strategies

We have a vast distribution footprint spanning across the global regions of Europe, Latin America, North America, Central Asia, South Asia, Southeast Asia, Middle East, Africa and Oceania. Our geographical presence around the world across forty eight (48) countries provides revenue sustenance that is not overly dependant on any particular region, hence mitigating revenue risks that can have a significant impact on the Group's performance including in circumstances outside our control.

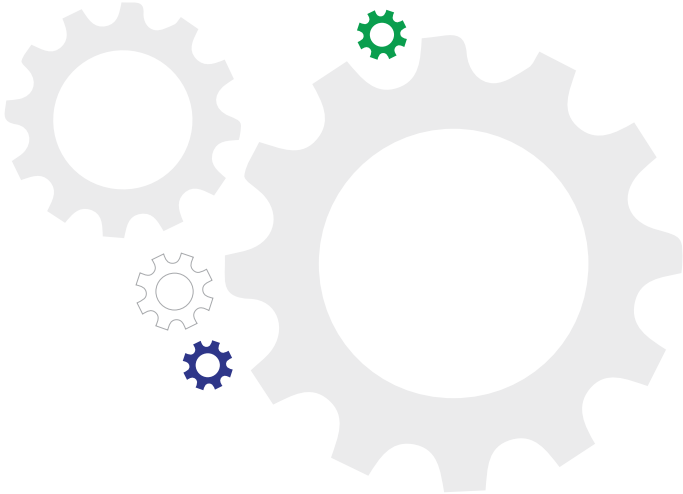
The focus of our direct selling model is to drive consumer sales and we have structured our “One World One Market” compensation plan to primarily reward sales, as opposed to peer companies who may prioritise recruitment.

Strong track record of profitable growth and cash generation

We have a highly scalable business model and our operational processes can be easily replicated for expansion into any existing and new markets. We have proven our ability to open new markets by leveraging our experience and scalable business model. Our geographical diversification helps to mitigate our financial exposure to any particular market and provides us with the ability to consistently record profitability and generate operational cash flow.

Robust technology ecosystem to support global operations

We focus on the development of IT solutions to enable us to continue expanding our presence worldwide as a global health-oriented and wellness business platform. Our global IT ecosystem is broadly integrated via Application Programming Interfaces to allow a seamless transfer and integration of key data across systems tailored to specific needs of the business and continually updated to reflect new market and technical trends.



We will continue to aggressively pursue growth opportunities to further strengthen our position across the value chain as a globally trusted brand. We intend to achieve our goals by implementing the strategies below:

Visible pathway to grow in new and existing markets

We will set up new sales branches or appoint external distribution agencies whenever there are enough Members for network marketing coupled with sizeable sales volumes.

Catering to changing consumer needs and enhancing Member engagement

Our systematic approach to product ideation, development and launch is backed by our strong track record of producing new products with 521 SKUs in our product portfolio since our inception.

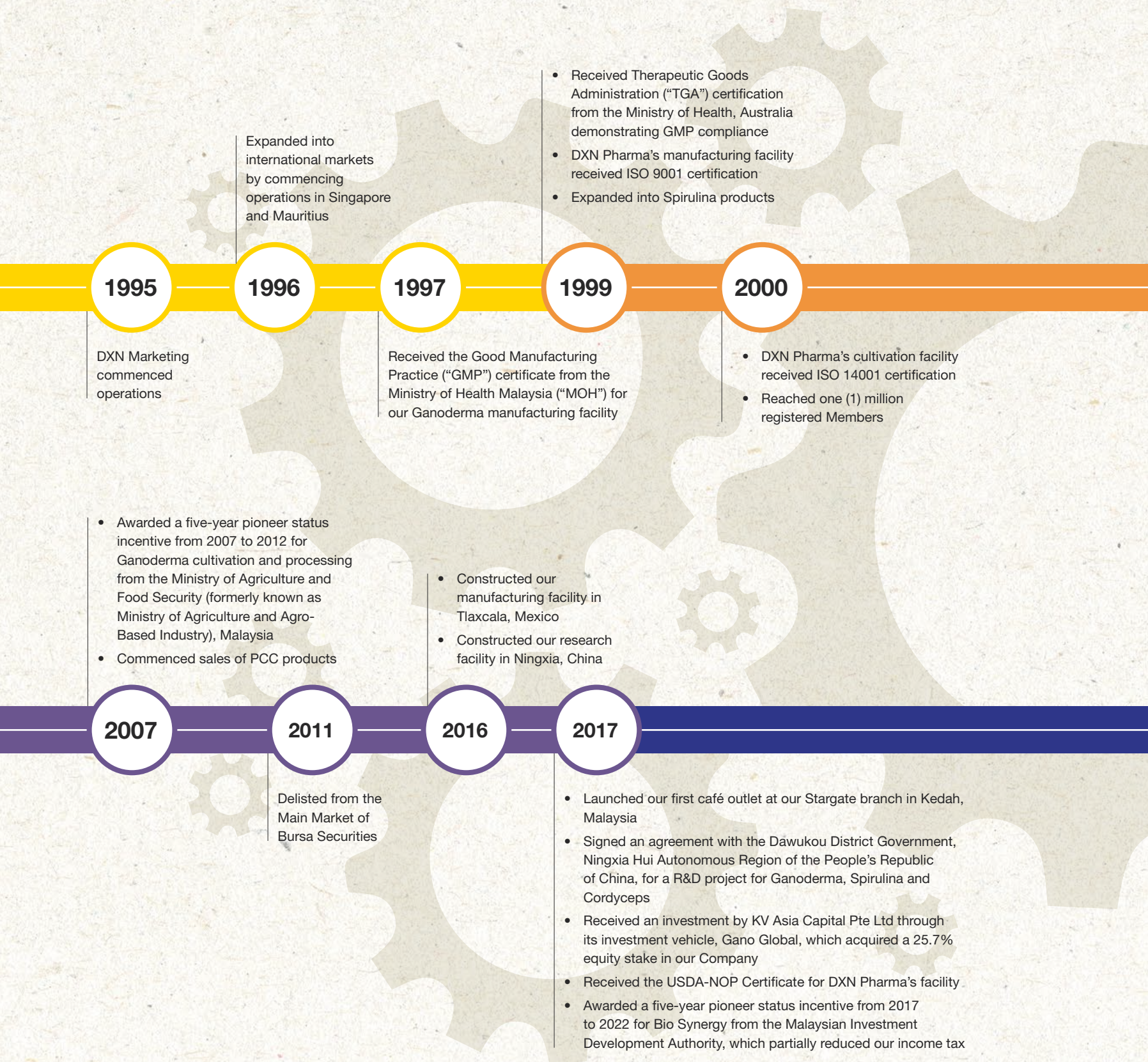
Continued expansion of our vertically-integrated global supply chain

We plan to expand our global supply footprint to ensure a consistent and reliable demand fulfilment, such that there are no supply impediments to sustain our strong topline growth.

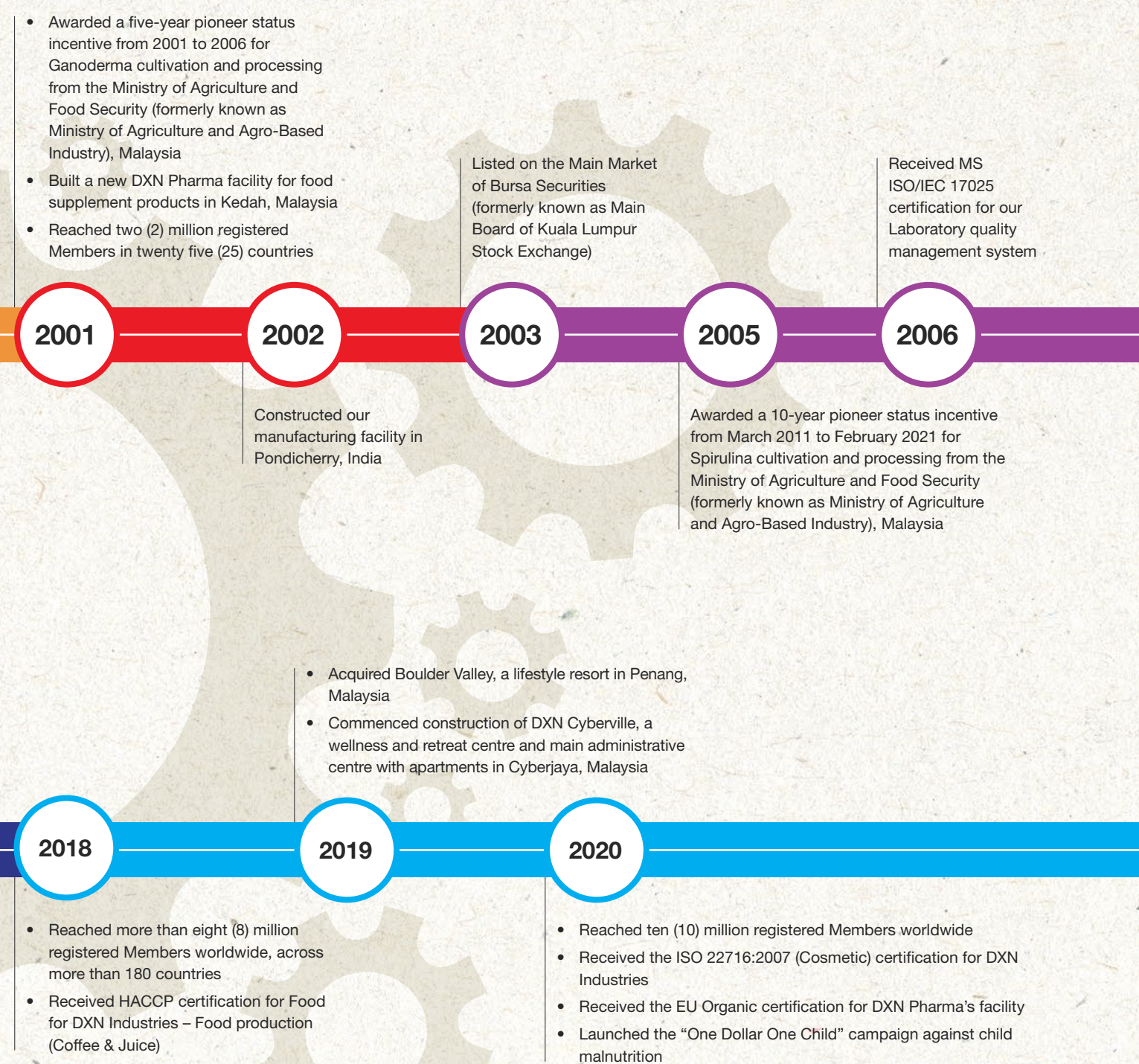
Enhancing our technological ecosystem

The availability of social media enables us to increase our effective reach and enrolment of Members. Members can easily share their success stories across their respective personal networks to allow a wider audience to understand the value proposition offered by us.

CORPORATE MILESTONES



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CORPORATE MILESTONES

2023

• DNX Cyberville

Completed construction of its first wellness and retreat centre, along with its new corporate headquarters, located in Cyberjaya, Malaysia. It boasts an apartment complex, recreational space, a global cyber hub and versatile event venues suitable for corporate functions, meetings, seminars, social gatherings, and personal/private events

• The Public Listing of DNX

DNX's commitment to ensuring continuous growth and prosperity through constant development led to its successful relisting on Bursa Malaysia's main market on 19 May 2023, providing opportunities for both the Company and its members

• DNX IPO Prospectus Launch

Held on 28 April 2023 at DNX Cyberville, the event was attended by DNX's key management, directors, staff, Crown Ambassadors, members, banking officials, Bursa Malaysia representatives and the press

The event featured a corporate video, speeches by DNX Group's Executive Chairman and Maybank Investment Bank Berhad's CEO, and concluded with an official launch of the IPO Prospectus

• 30th Anniversary

Celebrated its 30th Anniversary at DNX Cyberville on 15 October 2023, with DNX Group's Executive Chairman, CEO, Key Senior Management, Board of Directors, Crown Ambassadors and distributors worldwide in attendance

Highlights of the event included inspiring speeches delivered by the Company's key figures, recognition of top distributors, an exclusive product series launch, entertaining performances and a lucky draw

• Tokoh Kebajikan Negara 2023

DNX Group's Executive Chairman, Datuk Lim Siow Jin, received the Tokoh Kebajikan Negara 2023 award at the MAJLIS MALAM SIMFONI KASIH 2023 on 27 December 2023, in Kuala Lumpur, Malaysia

The award recognised his global health contributions and philanthropic efforts, reflecting DNX Group's dedication and tireless endeavours in making a positive impact on society

2024

Achieved a remarkable milestone, surpassing seventeen (17) million registered Members worldwide. This accomplishment showcases DNX Group's global influence and the dedication and hard work of the DNX Group family

AWARDS AND CERTIFICATIONS

Our commitment to product quality, safety and sustainable business practices have been instrumental in our successful expansion into new markets. We are proud to have received recognition through several key awards, which highlight our achievements in the industry. The following is a list of the notable awards we have received over the years:

1999

- DNX Malaysia received Certificate of Membership from the Direct Selling Association of Malaysia ("DSAM").
- DNX Indonesia received Certificate of Membership from the Direct Selling Association of Indonesia ("APLI").

2004

- DNX received the "3rd Asia Pacific International Honesty Enterprise" award.
- DIPL Philippines Branch received the "Most Outstanding Direct Selling Company" and "Top Innovative Company of the Year" award.

2005

- DNX received the "2nd Super Excellence Master Award of Direct Sales 2005" award for its outstanding performance in the development of innovative marketing strategies, good business practices and effective planning.

2006

- DNX received the "5th Asia Pacific International Honesty Enterprise - Keris Award 2006" for its vision and mission, innovation and strategies, management of human resources, operations efficiency, and research and technology for the production of quality products.
- DNX received the "Asia Pacific Super Excellent Brand Book of Records 2006" award for its outstanding achievements, excellent service and good quality products.

2007

- DNX Pharma and DNX Industries received the "28th International Award for Technology and Quality (New Millennium Award)" for its trajectory and business excellence.
- DNX Philippines received Certificate of Membership from the Direct Selling Association of the Philippines ("DSAP").

2008

- DNX was selected as the "Most Outstanding Participant" at the First Direct Selling Festival (Middle East) in Dubai.

2009

- DNX received the "Direct Selling Award for Outstanding Management" award at the Direct Selling Festival (Middle East) in Dubai.

2010

- DNX Spirulina was selected as the "best food supplement in Pakistan" and received the "Brand of the Year Award 2010".

2011

- DNX Dubai received the "Most Successful Network Marketing Company in the UAE" award at the 2nd Malaysia Business Awards in Dubai organised by the Malaysia Business Council UAE.

2012

- DNX Pharma received the "Industry Excellence Award" from the National Pharmaceutical Control Bureau, MOH.
- DNX Peru was ranked #5,225 by sale in the 2012 Edition of "Peru: The Top 10,000 Companies".
- DNX Singapore received Certificate of Membership from the Direct Selling Association of the Singapore ("DSAS").

2013

- DNX Peru was ranked #4,427 by sales in the 2013 Edition of "Peru: The Top 10,000 Companies".
- DNX Pakistan received the "Brands Scientist Certificate for the Year" award.
- DIPL Philippines Branch received the "Perfect 10 Award".

2014

- DNX Peru was ranked #3,032 by sales in the 2014 Edition of "Peru: The Top 10,000 Companies".

2015

- DNX Peru was ranked #2,870 by sales in the 2015 Edition of "Peru: The Top 10,000 Companies".

2016

- DNX India received Certificate of Membership from the Indian Direct Selling Association (IDSA).

2017

- DNX Pakistan received the "Brand of the Year Award" under the "Herbal Food Supplement" category from the Federation of Pakistan Chambers of Commerce & Industry.
- DNX UAE received Certificate of Membership from the Direct Selling Association in UAE (DSA UAE).

AWARDS AND CERTIFICATIONS

2020

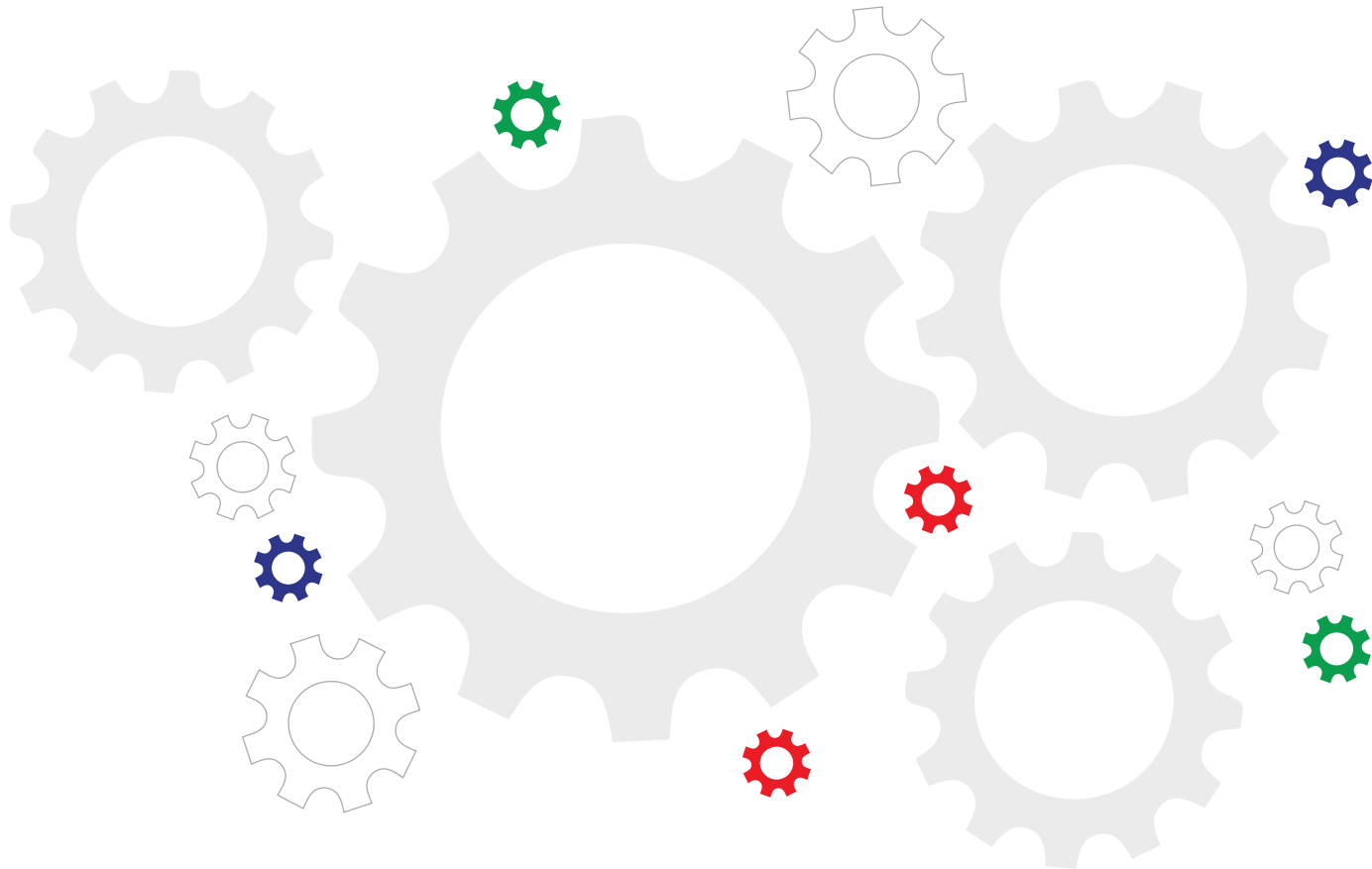
- DXN Marketing received the Best Direct Selling Company (Global) Award in the Domestic Trade Award (APDN 2020) from the MDTCA.

2022

- DXN USA received Certificate of Membership from the Direct Selling Association (“DSA”).
- Elevating Direct Selling - DSA Chairman
Mr. Saleem Shajeer (International Marketing Director - Middle East) was appointed as the Chairman of the DSA UAE on 12 January 2022.
DSA UAE, the sole national trade association for direct selling in the UAE and MENA region, is a Silver Member of the World Federation of Direct Selling (“WFDSA”). Since 2012, it has been a significant socioeconomic force, providing a unified voice to engage with stakeholders locally and internationally.

2023

- DXN Industries received Product Certification License from SIRIM QAS International Sdn. Bhd.
- Empowering Global Connections: DXN Leads as Platinum Sponsor at WFDSA 2023 World Congress.
DXN Middle East served as platinum sponsor at the WFDSA World Congress from 16 to 18 October 2023 at the Grand Hyatt Hotel, Dubai.
- Best Incentive Program in an International Destination award at the 12th Annual Malt Excellence Award.
DXN Middle East ITSI 2023 won the Best Incentive Program in an International Destination award at the 12th Annual Malt Excellence Awards held in Grand Hyatt Abu Dhabi, UAE.
The MALT Excellence Awards celebrate trailblazers in Meetings, Incentives, Conferences, Events (“MICE”), Business and Luxury Travel in the MENA region, highlighting extraordinary accomplishments and groundbreaking initiatives.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Lim Siow Jin
Executive Chairman

Dato’ Lim Boon Yee
Non-Independent Non-Executive Director

Vibhav Panandiker
Non-Independent Non-Executive Director

Datuk Noripah Binti Kamso
Senior Independent Non-Executive Director

YM Tunku Afwida Binti Tunku A. Malek
Independent Non-Executive Director

Stefan Heitmann
Independent Non-Executive Director

Abraham Verghese A/L T V Abraham
Independent Non-Executive Director

Ong Huey Min
Independent Non-Executive Director

BOARD AUDIT COMMITTEE

Chairman
Abraham Verghese A/L T V Abraham
Members
YM Tunku Afwida Binti Tunku A. Malek
Stefan Heitmann
Ong Huey Min

EXECUTIVE COMMITTEE

Members
Datuk Lim Siow Jin
Lim Yew Lin

BOARD NOMINATION AND REMUNERATION COMMITTEE

Chairman
YM Tunku Afwida Binti Tunku A. Malek
Members
Datuk Noripah Binti Kamso
Ong Huey Min

BOARD RISK COMMITTEE

Chairman
Stefan Heitmann
Members
Abraham Verghese A/L T V Abraham

COMPANY SECRETARIES

Tai Yit Chan
(MAICSA 7009143)
(CCM PC No. 202008001023)

Ong Tze-En
(MAICSA 7026537)
(CCM PC No. 202008003397)

Lim Yew Lin
(MIA Membership No. 20906)
(CCM PC No. 202008001679)

REGISTERED OFFICE

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SHARE REGISTRAR

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Selangor
Tel : +603-7890 4700
Fax : +603-7890 4680
Email : BSR.Helpdesk@boardroomlimited.com

AUDITORS

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(LLP0010081-LCA & AF0758)
Chartered Accountants
Level 18, Hunza Tower
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10250 Penang
Tel : +604-375 1800
Fax : +604-238 2222

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad/
OCBC Al-Amin Bank Berhad
United Overseas Bank (Malaysia) Bhd.

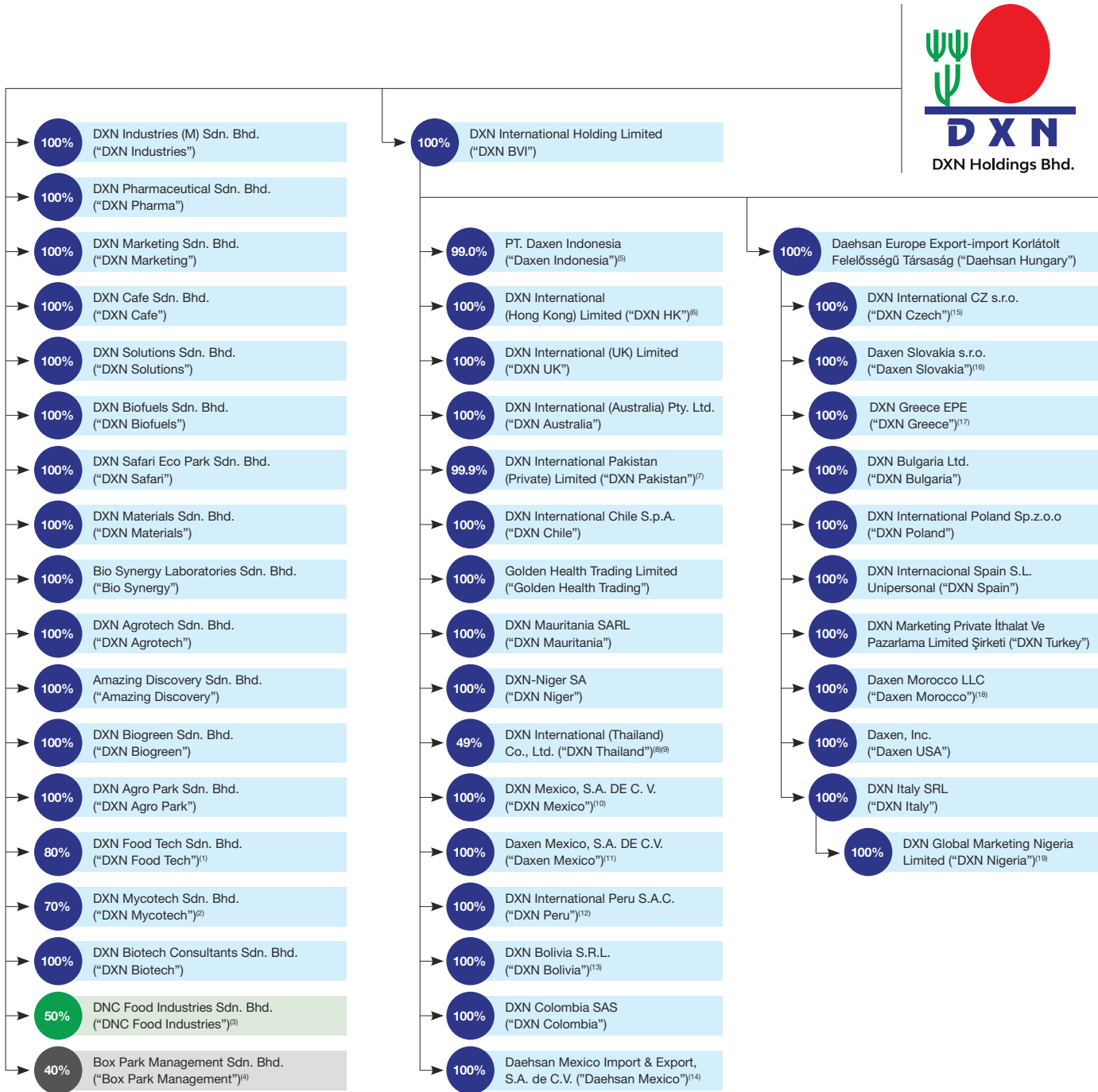
STOCK EXCHANGE

Main Market of Bursa Malaysia Securities Berhad
Stock Name : DXN
Stock Code : 5318

WEBSITE

www.dxn2u.com

CORPORATE STRUCTURE



Notes:

- ⁽¹⁾ The remaining 20.0% equity interest in DXN Food Tech is held by Leong Why Sheng, the nephew of DLBL.
- ⁽²⁾ The remaining 30.0% equity interest in DXN Mycotech is held by Norikmazaton Binti Mohd Zali.
- ⁽³⁾ DNC Food Industries is our joint venture company. The remaining 50.0% equity interest in DNC Food Industries is held by CSC Food Industries Sdn. Bhd.
- ⁽⁴⁾ The remaining 60.0% equity interest in Box Park Management is held by Aman Infrastructure Development Sdn. Bhd.
- ⁽⁵⁾ The remaining 1.0% equity interest in Daxen Indonesia is held by Jong Sui Shia, the director of Daxen Indonesia.
- ⁽⁶⁾ DXN BVI holds 99.9% equity interest in DXN HK while DXN holds the remaining equity interest in DXN HK which is less than 0.1%.
- ⁽⁷⁾ DXN BVI holds 99.9% equity interest in DXN Pakistan while DLBY and Lim Yew Lin hold the remaining equity interest in DXN Pakistan which is less than 0.1%.

- ⁽⁸⁾ The remaining 51.0% equity interest in DXN Thailand is held by Anong Phoungtong and Nongluck Wongworn with shareholdings of 26.0% and 25.0% respectively.
- ⁽⁹⁾ DXN regards DXN Thailand and DXN Marketing India as subsidiaries by virtue of having board control and being the single largest shareholder in these companies. The remaining voting rights in these entities are held by individual investors and there is no indication that other shareholders exercise their votes collectively.
- ⁽¹⁰⁾ DXN BVI holds 99.9% equity interest in DXN Mexico while DXN holds the remaining equity interest in DXN Mexico which is less than 0.1%.
- ⁽¹¹⁾ DXN BVI and DXN hold 99.0% and 1.0% equity interests respectively in Daxen Mexico.
- ⁽¹²⁾ DXN BVI and DXN hold 98.9% and 1.1% equity interests respectively in DXN Peru.
- ⁽¹³⁾ DXN BVI and DXN Peru hold 99.9% and 0.1% equity interests respectively in DXN Bolivia.

- ⁽¹⁴⁾ DXN BVI holds 99.9% equity interest in Daehsan Mexico while DXN holds the remaining equity interest in Daehsan Mexico which is less than 0.1%.
- ⁽¹⁵⁾ Daehsan Hungary and DXN Peru hold 96.0% and 4.0% equity interests respectively in DXN Czech.
- ⁽¹⁶⁾ Daehsan Hungary and DXN Peru hold 97.5% and 2.5% equity interests respectively in Daxen Slovakia.
- ⁽¹⁷⁾ Daehsan Hungary holds 99.3% equity interest in DXN Greece while DXN Peru holds the remaining equity interest in DXN Greece which is less than 0.7%.
- ⁽¹⁸⁾ Daehsan Hungary and Daxen Slovakia hold 99.0% and 1.0% equity interests respectively in Daxen Morocco.
- ⁽¹⁹⁾ DXN Italy and DIPL hold 99.0% and 1.0% equity interests respectively in DXN Nigeria.
- ⁽²⁰⁾ DXN Singapore and DXN hold 95.0% and 5.0% equity interests respectively in DXN Argentina.
- ⁽²¹⁾ DXN Singapore holds 99.9% equity interest in DXN Ecuador while DXN Bolivia holds the remaining equity interest in DXN Ecuador which is less than 0.1%.

- ⁽²²⁾ DXN Singapore and DXN Peru hold 99.99% and 0.01% equity interest respectively in DXN Brazil.
- ⁽²³⁾ DXN Singapore holds 99.9% equity interest in DXN Kyrgyzstan while the remaining equity interest which is less than 0.01% held by Padinharu Valappil Asik Rehman.
- ⁽²⁴⁾ DXN BVI and DXN hold 99.0% and 1.0% equity interests respectively in Daxen Agritech.
- ⁽²⁵⁾ The remaining 50.0% equity interest in DXN Marketing India is held by Jacob Antony and Jipna Jijith with shareholdings of 24.5% and 25.5% respectively.
- ⁽²⁶⁾ DIPL, which is incorporated in Labuan, Malaysia, has a branch office located in the Philippines.
- ⁽²⁷⁾ DIPL holds 99.9% equity interest in DXN Manufacturing India while DXN BVI holds the remaining equity interest in DXN Manufacturing India which is less than 0.1%.
- ⁽²⁸⁾ The remaining equity interest in DXN Clinics which is less than 0.1% is held by TH Strategic Investment Pvt Ltd.

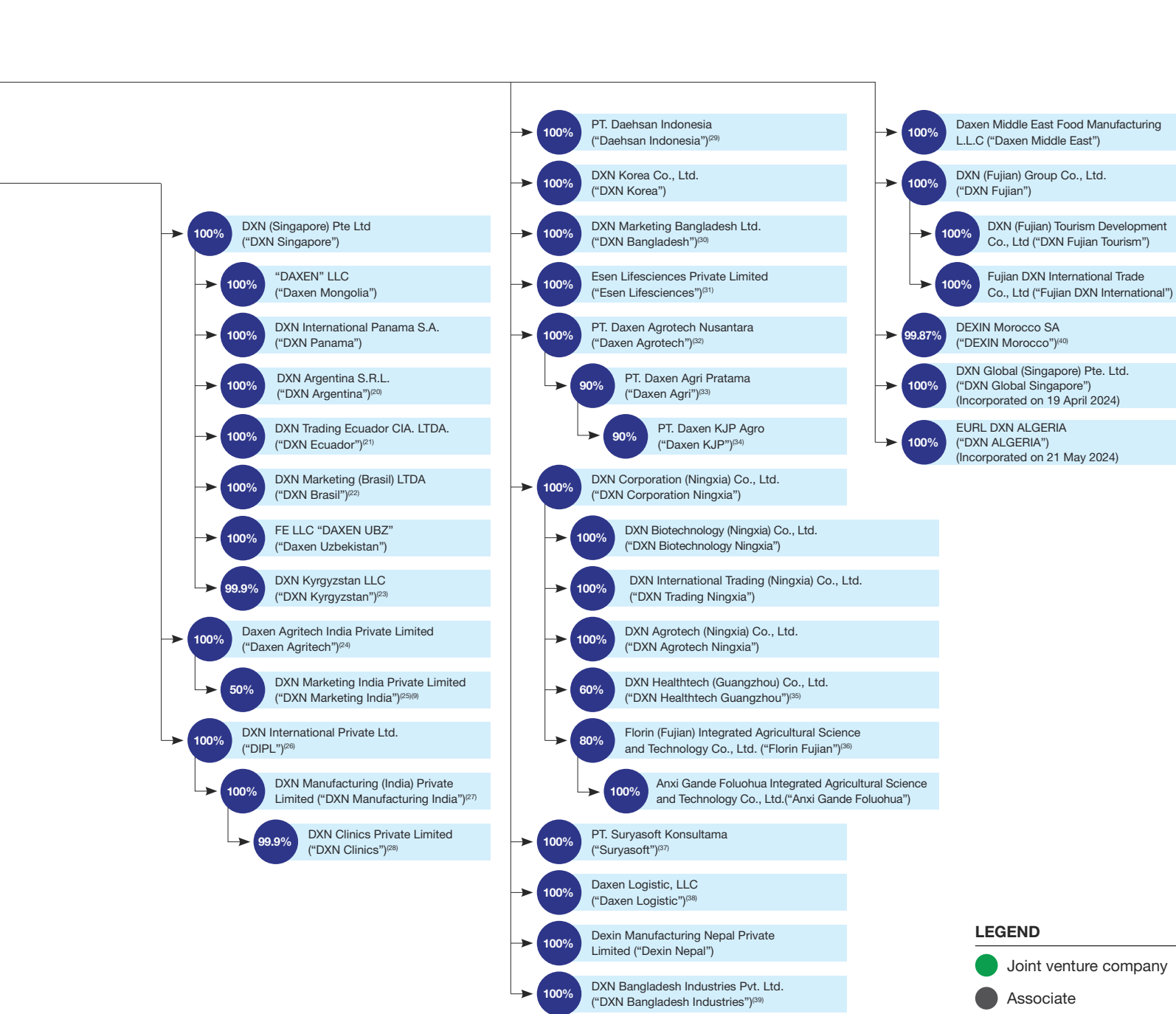
- ⁽²⁹⁾ DXN holds 99.9% equity interest in Daehsan Indonesia while DXN BVI holds the remaining equity interest in Daehsan Indonesia which is less than 0.01%.
- ⁽³⁰⁾ DXN and DXN BVI hold 99.0% and 1.0% equity interests respectively in DXN Bangladesh.
- ⁽³¹⁾ DXN holds 99.9% in Esen Lifesciences while DXN Manufacturing India holds the remaining equity interest in Esen Lifesciences which is less than 0.1%.
- ⁽³²⁾ DXN and DXN BVI hold 90.0% and 10.0% equity interests respectively in Daxen Agrotech.
- ⁽³³⁾ The remaining 10.0% equity interest in Daxen Agri is held by PT Kirana Investama Nusantara.
- ⁽³⁴⁾ The remaining 10.0% equity interest in Daxen KJP is held by PT KJP Cipta Desa Sejahtera.
- ⁽³⁵⁾ The remaining 40.0% equity interest in DXN Healthtech Guangzhou is held by Lin Jiming and Zhang Jingjun with shareholdings of 27.3% and 12.7% respectively.
- ⁽³⁶⁾ The remaining 20.0% equity interest in Florin Fujian is held by Fujian Anxi Jinjiang Source Tea Technology Co. Ltd.

- ⁽³⁷⁾ DXN and DXN BVI hold 99.0% and 1.0% equity interest respectively in Suryasoft.
- ⁽³⁸⁾ The entire 100.0% equity interest in Daxen Logistic is held on trust by the shareholders of Daxen Logistic for DXN.
- ⁽³⁹⁾ DXN holds less than 99.8% in DXN Bangladesh Industries while DXN BVI holds the remaining equity interest of 0.2% in DXN Bangladesh Industries.
- ⁽⁴⁰⁾ DXN holds 99.9% equity interest in Dexin Morocco, the remaining equity interest of less than 0.1% is equally held by DXN BVI, Lim Yew Lin, Foo Wai Leong and Jijith Nelliote Kakkunnath.
- Unless specified above, the remaining equity interest not held by our Group in our subsidiaries, associate and joint venture are held by unrelated third parties.

LEGEND

- Joint venture company
- Associate

CORPORATE STRUCTURE



CHAIRMAN'S STATEMENT



**DATUK
LIM SIOW
JIN**
Executive
Chairman

**Interlocking Growth,
Precision-Driven Future**

CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the Board, I am pleased to present to you the Annual Report of DXN Holdings Bhd. (“DXN” or “the Company”) and its subsidiaries (“DXN Group” or “the Group”) for the financial year ended 29 February 2024 (“FY2024”).

FY2024 was a stellar year for us, achieving a record revenue of RM1.8 billion and our most profitable year yet, with a profit after tax and minority interest (“PATAMI”) of RM311.0 million. This performance underscores our adaptability in a dynamic marketplace and serves as a testament to the successful execution of our business strategies.

CHALLENGING MACROECONOMIC LANDSCAPE

DXN Group demonstrated remarkable resilience in 2023, successfully navigating a combination of significant macroeconomic headwinds. Escalating geopolitical conflicts in the Middle East and Europe disrupted established trade routes, leading to surges in freight and energy costs. Additionally, persistently high interest rates across major global economies dampened overall business and consumer confidence. Against this backdrop, the International Monetary Fund (“IMF”) reported a slower global growth, from 3.5% in 2022¹ to 3.2% in 2023².

Despite these headwinds, the global nutraceuticals market continued to expand, achieving US\$415.47 billion in 2023³, up from US\$350.0 billion in 2022⁴. This growth is supported by the rising demand for health-conscious and functional foods, particularly among the aging population grappling with chronic diseases.

The Latin America and Asia regions, our primary revenue drivers, are both witnessing robust growth in the nutraceutical market. This surge is propelled by several key factors: increasing disposable incomes that empower consumers to prioritise preventive healthcare, growing urbanisation that fuels demand for convenient health solutions, and government initiatives that endorse healthy lifestyles.

Latin America's nutraceutical market is valued at US\$14.3 billion in 2023, with projections indicating substantial growth to US\$22.6 billion by 2029⁵, representing a compounded annual growth rate (“CAGR”) of 8.0%. Similarly, the Asian market presents promising growth potential, from US\$90.5 million in 2023 with anticipation to soar by a CAGR of 7% to reach an estimated US\$175.5 million by 2033⁶.

COMMITMENT TO GROWTH

Undeterred by the challenging macroeconomic environment in 2023, we remained committed to our long-term growth strategy. Recognising the significant contribution of Latin America, which represented 57.9% of the Group's FY2024 revenue, we expanded our footprint in the region by entering the Brazilian market. This move leverages on the Group's existing presence in Latin America, capitalising on the potential of the Brazilian nutraceutical sector, supported by its growing middle class. Hitting the ground running, we have already secured approval for eleven (11) products to enter the Brazilian market. Our foray into Brazil is expected to positively influence our overall performance.

We are cognisant that maintaining a competitive edge goes beyond simply expanding into new territories. It demands a commitment to innovation, constantly evolving to meet the dynamic demands of our consumers. In line with this ethos, DXN Group has recently introduced a line of convenient, health-focused products, designed for today's fast-paced lifestyles. From ready-to-eat (“RTE”) food to ready-to-drink (“RTD”) beverages, these new offerings reflect our commitment in meeting the changing lifestyle of today's consumers.



¹ International Monetary Fund: Near-Term Resilience, Persistent Challenges.

² International Monetary Fund: Steady But Slow: Resilience Amid Divergence.

³ Research and Markets: Nutraceuticals Global Market Report 2024.

⁴ PR Newswire Association LLC: Global Nutraceuticals Market Outlook Report 2022 to 2028.

⁵ Market Data Forecast, Inc.: Latin America Nutraceuticals Market.

⁶ Future Market Insights, Inc.: Asia Pacific Nutraceuticals Market Outlook (2023 to 2033).

CHAIRMAN’S STATEMENT



Through the collective strength of DXN Group's team, we achieved record-breaking performance in FY2024, defying a challenging market environment.”

As part of our ongoing global expansion, we celebrated the completion of new manufacturing facilities in China and India. We are further broadening our operational footprint by establishing new facilities in Bangladesh and Nepal, demonstrating our commitment to entering and cultivating new markets. These facilities are slated to commence commercial operations in the latter half of calendar year 2024. By localising our manufacturing operations, we aim to forge strong relationships with local stakeholders and adapt to the unique dynamics of each market.


Moreover, these new facilities will not only increase our production capacity but also widen our supply chain. As they are strategically located closer to our key consumer markets such as India, Middle East and North Africa, they will reduce our shipping costs and shorten delivery time.

FY2024 FINANCIAL PERFORMANCE

Through the collective strength of DXN Group's team, we achieved record-breaking performance in FY2024, defying a challenging market environment. Revenue grew to RM1.8 billion, exceeding all previous records and reflecting a 12.6% year-on-year (“YoY”) growth from the previous financial year’s (“FY2023”) RM1.6 billion revenue. This success stems from our member-driven conventions, new product launches, and targeted marketing programmes implemented globally. Latin America and Asia were our key markets, generating a large portion to our FY2024 performance.

As such, the Group maintains a healthy financial position. As of 29 February 2024, total equity stands at RM1.4 billion, total assets at RM2.1 billion, and a total liability of RM740.8 million.

HIGHLIGHTS OF FY2024



Revenue
12.6% ↑
RM1.8 billion
(FY2023: RM1.6 billion)

During the year, the Board revised our dividend policy to distribute at least 50% of our PATAMI as dividends. This move reflects our strong financial performance and confidence in sustained growth. By increasing dividends, we are committed to delivering enhanced returns to our shareholders, demonstrating our focus on maximising shareholder value.

For detailed insights into the Group's financial performance, please refer to the Management Discussion and Analysis section within this Annual Report.

PROSPECTS AND OUTLOOK

As 2024 unfolds, DXN Group is poised to make smooth progress on our strategic goals and maintain the strong momentum throughout the year. This reflects the IMF's anticipated continuation of global economic growth in 2024 and 2025 at a steady pace similar to 2023. Additionally, the projected decline in global inflation to 5.9% in 2024, and further down to 4.5% in 2025 is expected to translate into a more favourable business environment for the nutraceutical industry, potentially leading to increased market opportunities for the Group.

Industry analysts anticipate the global nutraceutical market value to grow at a CAGR of 5.8%, expanding from USD418.0 billion in 2023 to USD620.3 billion by the end of 2030. This growth is fuelled by a rising focus on health and wellness. Thus, we look forward to furthering our global expansion plans, with efforts to establish additional manufacturing facilities in Latin America already underway.

Additionally, we expect the fast-growing aging population to also boost the Group's performance. The global population aged sixty five (65) years and over is projected to double from 751 million in 2021 to 1.6 billion by 2050. By strategically targeting the needs of the aging population with products that promote health and longevity, DXN Group can ensure continued growth and success in the years to come.

APPRECIATION

On behalf of DXN's Board of Directors (“the Board”), I express my sincere appreciation to our suppliers, bankers, customers, and relevant government agencies and regulatory bodies for their support throughout the past year. I also wish to thank our shareholders for their continued faith and support in DXN's vision and goals.

DXN's success would not be possible without the significant contributions of our over 3,000 DXN employees in Malaysia and globally. Their tireless efforts and commitment to excellence have been instrumental in our success.

Furthermore, we are also thankful for the support from our more than 3.6 million active members worldwide. Their entrepreneurial spirit is essential for expanding our market reach and enhancing brand awareness.

On a personal note, I would like to express my gratitude to my esteemed fellow colleagues on DXN's Board who have provided insightful perspective and strategic counsel, which have been pivotal in steering the Group's direction.

We are also delighted to welcome Mr. Prajith Pavithran (“Mr. Prajith”) as the Group's newly appointed Chief Executive Officer (“CEO”). With over twenty (20) years of industry experience and an illustrious track record of achievements within DXN Group, Mr. Prajith brings profound expertise to the team. We are confident that his fresh perspective, leadership, and vision will elevate the Group to even greater heights in the years to come.

In the same vein, we express our appreciation to Mr. Teoh Hang Ching (“Mr. Teoh”) as he steps down from his role as CEO and Executive Director to concentrate solely on leading the Group's business

expansion in China. Over an exceptional seventeen-year tenure at DXN Group, Mr. Teoh has held various key positions which have contributed significantly to DXN Group's current success. His deep understanding of the local business environment, regulatory framework and market trends in China makes him well-suited to steer our expansion into this vital market.

Looking ahead, we remain positive on our future growth prospects. DXN is a company built on a strong foundation, fuelled by the dedication and collaborative spirit of our team. Together, we are committed to driving continued growth and creating long-term value for all our stakeholders.

Datuk Lim Siow Jin
Executive Chairman



CHAIRMAN’S STATEMENT

MANAGEMENT DISCUSSION AND ANALYSIS



DXN Holdings Bhd. (“DXN” or “the Company”) and its subsidiaries (“DXN Group” or “the Group”) demonstrated resilience in the financial year ended 29 February 2024 (“FY2024”), achieving another year of commendable growth amidst the challenging global business environment. Despite facing economic volatilities in many of our operating markets, we persevered and delivered another set of strong financial performance.”



**PRAJITH
PAVITHRAN**
Chief Executive
Officer

MANAGEMENT DISCUSSION AND ANALYSIS

A VERTICALLY-INTEGRATED APPROACH

FROM SEED TO SHELF

DXN Group is a global manufacturer of nutraceutical products, combining the medicinal benefits of natural sources such as edible fungi and spirulina. Throughout the financial year under review, our business fundamental and focus have remained the same.

DXN Group's vertically-integrated supply chain ensures optimal control and efficiency from research and development (“R&D”) to cultivation and manufacturing. We have a team of more than eighty (80) researchers based in Malaysia and China who can develop innovative health products that cater to the ever-changing health needs of our consumers.

Our portfolio consists of 521 products, of which 375 are manufactured in-house to ensure quality control. We now have thirteen (13) manufacturing facilities around the world and our operations is supported by seven (7) cultivation facilities that cultivate our main ingredients such as spirulina, Ganoderma lucidum (or also known as Lingzhi or Reishi), tiger milk mushroom, noni, roselle, and several others. Our portfolio of products caters to various needs, mainly comprising of Fortified Food and Beverages (“FFB”); Health and Dietary Supplements (“HDS”); and Personal Care and Cosmetics (“PCC”).

OUR MAIN INGREDIENTS



Spirulina



Ganoderma



Tiger Mushroom

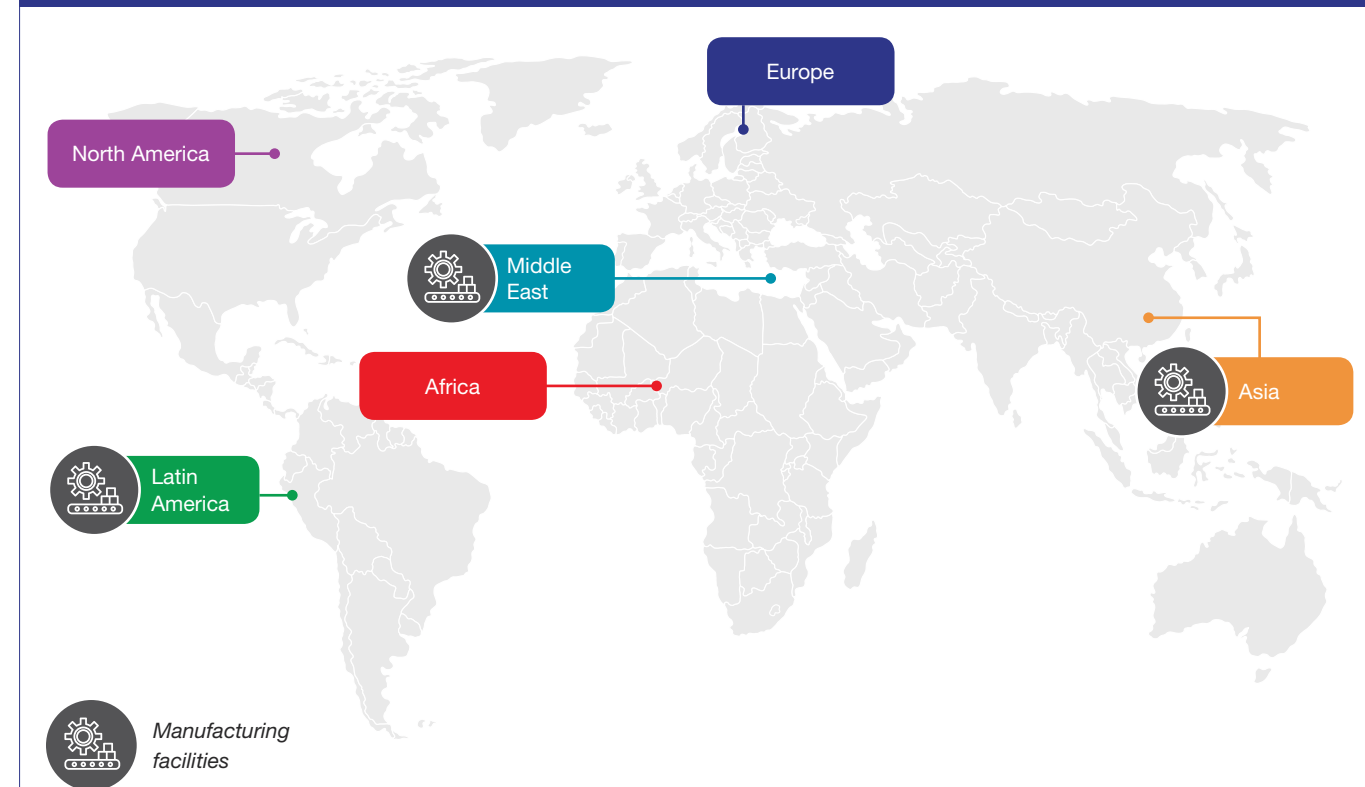


Noni



Roselle

WE HAVE INTERNATIONAL PRESENCE AND PRODUCTION FOOTPRINT



MANAGEMENT DISCUSSION AND ANALYSIS

In FY2024, we completed the development of new facilities in Ningxia, China and Telangana, India, while strategically acquired a manufacturing plant in Dubai, United Arab Emirates. These facilities boost an additional 277,500 m² of production and cultivation capacity, bringing our total global production footprint to more than 470,000 m².



Our **Ningxia, China** facility integrates farming, R&D, and production operations, including our largest spirulina production unit.



Our facilities in **Telangana, India** that manufactures a variety of FFB, HDS and PCC products and cultivates spirulina.

We are currently in the process of establishing two (2) new manufacturing facilities and a spirulina cultivation plant in Nepal and Bangladesh. These facilities will add another 1,675 m² of production capacity, allowing us to meet the rising demand for our products within the Asian region. These facilities are slated to start operating by the latter half of calendar year 2024.

Our Total Manufacturing Built-Up Capacity

Manufacturing Facilities	No. of Facilities	Total Built-Up Area (m²)
India	4	114,000
China	3	195,000
Malaysia	2	150,000
Mexico	2	12,000
United Arab Emirates	1	5,000
Indonesia	1	1,300
Bangladesh (to be completed)	1	1,113
Nepal (to be completed)	1	562
Total	15	478,975

MANAGEMENT DISCUSSION AND ANALYSIS

ONE WORLD ONE MARKET: OUR GLOBAL REACH

Over the years, we have established a robust network of distribution channels across forty eight (48) countries. Our products are distributed via seventy eight (78) sales branches and twelve (12) exclusive external distribution agencies that are strategically positioned to serve our vast consumer base.

Our operations are anchored by our robust technology ecosystem that was internally developed, integrated to allow a seamless transfer and syncing of key data across systems. One of our key platforms is the e-World website, a one-stop online hub for DXN members to manage accounts, access resources, and connect, while also attracting new members and supporting local marketing efforts. Additionally, we have personalised websites in over eighty (80) countries to help members reach sales and brand promotion. We also have internal systems like Operational Business System (“OBS”), Enterprise Resource Planning (“ERP”), Centralised Processing System (“CPS”), Risk, Compliance & Sustainability System (“RCS”), and Accounting Information System (“ACIS”) to manage production, supply chain, and member earnings efficiently.



NEW PRODUCTS IN LINE WITH DEMAND

FY2024

Total Products in Portfolio

521 SKUs*

(FY2023: 452 SKUs)

* SKU = Stock keeping unit

During the year, we strengthened our product portfolio by strategically introducing new products in line with our members’ demand in select countries. This process involves securing the necessary government approvals for each respective country. In some cases, we adapt our offerings by incorporating unique local ingredients that cater to distinct tastes or requirements. This strategy enables us to uphold a robust presence and effectively cater to our valued consumers across diverse markets.

Ready-to-Drink New Products



Ready-to-Eat New Products



MANAGEMENT DISCUSSION AND ANALYSIS

CHANGING BUSINESS LANDSCAPE

In calendar year 2023 (“CY2023”), escalating geopolitical conflicts in the Middle East and Europe disrupted trade routes, causing a sharp rise in freight and energy costs, which strained supply chains and increased production costs. Persistently high interest rates aimed at combating inflation further dampened business and consumer confidence, leading to reduced investments and spending. Consequently, the IMF revised its global growth projections downwards from 3.5% in calendar year 2022 (“CY2022”) to 3.2% in CY2023. The global labour¹ market faced volatility, with labour shortages and wage pressures contributing to increase in salary cost. Despite these challenges, some regions demonstrated resilience with a focus on sustainable development, highlighting opportunities for adaptation amidst economic adversity.

Latin America, a key growth market for DXN Group, has also felt the impact of external pressures. The IMF anticipated regional growth to slow from 4.1% in CY2022 to 2.3% in CY2023. Despite this, there were reasons for optimism. Inflation in the region was declining, falling from 7.9% in CY2022 to 4.9% in CY2023, with expectations of a continued downward trend into early calendar year 2024 (“CY2024”), could significantly boost the regional economy.

Despite the global economic hurdles, Asia maintained robust economic growth⁴ driven by strong domestic consumption, innovation, and regional trade agreements. Central banks in major economies

implemented tighter monetary policies to stabilise prices, albeit with a slight slowdown in economic activity. Regional cooperation⁵ shored up trade activities, while digital transformation accelerated across sectors, supporting economic resilience. Overall, Asia showcased adaptability and resilience in navigating through global economic challenges, sustaining growth momentum and laying foundations for future sustainability and development.



ANOTHER YEAR OF GROWTH

Despite navigating a challenging global landscape in FY2024, DXN Group demonstrated impressive financial results. This success can be attributed to organic growth across multiple fronts, including the entry of new markets, introduction of innovative new products, and expansion of member base fuelled by strategic marketing and branding initiatives.”

REVENUE

DXN Group's exceptional financial performance continued in FY2024, as revenue reached a new record of RM1.8 billion, representing a remarkable 12.6% increase year-on-year (“YoY”). This was driven primarily by robust sales of our FFB products in key markets, particularly Latin America and India. Regular member engagement initiatives, targeted marketing campaigns, and well-timed new product launches within these regions further fuelled this growth.

Revenue Breakdown by Business Segments

	FY2023		FY2024		YoY
	RM mil	%	RM mil	%	Changes %
FFB	1,084.7	64.5	1,312.0	69.1	21.0
HDS	409.1	24.3	396.5	20.9	(3.1)
PCC	112.3	6.7	120.1	6.3	6.9
Others	76.0	4.5	69.2	3.7	(8.9)
Total Gross Sales	1,682.1	100.0	1,897.8	100.0	
Less: Consideration due/paid to customers	(81.3)		(94.6)		
Total Net Sales	1,600.8		1,803.2		

¹ World Employment and Social Outlook Trends 2024 (report page 12).
² Regional Economic Outlook for the Western Hemisphere, April 2024.
³ World Employment and Social Outlook Trends 2024 (report page 41).
⁴ Economic Forecasts for Asia and the Pacific: April 2024.
⁵ Asian Development Outlook April 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

In FY2024, FFB products contributed the largest share of our gross revenue at 69.1%, followed by HDS at 20.9%, PCC at 6.3%, and other products and business activities accounting for the remaining 3.7%.

Notably, FFB revenue experienced robust growth of 21.0%, reaching RM1.3 billion, compared to RM1.1 billion in the previous year (“FY2023”). This increase is attributed primarily to the increase in demand for products in this segment.

Revenue Breakdown by Geographical Region

	FY2023		FY2024		YoY
	RM mil	%	RM mil	%	Changes %
Latin America	881.8	52.4	1,097.9	57.9	24.5
Asia	461.4	27.4	489.6	25.8	6.1
Middle East and Africa	216.6	12.9	178.4	9.4	(17.6)
Europe	85.3	5.1	99.2	5.2	16.3
North America	33.0	2.0	29.0	1.5	(12.1)
Oceania	4.0	0.2	3.7	0.2	(7.5)
Total Gross Sales	1,682.1	100.0	1,897.8	100.0	
Less: Consideration due/paid to customers	(81.3)		(94.6)		
Total Net Sales	1,600.8		1,803.2		

Latin America, our top contributing market, continued with its strong performance with an impressive 24.5% YoY growth, reaching RM1.1 billion from RM881.8 million in the previous financial year. The expansion was fuelled by increased demand for our FFB products, complemented by successful member activities, marketing initiatives, and new product launches that stimulated organic growth in the region.

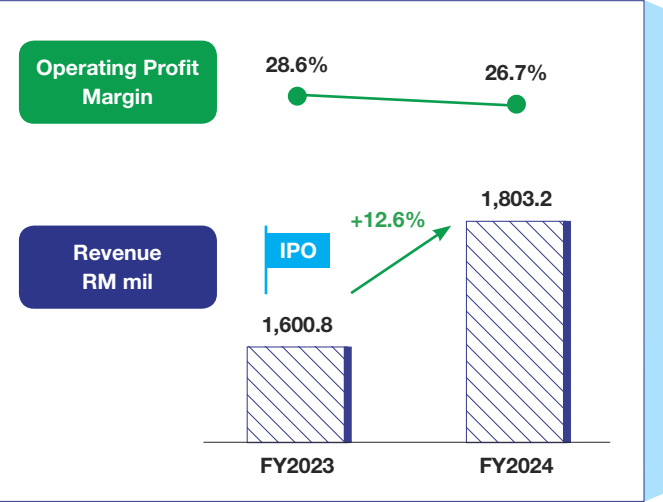
Our second-largest market, Asia delivered a 6.1% YoY growth, reaching RM489.6 million or 25.8% of total revenue in FY2024. This sustained growth was primarily driven by robust sales in India, supported by active member engagement and a strategic product range expansion.

The remaining regions, including the Middle East and Africa, Europe, North America, and Oceania, collectively contributed 16.3% to overall revenue. Although currently a smaller portion of our overall sales, these markets present promising avenues for future growth through targeted expansion strategies.

PROFITABILITY PERFORMANCE

Our robust topline growth in FY2024 translated into an operating profit of RM481.5 million, a 5.2% increase YoY from RM457.5 million in FY2023. Our healthy operating profit margin of 26.7% was facilitated by

the vertically-integrated global manufacturing network, encompassing in-house manufacturing capabilities, as well as R&D team dedicated to developing products aligned with the latest consumer preferences. This self-sufficient approach enables greater control over production and innovation, reducing reliance on external suppliers.



	FY2023 RM mil	FY2024 RM mil	YoY Changes
Earnings before interest, tax, depreciation and amortisation (“EBITDA”)	496.4	537.1	8.2%
Profit before tax (“PBT”)	455.5	479.0	5.2%
Profit after tax and non-controlling interests (“PATAMI”)	275.4	311.0	12.9%
EBITDA Margin	31.0%	29.8%	
PBT Margin	28.5%	26.6%	
PATAMI Margin	17.2%	17.2%	

MANAGEMENT DISCUSSION AND ANALYSIS

For the financial year under review, we delivered strong EBITDA growth of 8.2%, reaching RM537.1 million compared to RM496.4 million the previous year. Similarly, FY2024 PBT increased by 5.2% to RM479.0 million from RM455.5 million a year ago. This growth resulted in a significant 12.9% jump in PATAMI, reaching RM311.0 million compared to RM275.4 million last year.

EBITDA, PBT, and PATAMI margins for FY2024 stood at 29.8%, 26.6%, and 17.2%, respectively. These margins experienced marginal softening primarily due to inflationary pressures on material costs, increase associated with new factories, and increase employee overhead.

Despite these challenges, we achieved record-breaking EBITDA, PBT, and net profit performance for FY2024. This noteworthy accomplishment underscores the Group's resilience and ongoing ability to navigate a dynamic economic environment.





CAPITAL STRUCTURE AND RESOURCES

As of 29 February 2024, DXN Group's total assets stood at RM2.1 billion, marking a 19.3% YoY increase. This growth was primarily driven by a rise in cash and cash equivalents that reached RM564.4 million at the end of FY2024, significantly increased from RM459.0 million in the same period last year. Our property, plant, and equipment ("PPE") increased by 16.4% YoY in FY2024 to RM752.6 million from RM646.5 million in the preceding year as a result of our ongoing expansion initiatives.

Total liabilities experienced a marginal increase of 0.8% YoY, reaching RM740.8 million at the end of FY2024 compared to RM734.8 million in FY2023. Meanwhile, our total borrowings decreased to RM165.4 million at the end of the financial year, down from RM237.6 million in the previous year, reflecting our ongoing commitment to debt reduction through prudent cash management.

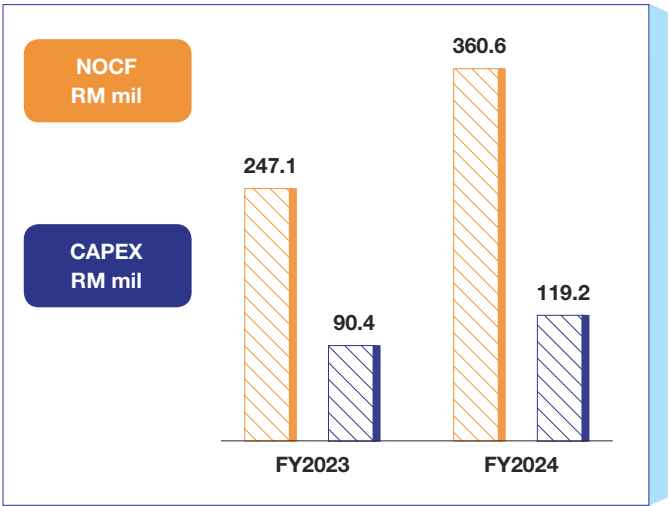
The increase in total cash holdings coupled with reduced borrowings significantly enhanced the Group's net cash position as of the end of FY2024, a trend consistently maintained since our listing in May 2023.

Equity attributable to owners of DXN reached RM1.3 billion, compared to RM963.1 million in the preceding year. Total equity, including non-controlling interests, increased by 32.5% to RM1.4 billion at the end of FY2024.

BALANCE SHEET HIGHLIGHTS AS AT 29 FEBRUARY 2024			
 <div>Total Assets RM2.1 billion</div>	 <div>Net Assets 27.3 sen per share</div>		
 <div>Total Equity RM1.4 billion</div>	 <div>Net Cash Position with 11.3 sen Cash per Share</div>		

NET OPERATING CASH FLOW ("NOCF") AND CAPITAL EXPENDITURE ("CAPEX")

FY2024 saw a significant increase in DXN Group's NOCF, reaching RM360.6 million, a 45.9% jump from FY2023's RM247.1 million. This robust cash flow generation provides a strong foundation for both strategic investments and pursuing future growth opportunities.



Our FY2024 CAPEX of RM119.2 million, up from RM90.4 million in FY2023, was strategically allocated to enhance our global manufacturing capabilities and position us for sustained growth. These investments include:

- Facility Construction:** Expanding our production capacity in Telangana, India, and Ningxia, China, with new, state-of-the-art manufacturing facilities.
- Equipment Acquisition:** Modernising and expanding our production capabilities with advanced PPE for our facilities in Malaysia, Dubai, India, and China.
- Strategic Land Acquisition:** Expanding our footprint in Latin America by securing land in Peru for future growth opportunities. This move demonstrates our commitment to supporting existing markets and exploring new ones.
- Headquarters Investment:** Developing our new global headquarters, DXN Cyberville, in Cyberjaya, designed to foster innovation, collaboration, and operational excellence.

With a solid financial foundation and enhanced operational capabilities, DXN Group is well-positioned to drive continued growth and deliver increased value to our shareholders in the years ahead.

MANAGEMENT DISCUSSION AND ANALYSIS

RISKS AND MITIGATION STRATEGIES



Constant vigilance is required to thrive in a dynamic business environment. At DXN Group, we recognise this need and adopt a proactive approach to risk management. We meticulously identify potential challenges and implement robust strategies to mitigate them. Through continuous monitoring, we ensure risks stay within acceptable limits, minimising disruptions and safeguarding our long-term success."

HIGHER COST OF RAW MATERIALS AND TRANSPORTATION COSTS

To mitigate the challenges of higher raw materials prices, we have intensified our in-sourcing efforts. One notable example is the establishment of more in-house cultivation ponds for spirulina. As a result, this will decrease our dependency on third-party suppliers and enhance cost stability and product quality.

Furthermore, we have also diversified our sourcing strategy for critical raw materials like coffee. By engaging multiple suppliers across various regions, we safeguard against market volatility and ensure a consistent supply.

Recognising the impact of geopolitical risks on transportation costs and supply chain disruptions, we have expanded our manufacturing footprint globally. By situating production facilities in key markets around the world, we are better positioned to manage these risks, ensuring more reliable product delivery and reduced transportation expenses.

INCREASE IN COMPETITION

To offset the increase in cost of sales, we raised product prices by an average of approximately 7.1% over the year. These adjustments were carefully applied in selected markets, based on thorough market assessments. This approach ensures that our pricing strategies are aligned with consumer expectations and market dynamics to safeguard our market position against competitive pressures.

We continue to prioritise manufacturing efficiency to ensure cost competitiveness. This enables us to maintain our profit margins, ensuring we remain financially healthy, capable of re-investing in expansion and returning value to our shareholders through dividends.

To compete effectively, we invest significant resources in R&D so as to keep pace with technological and scientific changes, integrate new technology into our products, and create new and relevant product categories. The strength of our R&D are in tissue culture, eco-farming, nano fermentation, centrifuge filtration and cold dehydration. These biotechnologies are important to preserve the natural active ingredients in its original form to ensure product efficacy.

REGULATORY RISKS

Regulatory landscapes for nutraceuticals are constantly evolving, and new regulations in our existing markets could impose stricter requirements on product safety, labelling, or ingredients. This could potentially impact our product offerings or increase production costs. To minimise these risks, we have a dedicated regional specialist team that stays updated on evolving regulations in each market we operate in. This proactive approach ensures our products consistently comply with all safety, labelling, and ingredient requirements.

At DXN Group, we prioritise the safety of our products by implementing rigorous quality control measures throughout the entire production process. These stringent measures are more than just a formality; they build trust and brand loyalty among our consumers. In today's marketplace, where confidence in product safety is paramount, our commitment to quality stands out and resonates strongly with our customers.

COMMODITY PRICE FLUCTUATIONS

Like any other business, DXN Group faces challenges due to fluctuating prices of key raw materials such as coffee, sugar, and wheat. These fluctuations, driven by factors like weather and geopolitical events, can significantly impact our profitability. Rising commodity prices lead to higher production costs, affecting our pricing and sourcing strategies. Additionally, predicting future prices is complex, making inventory management a balancing act to avoid losses and stockouts.

To navigate these challenges, we implement various mitigation strategies. By maintaining a large base of suppliers, we mitigate risks from localised disruptions. Investing in R&D for alternative ingredients with more stable prices offers long-term cost savings. Additionally, our robust technology ecosystem for managing production, inventory, and supply chain allows the Group to optimise stock levels based on market forecasts and demand patterns. By adopting these strategies, the Group gains greater control over raw material costs and secures long-term financial health.

MANAGEMENT DISCUSSION AND ANALYSIS

REWARDING OUR SHAREHOLDERS


As a testament to our commitment to rewarding shareholders, we adopted a dividend policy to distribute at least 50% of the audited PATAMI.

Subsequent to our listing in 2023, DXN distributed a series of dividends, as detailed below:


- On 28 July 2023, we declared a first interim dividend of 0.80 sen per ordinary share totalling RM39.9 million in respect of FY2024 which was paid on 30 August 2023.
- On 25 October 2023, we declared a second interim dividend of 0.90 sen per ordinary share totalling RM44.8 million of FY2024 which was paid on 30 November 2023.
- On 24 January 2024, we declared a third interim dividend of 0.90 sen per ordinary share totalling RM44.9 million in respect of FY2024 which was paid on 8 March 2024.
- On 23 April 2024, we declared a fourth interim dividend of 1.00 sen per ordinary share totalling RM49.7 million in respect of FY2024 which was paid on 30 May 2024.

In total, the four (4) interim dividends declared amounted to 3.6 sen per ordinary share, representing a total payout of RM179.3 million. This was higher than the 1.24 sen⁷ per share declared in the pre-listing period of the previous fiscal year, which resulted in a dividend payout of RM60.0 million. The increase in dividends aligns with the strong improvement in our financial performance in the financial year under review.

Dividend payout ratio for FY2024 works out to 57.7% based on RM311.0 million PATAMI.



RM179.3 million
Dividend Payout Since Our Listing in 2023



57.7%
Dividend Payout of FY2024 PATAMI

PROSPECTS FOR FINANCIAL YEAR 2025 (“FY2025”)

DXN Group's strong performance in FY2024 builds upon a well-established foundation for growth. Our success is driven by a strategic combination of a powerful global nutraceutical manufacturing capability and a unique, well-developed distribution network.

In addition to establishing production facilities in Bangladesh and Nepal, we are expanding into the promising Brazilian market. With a population of 215 million¹ and a gross domestic product (“GDP”) of US\$1.9 trillion, Brazil's market size exceeds that of Peru, Bolivia, and Mexico combined, the top three (3) markets in our existing Latin American region. Given the proximity to our existing market and cultural similarities, we are confident in our ability to grow in Brazil. Additionally, early 2024 data indicates a cautious but growing consumer confidence in Latin America, likely due to easing inflationary pressures. With more disposable income and renewed confidence, consumers may be more inclined to spend on discretionary items such as health and wellness products, which is promising for our business in the region.


Moving on, our focus remains on targeted marketing, new product launches, and ongoing R&D activities. Our vertically-integrated supply chain ensures quality and leverages on local resources, while our global member base provides valuable feedback that informs our ongoing product innovation. High-quality, health-focused products containing active herbal ingredients, maximised for their benefits through our research capabilities, continues to be our key differentiator.

According to market intelligent and research, Mordor Intelligence⁶, it projects that the global nutraceutical market to grow at a compounded annual growth rate (“CAGR”) of 5.1% from US\$488.1 billion in 2024 to US\$626.02 billion by 2029. This growth is driven by increased health awareness, demand for personalised nutrition, and the rising prevalence of chronic diseases, presenting a substantial opportunity for DXN Group. We are well-positioned to capitalise on these trends by leveraging on our research capabilities and commitment to innovation to meet the evolving needs of health-conscious consumers worldwide.


Last but not least, DXN Group remains focused on identifying sustainable growth opportunities and staying agile in adapting to emerging trends in a dynamic business environment. We believe that our solid foundation and strong brand positioning will help us navigate challenges and sustain our growth momentum. We look forward to continuing to serve our consumers and partners with the same dedication to excellence that has defined our journey thus far.

PAJITH PAVITHRAN
Chief Executive Officer


FINANCIAL HIGHLIGHTS



REVENUE
12.6% ↑
RM1.8 billion
(FY2023: RM1.6 billion)



EBITDA
8.2% ↑
RM537 million
(FY2023: RM496 million)



PATAMI
12.9% ↑
RM311 million
(FY2023: RM275 million)

	FY2020 ⁽¹⁾ RM'000	FY2021 ⁽¹⁾ RM'000	FY2022 ⁽¹⁾ RM'000	FY2023 RM'000	FY2024 RM'000
FINANCIAL RESULTS					
Revenue	1,104,608	1,050,205	1,242,856	1,600,814	1,803,214
Earnings Before Interest, Tax, Depreciation & Amortisation ("EBITDA")	370,087	313,858	401,382	496,383	537,147
Profit for the year	255,248	200,884	245,444	289,327	323,966
Profit attributable to owners of the company ("PATAMI")	241,671	191,572	242,922	275,396	310,994

FINANCIAL POSITION					
Total assets	1,169,754	1,319,658	1,473,580	1,759,937	2,099,067
Total liabilities	459,063	689,968	661,965	734,806	740,804
Total equity	710,691	629,690	811,615	1,025,131	1,358,263

FINANCIAL RATIOS					
EBITDA margin (%) ⁽²⁾	33.5%	29.9%	32.3%	31.0%	29.8%
PATAMI margin (%) ⁽³⁾	21.9%	18.2%	19.5%	17.2%	17.2%
Basic earnings per share (EPS) (sen)	5.01 ⁽⁴⁾	3.97 ⁽⁴⁾	5.03 ⁽⁴⁾	5.71 ⁽⁴⁾	6.28
Net gearing ratio ⁽⁵⁾	Net cash	Net cash	Net cash	Net cash	Net cash

⁽¹⁾ Based on Section 12 and Section 13 of the Prospectus of the Company dated 28 April 2023.

⁽²⁾ Computed based on EBITDA divided by revenue.

⁽³⁾ Computed based on PATAMI divided by revenue.

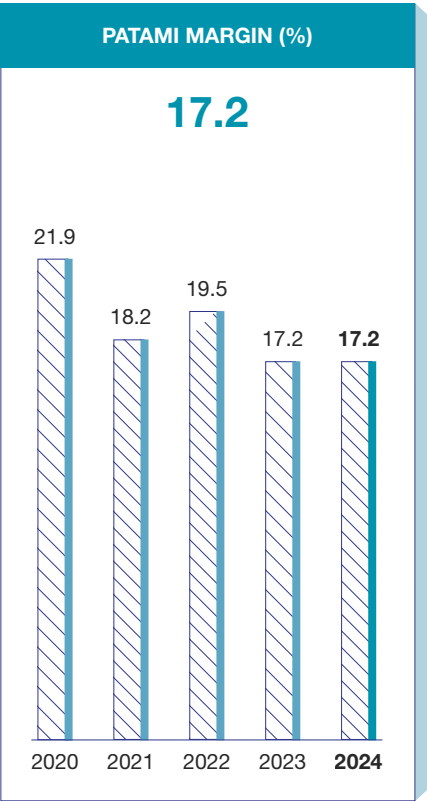
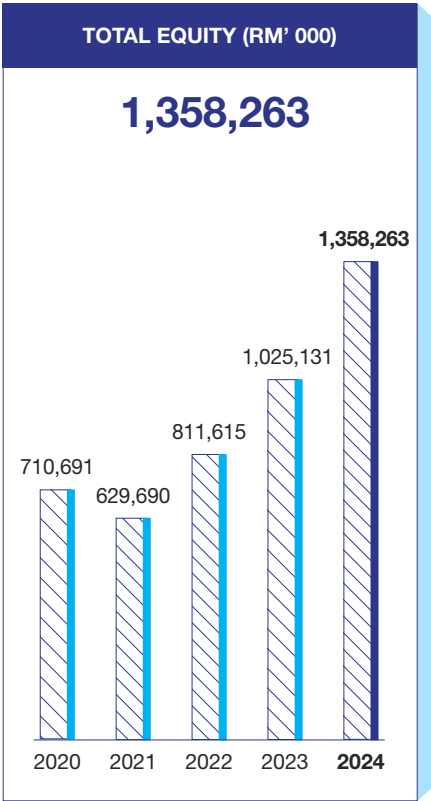
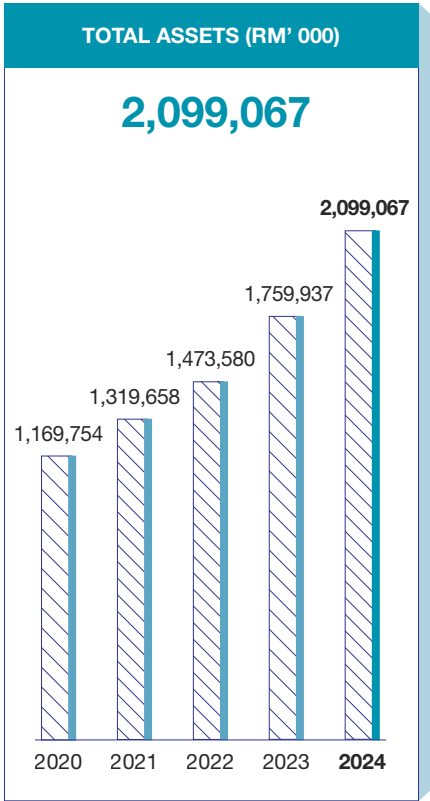
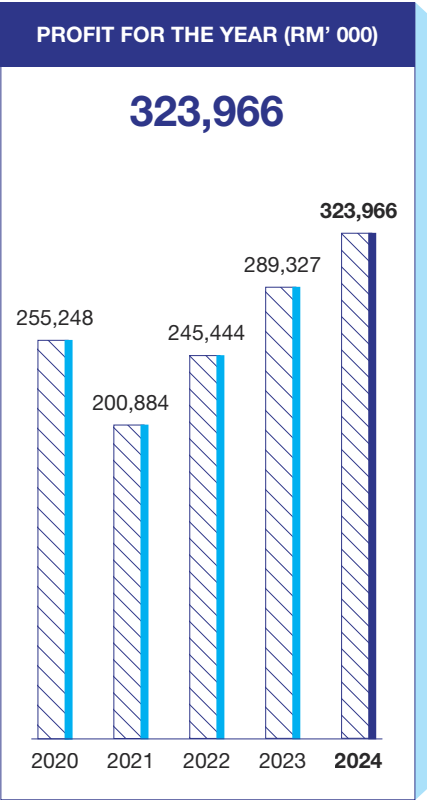
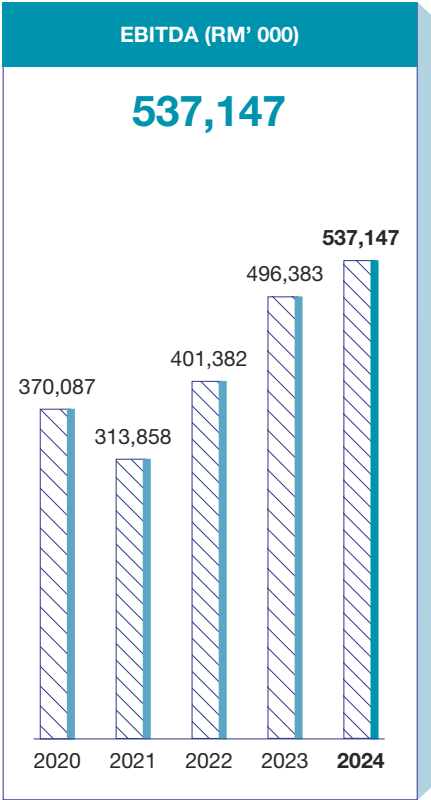
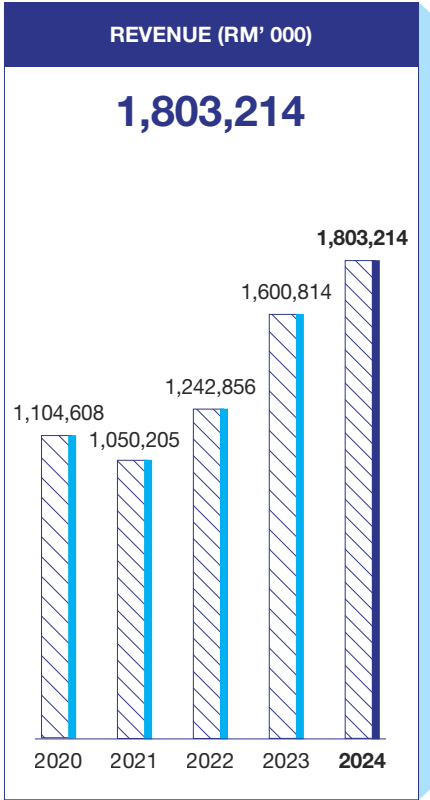
⁽⁴⁾ Computed based on PATAMI divided by enlarged issued share capital of 4,825,000,000 ordinary shares after the completion of Bonus Issue subsequent to the year end as part of the Company's Initial Public Offering scheme.

⁽⁵⁾ Computed based on total borrowings (excluding lease liabilities), less cash and cash equivalents, divided by total equity as at the end of the financial year.

⁶ Nutraceutical Market Size and Share Analysis - Growth Trends and Forecasts (2024 to 2029).

⁷ This is based on enlarged issued share capital of 4,825,000,000 ordinary shares after the completion of Bonus Issue subsequent to the year end as part of the Company's Initial Public Offering scheme.

FINANCIAL HIGHLIGHTS



SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

We are pleased to present the 2nd Sustainability Statement of DXN Holdings Bhd. (“DXN” or “the Company”) and its subsidiaries (“DXN Group” or “the Group”). DXN’s Sustainability Statement 2024 aims to provide our stakeholders and shareholders with concise material, and clear assessment of our operational and governance performance for the past reporting period of 1 March 2023 to 29 February 2024, in line with DXN Group’s 2024 financial year (“FY2024”).

This statement reviews our key Economic, Environmental and Social (“EES”) strategies, achievements, and provides a progressive update on our sustainability performance for the year. It describes sustainability-related risks and opportunities for the business and our forward-looking action plans.



SUSTAINABILITY STATEMENT

The report is structured around three (3) primary themes of sustainable value creation:



SUSTAINABILITY STATEMENT

Division	No.	Reported 56 Entities in FY2024	Countries of Operation	Status
Research and Development ("R&D")	41.	DXN Corporation (Ningxia) Co., Ltd.	People's Republic of China	Active ¹
	42.	Bio Synergy Laboratories Sdn. Bhd.	Malaysia	Active ¹
	43.	DXN Biotech Consultants Sdn. Bhd.	Malaysia	Active ¹
	44.	DXN Agrotech (Ningxia) Co., Ltd.	People's Republic of China	Active ¹
Plantation	45.	DXN Safari Eco Park Sdn. Bhd.	Malaysia	Active ¹
	46.	*DXN Agrotech Sdn. Bhd.	Malaysia	Active ¹
Lifestyle	47.	Amazing Discovery Sdn. Bhd.	Malaysia	Active ¹
	48.	DXN Holdings Bhd.	Malaysia	Active ¹
	49.	*DXN Cafe Sdn. Bhd.	Malaysia	Active ¹
Others	50.	*DXN Clinics Private Limited	India	Active ¹
	51.	*DXN Materials Sdn. Bhd.	Malaysia	Active ¹
	52.	*DXN Solutions Sdn. Bhd.	Malaysia	Active ¹
	53.	*PT. Suryasoft Konsultama	Indonesia	Active ¹
	54.	*DXN Biotechnology (Ningxia) Co., Ltd.	People's Republic of China	Inactive ²
	55.	*DXN Biofuels Sdn. Bhd.	Malaysia	Active ¹
	56.	DXN Agritech India Private Limited	India	Active ¹

* Newly reported companies in Sustainability Statement preparation of FY2024.

The entities within the reporting scope report on their sustainability performance across all our thirteen (13) material topics, including environmental and social performances. The list of operations included in the Report is likewise considered for our AR. Sustainability data consolidated through a single approach across our operations is given equal weightage in the reporting.

The following twenty eight (28) entities will not be disclosed on their sustainability performance across all thirteen (13) material topics due to their dormant and inactive status. However, the sustainability data performance will be disclosed if the entity returns to active status.

No.	Non-Reported Entities in FY2024	Countries	Status
1.	DXN Biogreen Sdn. Bhd.	Malaysia	Dormant ³
2.	DXN Agro Park Sdn. Bhd.	Malaysia	Dormant ³
3.	DXN Mycotech Sdn. Bhd.	Malaysia	Inactive ²
4.	DXN International (UK) Limited	United Kingdom	Inactive ²
5.	DXN International Chile S.p.A.	Chile	Inactive ²
6.	Golden Health Trading Limited	Hong Kong	Dormant ³
7.	DXN-Niger SA	Niger	Inactive ²
8.	Daehsan Mexico Import & Export, S.A. de C.V.	Mexico	Inactive ²
9.	DXN Bulgaria Ltd.	Bulgaria	Inactive ²
10.	DXN Argentina S.R.L.	Argentina	Inactive ²
11.	DXN Marketing (Brasil) LTDA	Brazil	Inactive ²
12.	DXN Europe Trading GmbH	Germany	De-registered on 28 March 2024
13.	DXN Korea Co., Ltd.	Korea	Inactive ²
14.	PT. Daxen Agrotech Nusantara	Indonesia	Inactive ²

SUSTAINABILITY STATEMENT

No.	Non-Reported Entities in FY2024	Countries	Status
15.	PT. Daxen Agri Pratama	Indonesia	Inactive ²
16.	PT. Daxen KJP Agro	Indonesia	Dormant ³
17.	DXN Healthtech (Guangzhou) Co., Ltd.	People's Republic of China	Dormant ³
18.	Florin (Fujian) Integrated Agricultural Science and Technology Co., Ltd.	People's Republic of China	Dormant ³
19.	Anxi Gande Foluohua Integrated Agricultural Science and Technology Co., Ltd.	People's Republic of China	Dormant ^s
20.	Daxen Logistic, LLC	United States of America	Inactive ²
21.	DXN RUS LLC	Russia	De-registered on 24 May 2024
22.	DXN (Fujian) Tourism Development Co., Ltd	People's Republic of China	Inactive ²
23.	Fujian DXN International Trade Co., Ltd	People's Republic of China	Inactive ²
24.	DXN Kyrgyzstan LLC	Kyrgyzstan	Dormant ³
25.	DXN International Holding Limited	British Virgin Islands	Dormant ³
26.	DEXIN Morocco S.A	Morocco	Dormant ³
27.	DXN (Fujian) Group Co., Ltd.	People's Republic of China	Inactive ²
28.	Daxen Mexico, S.A. DE C.V.	Mexico	Inactive ²

Notes:

- ¹Active Subsidiaries – Active subsidiaries which are Companies wholly or partly owned by DXN currently operating under their respective business activity.
- ²Inactive Subsidiaries – Inactive subsidiaries which are Companies wholly or partly owned by DXN and have ceased their operation and business activity.
- ³Dormant Subsidiaries – Dormant subsidiaries which are Companies wholly or partly owned by DXN without any operations and business activity.



Point Of Contact

We value and appreciate all feedback that help improve the relevancy of our Reports to meet our stakeholders' needs. Any questions pertaining to our sustainability initiatives or reporting, queries, suggestions or comments and feedback, can be directed to: sustainability@dxn2u.com

SUSTAINABILITY STATEMENT



Dear Shareholders & Stakeholders,

The year 2024 has been another exhilarating chapter for DXN Group, as we continued to deliver on our promise of “Low Price, High Quality; Low Profile, High Income” to all our stakeholders. Embracing the holistic sustainability pillars of “One Market, One Society, One World,” we've reaffirmed our commitment to sustainability, focusing on economic prosperity, social inclusivity, and environmental responsibility.”



**PRAJITH
PAVITHRAN**
Chief Executive
Officer

SUSTAINABILITY STATEMENT

STATEMENT FROM CHIEF EXECUTIVE OFFICER

GRI 2-22

I am pleased to present the DXN Holdings Bhd. Sustainability Statement for the fiscal year running from 1 March 2023 to 29 February 2024. Prepared with reference to the GRI Universal Standards 2021, this report showcases our progress on thirteen (13) key sustainability topics and underscores our dedication to sustainable practices.

In FY2024, we set our baseline, and plan to make significant strides on at least 80% of the Sustainable Development Goals (“SDGs”) and laid plans for future improvements to meet all targets by 2030. This year also marked an advancement in our GHG emission reporting, expanding from Scope 1, to Scope 2 and Scope 3 emissions setting the stage to integrate the Task Force on Climate-related Financial Disclosures (“TCFD”) by FY2025.

SUSTAINABILITY PRIORITIES FOR DXN

DXN's commitment to sustainability is strategically divided into three (3) pivotal sustainability pillars: economic, environmental, and social. Under the economic pillar, titled “One Market – Sustainable Business and Governance Fundamentals,” DXN Group focuses on Sustainable Business and Governance Practices, together with Sustainable Product Stewardship. This includes enhancing business performance, ensuring a sustainable supply chain, promoting anti-corruption measures, maintaining product quality and safety, safeguarding information, and fostering innovation and digital transformation.

The social pillar, known as “One Society” is focused on the well-being of Society, DXN Group emphasises empowering its people through initiatives that promote employment diversity, training and development, and occupational health and safety. Additionally, innovation, and the crucial network of distributors that propel DXN Group's global success.

Under the environmental pillar “One World,” our group is dedicated to adopting Eco-friendly Practices. DXN Group is committed to sustainable practices that enhance global sustainability and community welfare, showcasing a comprehensive approach to growth.

DIGITAL INNOVATION AT DXN GROUP

We address the evolving needs of the health and wellness industry by implementing cutting-edge digital tools to enhance operational efficiency and member engagement. Platforms like the eWorld/ DXN App, Regional/Member Personal Websites, and the DChat App streamline processes and improve communication within our extensive network.

To ensure business continuity, DXN Group employs robust internal management tools and a comprehensive IT disaster recovery plan. This strategic approach not only safeguards the Company against disruptions but also supports its ongoing leadership in innovation and digital transformation within the industry.

CELEBRATING 30 YEARS OF PEOPLE AND PROGRESS

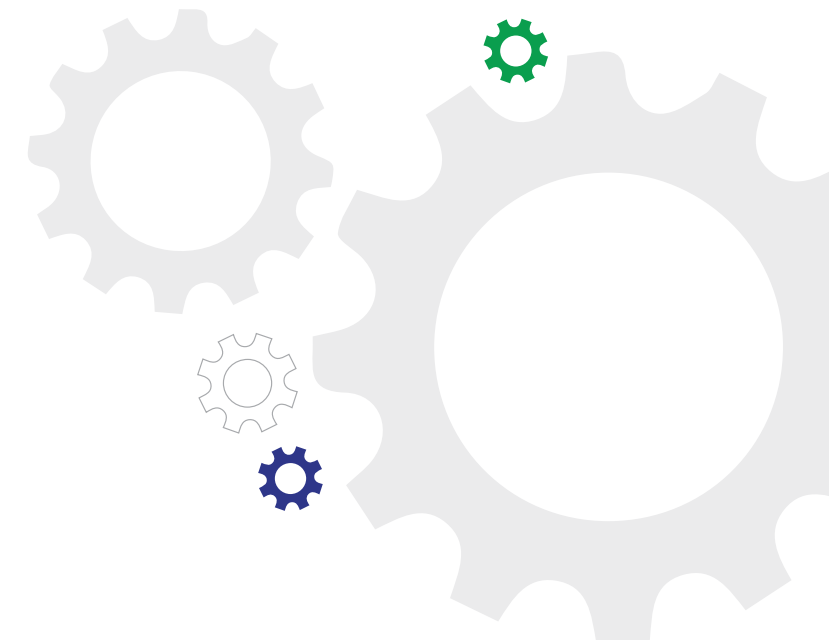
As we mark our 30th anniversary, a significant milestone by any measure, we are taking the opportunity to reflect on our history, our future, and that of our people.

The event celebrated DXN Group's key milestones and welcomed Crown Ambassadors and distributors from around the globe, emphasising DXN Group's broad and diverse international community. This celebration not only honoured past achievements but also prepared the groundwork for future efforts to expand DXN Group's influence in the health and wellness industry.

MOVING FORWARD TOGETHER

In conclusion, I extend my heartfelt thanks to all our employees, partners, and stakeholders throughout the DXN Group supply chain. Together, we have navigated these uncertain times and are poised to continue building a more sustainable future for our industry and the planet.

PRAJITH PAVITHRAN
Chief Executive Officer

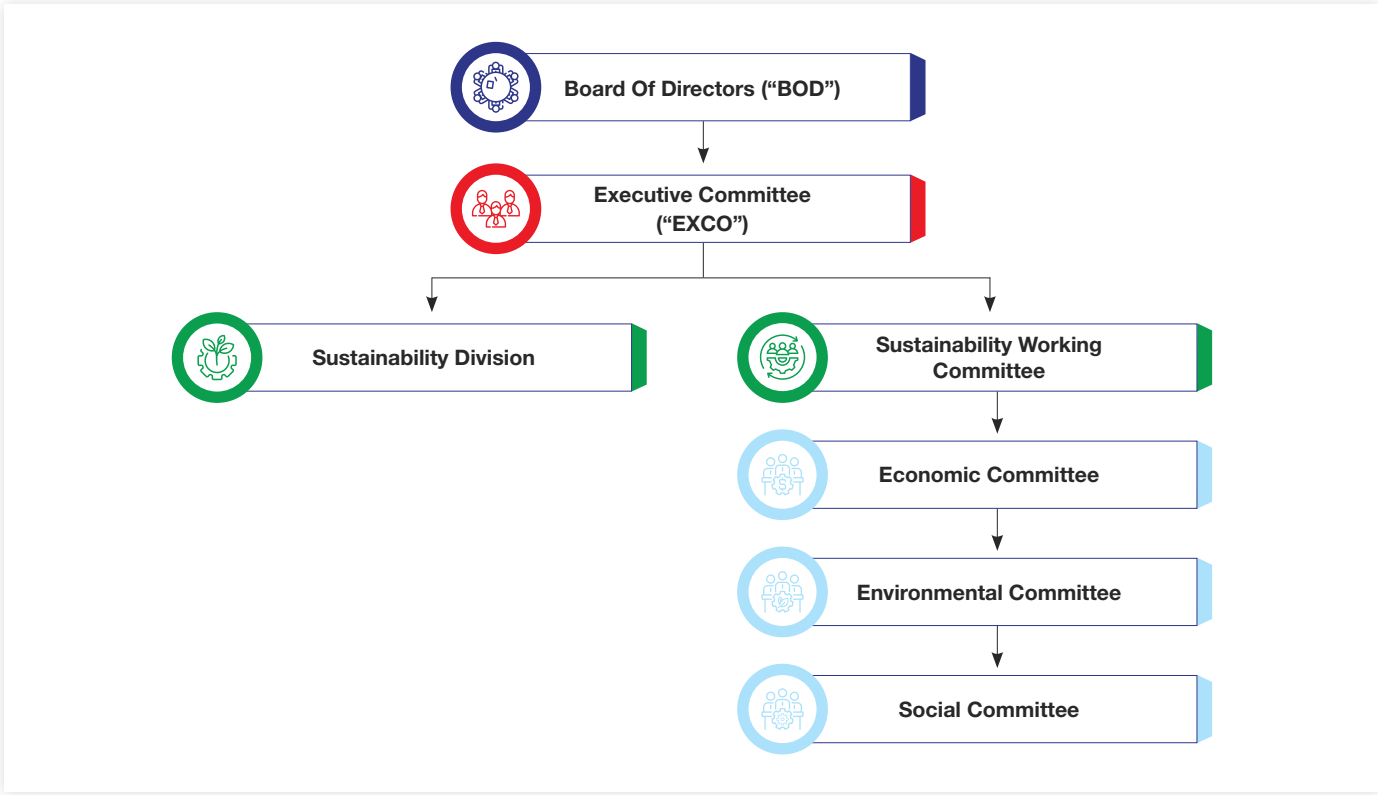


SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY STRATEGY

SUSTAINABILITY GOVERNANCE

Strong leadership displayed through supervision and guidance at DXN Group enhances the flow of communication of values and practices concerning sustainability. The following pictorial displays the flow of leadership in the Group:



The BOD is headed by the Executive Chairman and assisted by the Chief Executive Officer ("CEO"). The board consist of eight (8) members and the board is responsible for overseeing and offering leadership in managing the Group's performance and sustainability practices. The board also reviews sustainability targets and metrics and measurement of achievement to gauge progress.

The EXCO members support the BOD by setting and devising the sustainability goals, policies, strategies, action plans, as well as to review the risks, initiatives and performance to ensure sustainable practices are applied in the Group. The EXCO consist of the Executive Chairman, CEO and the Chief Financial Officer.

The Sustainability Manager and Sustainability Working Committee ("SWC") reports to the EXCO. The Sustainability Manager is responsible to coordinate all communication and reporting concerning sustainability matters in the Group. The SWC is the

operational management of the Group, consisting of respective Head of Departments. They are responsible for the execution and implementation of the strategies on a day-to-day basis and report their operational activities through several channels such as monthly reports, project status report and safety and health reports via our internal sustainability platform.

The BOD held ten (10) meetings during FY2024, with attendance from the Directors with invitations extended to the Key Senior Management Members and Management Team members. The meetings covered various topics such as marketing strategy, employee share option plan, Group policies, Initial Public Offering ("IPO") plans, financial matters and business strategic plans that are aimed at achieving the sustainability goals of the Group in terms of EES.

SUSTAINABILITY STATEMENT

POLICIES FOR INTERNAL CONTROL AND GOVERNANCE

The Group has formulated policies to provide an underlying structure for its internal control and support governance. The policies promote a shared culture and alignment of values in the workplace, enabling the Group to move forward as a team. Following are the policies in place:

Code of Conduct and Ethics

Anti-Bribery and Corruption Policy

Whistleblowing Policy

Business Continuity Management Policy

Compliance Management Policy

Sanctions Policy

Enterprise Risk Management Policy

Sustainability Policy

Project Investment Framework

Fit and Proper Policy

Anti-Sexual Harassment Policy

IT Policy

Donation and Sponsorship Policy

Gender Diversity Policy

SUSTAINABILITY POLICY
GRI 2-27

The Group's Sustainability Policy, aims to achieve the following objectives:

ETHICAL BUSINESS PRACTICES

- To consider sustainability issues and principles, integrate and implement these considerations into all our business decisions including strategies, policies and procedures
- To foster awareness and appreciation of EES principles and adoption of sustainable practices within the Group and the communities where the Group operates

SOCIAL RESPONSIBILITY

- To contribute to the well-being of local communities, communicating openly and sincerely with them and pursuing good neighbourly relations

GOVERNANCE AND COMPLIANCE

- To review, report and to strive to improve the Group's sustainability performance
- To comply with, and exceed where applicable, all applicable legislation, laws, regulations and codes of practice in all of our operations

ENVIRONMENTAL STEWARDSHIP

- To provide the best quality product to our customers while preserving the environment
- To promote environmentally responsible attitudes and behaviour in our employees and encourage suppliers, customers and other business partners to adopt similar practices








By aligning with these objectives, DXN Group aims to integrate sustainability into its core business operations, contributing positively to the environment, society, and long-term value creation for stakeholders.

SUSTAINABILITY STATEMENT

STAKEHOLDERS ENGAGEMENT

GRI 2-3, GRI 2-29

In driving an inclusive EES agenda, DXN Group must build a shared understanding of issues and consensus in the future due to the industry’s challenges and required pace of change. Ongoing and inclusive stakeholder engagement is the best way to achieve this. A continuous dialogue with key groups helps identify areas where DXN Group can deliver the most significant impact and areas for improvement.

Stakeholders	Mode of Engagement	Frequency	Area of Interest	Anticipated Outcomes
 Shareholders/ Investors and Analysts	→ Annual general meetings → Bursa Malaysia announcements → Financial performance announcement → Website → Ongoing media release Investor relation emails	→ Quarterly/ half yearly → Annually → Ongoing	→ Short and long-term business goals and performance → Return on investment/ equity	→ To shape the market’s perception of the Group’s performance, strategy, and prospects → Transparency builds trust and confidence in DXN Group’s management and operations → Valuable feedback and insights into market sentiment, concern and expectations → Managing EES risks and goal-setting
 Employees	→ Townhall sessions → Performance management → Company annual dinner/festival functions and celebrations → Emails/newsletter → Informal periodic departmental meetings → Trainings and development plan	→ Quarterly/ Half yearly/ Yearly → Annually → Ongoing	→ Career development → Employee welfare → Occupational health and safety → Awards and recognition	→ Employees satisfaction → Improved productivity, creativity and innovation → Improved communication within organisation
 Customers/ Members/ Distributors	→ Customer careline → Social media → Events, forums/seminars, roadshow	→ Ongoing	→ Reliable and quality product → Marketing and promotion activities → Awards and recognition	→ Growing customer experience and relationship → Improved brand perception
 Vendors and Suppliers	→ Regular briefing → Engagement → Supplier evaluations and registration	→ Ongoing	→ Sustainable procurement system	→ Promote productivity and reducing cost → Gain visibility into the emission sources → Improved collaboration and cost saving to increase sustainability
 Local Authorities/ Regulators/ Government	→ Seminar and trainings → Submission of reports required under regulations → Periodic visits and inspections	→ Ongoing → Monthly/ quarterly/ annually	→ Regulatory and legal compliance	→ Improve communications between constituents and government leaders → Make decision and allocate resources
 Local Communities	→ Corporate Social Responsibility activities → Donations and Financial Aid	→ Ongoing	→ Community investment, development and impact	→ Higher opportunities to access the needs or communities experience
 Media	→ Social media engagement	→ Ongoing	→ Continuous and meaningful communication	→ Build trust and integrity, encourage client loyalty, and raise brand recognition

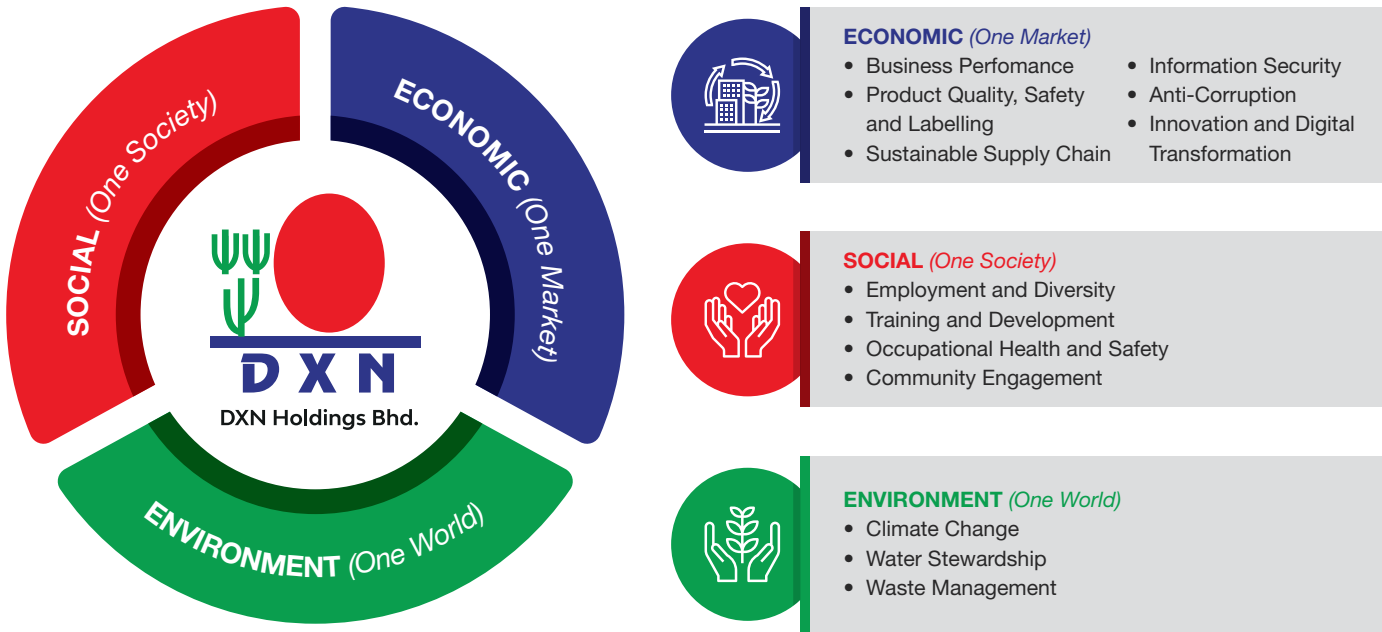
SUSTAINABILITY STATEMENT

MATERIAL SUSTAINABILITY MATTERS

GRI 3-1, GRI 3-2

In FY2024, DXN Group undertook a robust materiality assessment to determine a set of material topics on which we would focus our sustainability efforts and disclosures. In FY2025, we will review the material topics and refresh the materiality matrix, where necessary, to reflect changes in the sustainability landscape.

Refer to “Sustainability Focus Areas”, on page 47 of this Report.



SUSTAINABILITY STATEMENT

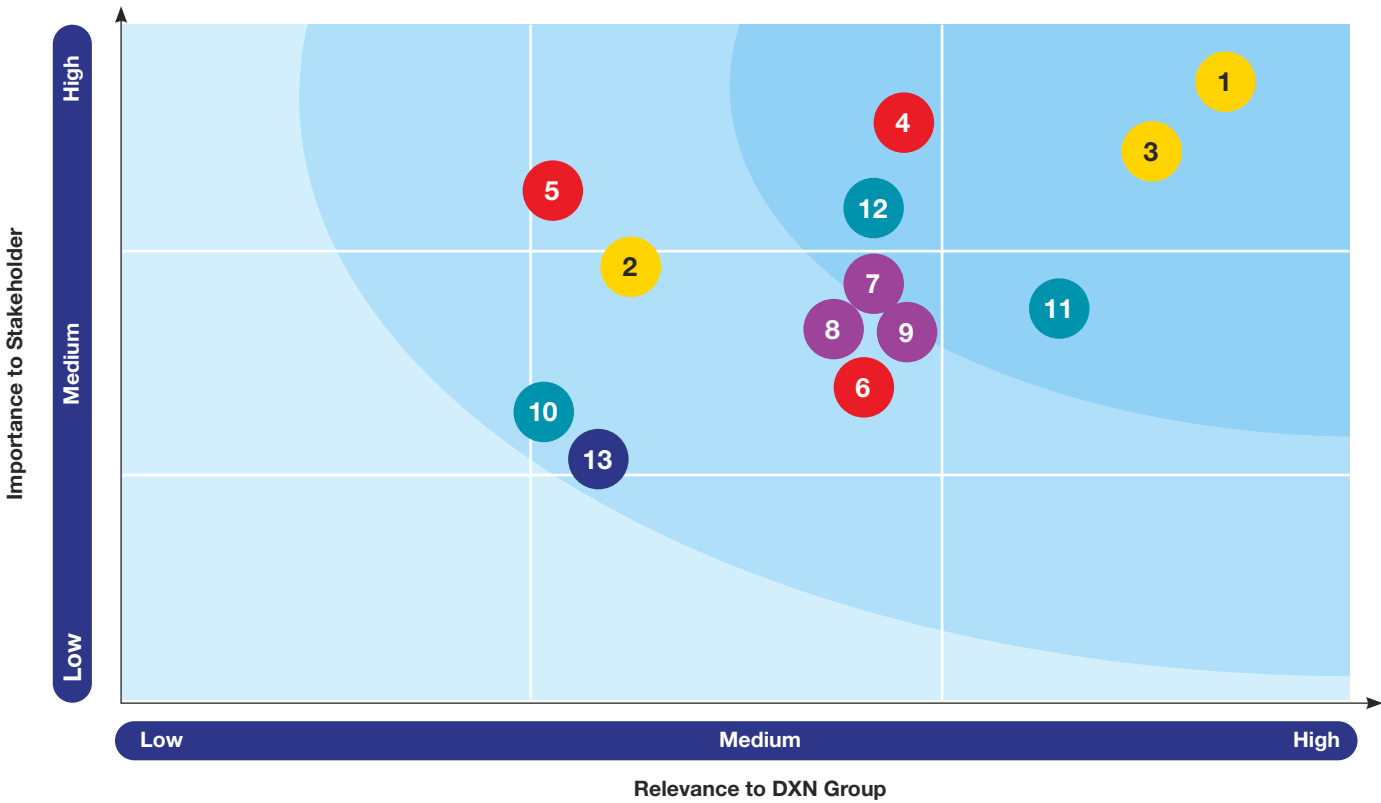
OUR MATERIAL TOPICS

In the fiscal year 2024, DXN Group maintained a focus on thirteen (13) key material issues, with plans to review them again in fiscal year 2025. These material matters were identified through a comprehensive assessment of the interests and impacts of our internal and external stakeholders, considering EES aspects. We conducted a thorough analysis of our business environment and associated risks to pinpoint the most pressing material matters. The Group defined its material topics through a dedicated stakeholder engagement process, which considers a broad universe of issues, assessing:

The relative importance of each in influencing the stakeholders' decision-making

Their relative importance for the Group's business performance

The Company's broader social, environmental and economic impacts



Sustainable Business Practices	Sustainable Product Stewardship	Sustainable Operations Management	Empower our People	Social Contribution
1 Business Performance	4 Product Quality, Safety and Labelling	7 Climate Change	10 Employment and Diversity	13 Community Engagement
2 Sustainable Supply Chain	5 Information Security	8 Water Stewardship	11 Training and Development	
3 Anti-Corruption	6 Innovation and Digital Transformation	9 Waste Management	12 Occupational Health and Safety	


SUSTAINABILITY STATEMENT

RISK, OPPORTUNITIES AND MANAGEMENT ACTION PLANS

The following table provides a bird's eye view of our strategic plan to overcome the risks with our key strengths that relate to each of our stakeholders:

Material Issues	Potential Risks for The Group <i>If Issue Is Not Addressed</i>	Opportunities for The Group <i>If Issue Is Addressed</i>
ECONOMIC (ONE MARKET)		
Business Performance <i>Financial performance to deliver shareholder value and secure long-term viability of the Group</i>	Hinder business growth and network of active registered members	Long-term value for all stakeholders through sustainable financial performance
Sustainable Supply Chain <i>Procurement policies, contractor management and supplier relationships which address material issues across the value chain</i>	Expose supply chain to various EES risks; unethical practice can lead to regulatory violations, monetary fines and reputational risk	Enhanced vendors' efficiency and sustainability performance
Anti-Corruption <i>Regulatory compliance across our operations and engaging with policymakers in a responsible and transparent manner</i>	Reputational risk due to absence of transparent and robust policies	Enhanced public trust and strengthen the rule of law
Product Quality, Safety and Labelling <i>Labelling our products and services in a responsible and transparent way for consumers</i>	Inability to satisfy customer expectations on transparency of product information	Clear and accurate communication about product ingredients can differentiate a brand from competitors as well as builds trust and loyalty among consumers
Information Security <i>Ensuring our IT systems and infrastructure are managed effectively and efficiently</i>	IT systems and infrastructure may be vulnerable to cyber-attacks, data corruption and system failures	Increase awareness and compliance to cybersecurity practices Usage of good IT governance and advanced technology to reinforce security
Innovation and Digital Transformation <i>Building competitive advantage through innovative products and solutions to meet consumer and societal needs</i>	Exposed to cyber-attacks or information theft as reliance on IT system to manage business increases	Efficient business process and high productivity through Digital Transformation using information technology which also reduces carbon emissions and supports sustainability
SOCIAL (ONE SOCIETY)		
Employment and Diversity <i>Places equal emphasis on addressing social impacts</i>	Challenges in recruiting qualified candidates	Gaining a competitive edge by employing a diverse group of people with a range of abilities and experiences
Training and Development <i>Attracting, developing, and retaining high-performing employees, creating an inclusive and diverse culture</i>	Growth is hampered by a lack of pertinent skills and competencies	Effective training and upskilling programmes contribute to a high-performance culture
Occupational Health and Safety <i>Improving and maintaining the health, safety and well-being of our employees</i>	Regulatory fines and reputation damage result from accidents and injuries	Emphasis on health and safety culture attracts and retains talent
Community Engagement <i>Supporting economic development and creating positive social impact for communities connected to our business activities</i>	Estranged relationship with local community that leads to unawareness of the Group's noble courses for sustainable environment and future	Social responsibility programmes increase visibility and safeguard reputation as a caring and environmentally responsible organisation

SUSTAINABILITY STATEMENT

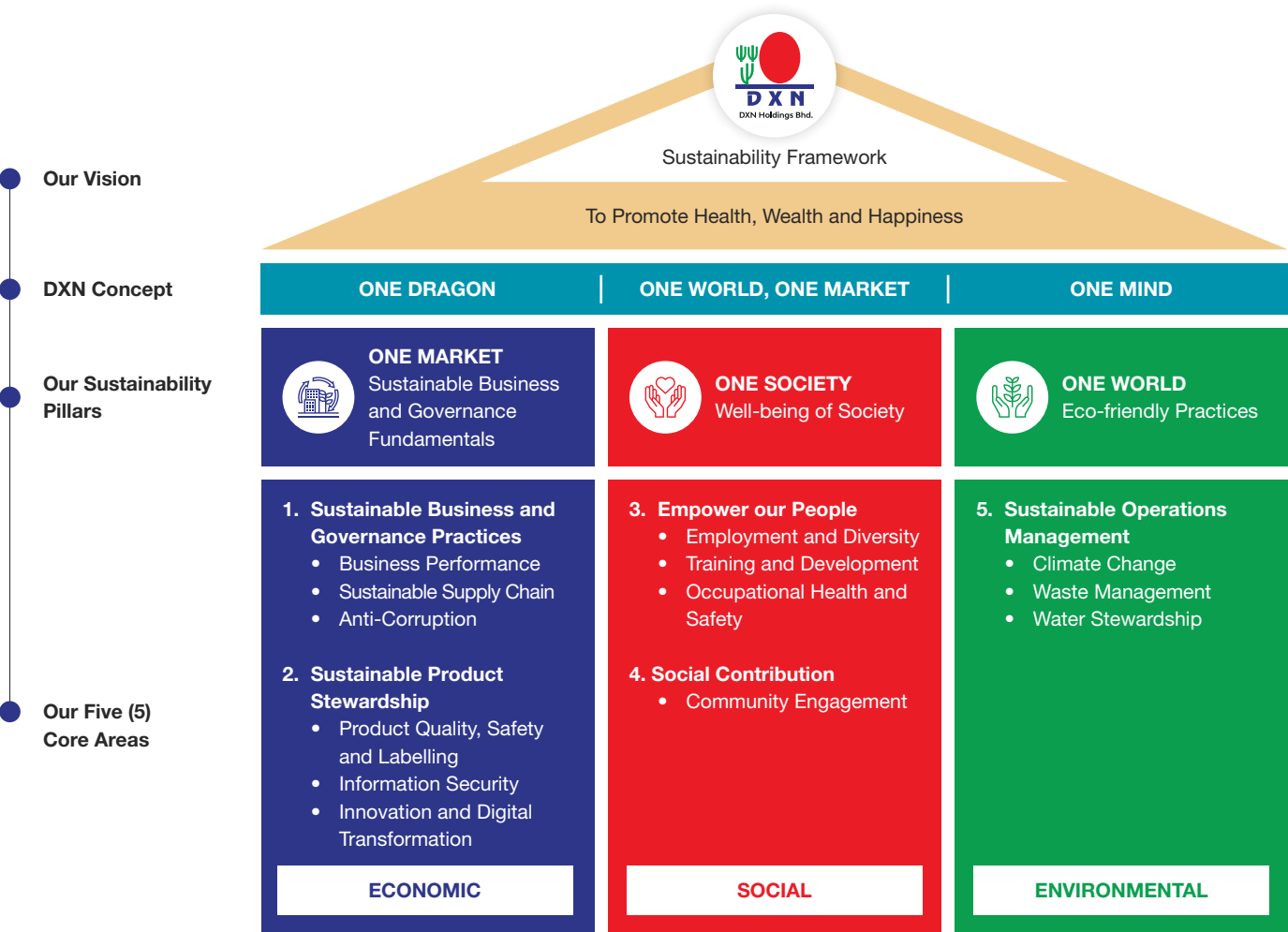
Material Issues	Potential Risks for The Group <i>If Issue Is Not Addressed</i>	Opportunities for The Group <i>If Issue Is Addressed</i>
<div> ENVIRONMENTAL (ONE WORLD)</div>		
Climate Change <i>Adapting our business model to ensure resiliency to climate-related risks</i>	Costly damages on physical assets from extreme weather events due to climate change	Adopt sustainable packaging solutions to reduce waste and carbon emissions associated with packaging and shipping its products
Water Stewardship <i>Protecting and preserving shared water resources</i>	Regulatory risks around water as an important national resource	Ensuring compliance with water-related regulations and standards
Waste Management (Scheduled and Non-Scheduled Waste) <i>Minimising waste and safely disposing of hazardous materials</i>	Legal and regulatory risks on non-compliance with waste-related regulations and standards Poor waste management practices lead to water and soil contamination	Inculcate sustainable practices and values in employees and communities through our 5Rs initiatives: Refuse, Reduce, Reuse, Repurpose, and Recycle



SUSTAINABILITY STATEMENT

SUSTAINABILITY FOCUS AREAS

DXN Group, our dedication to sustainability is meticulously structured around three (3) central themes, which encapsulate three (3) foundational pillars, addressing thirteen (13) material issues across five (5) core operational areas.



DXN Group's commitment to sustainability is articulated through three (3) overarching themes, each supporting the core EES sustainability pillars that guide our strategic and operational practices. Here's how each theme embodies our philosophy:

One Market (Economic): At the heart of the “One Market” theme, DXN Group embeds sustainability into every aspect of our business operations. Our approach is holistic, focusing on sustainable business practices and sound governance to boost economic performance. We adhere to stringent ethical standards and transparency, ensuring a robust and sustainable supply chain that supports our long-term business goals. By integrating these practices, we aim not only to sustain our economic growth but also to fortify our business against future challenges.


















One Society (Social): The “One Society” theme underscores our commitment to the well-being of our global community. DXN Group is dedicated to creating an inclusive workplace culture that reflects our broader social responsibilities. We actively engage in social initiatives that empower our staff and improve community welfare, fostering an

environment of diversity and safety. Through continuous participation in social programmes, we not only support our employees but also contribute positively to societal development, ensuring that our growth is inclusive and beneficial to all stakeholders. By integrating global citizenship into our “One Society” philosophy, we promote a sense of shared responsibility and encourage active participation in addressing global challenges. This commitment empowers individuals across our operations to act as global citizens who contribute to sustainable development, enhancing our collective impact on global well-being.

One World (Environmental): Under the "One World" theme, DXN Group pledges to be a steward of the environment. We are committed to implementing eco-friendly practices that substantially reduce our environmental impact and promote sustainability on a global scale. By embracing renewable resources, minimising waste, and engaging in conservation activities, we strive to protect our planet for future generations. This commitment to environmental stewardship is integral to our corporate identity and is a reflection of our dedication to preserving the world in which we operate.

SUSTAINABILITY STATEMENT

OUR CONTRIBUTION TO THE UNITED NATIONS (“UN”) SDGS

Material Topics																		
Economic																		
Business Performance									8.1 8.2	9.2								17.16
Sustainable Supply Chain		2.1 2.4							8.1 8.2 8.7 8.8	9.2 9.4			12.2					17.16
Anti-Corruption			3.9														16.5 16.6	
Product Quality, Safety and Labelling			3.4 3.8										12.3 12.8					
Information Security			3.4				7.3		8.1 8.2	9.4			12.5					
Innovation and Digital Transformation		2.1				6.4			8.1 8.2	9.2 9.4								
Environmental																		
Climate Change							7.2 7.3		8.2 8.4	9.2 9.4			12.2	13.2		15.2 15.5		17.6
Water Stewardship			3.9			6.3 6.4			8.2 8.4	9.2 9.4			12.2					17.6
Waste Management (Scheduled and Non-Scheduled Waste)									8.2 8.4	9.2 9.4			12.2 12.5					
Social																		
Employment and Diversity				4.4 4.7	5.5				8.2		10.3							
Training and Development				4.4 4.7	5.5				8.2		10.3							17.16
Occupational Health and Safety			3.4 3.9						8.7 8.8									
Community Engagement	1.4	2.2	3.4 3.8	4.1 4.7					8.6		10.2		12.8					

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

SDGs	Goal Targets Most Relevant to DXN Group	
	1.4	Provide access to basic services for vulnerable groups
	2.1	Improve access to safe and nutritious food
	2.2	Improve nutrition for society
	2.4	Promote sustainable food production and resilient agricultural practices
	3.4	Promote mental health and well-being through prevention
	3.8	Achieve universal health coverage (“UHC”), including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable supplement for all
	3.9	Reduce deaths and illnesses from hazardous waste, air, water and soil pollution
	4.1	Equal access to free equitable education at primary and secondary education
	4.4	Promote relevant skills development
	4.7	Promote sustainable development education and global citizenship
	5.5	Provide women full and effective participation and equal opportunities for leadership
	6.3	Improve water quality, reduce pollution, enhance wastewater treatment and improve water circularity
	6.4	Increase water-use efficiency and ensure sustainable use of freshwater
	7.2	Increase use of renewable energy
	7.3	Improve energy efficiency
	8.1	Sustain economic growth
	8.2	Diversify, innovate and upgrade for economic productivity
	8.4	Improve resource efficiency in consumption and production
	8.6	Promote youth employment, in education and training
	8.7	End modern slavery, trafficking, and child labour
	8.8	Protect labour rights and promote safe working environment

SDGs	Goal Targets Most Relevant to DXN Group	
	9.2	Promote inclusive and sustainable industrialisation, raise share of employment in manufacturing
	9.4	Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes
	10.2	Empower and promote social and economic inclusion
	10.3	Equal opportunity and reduce inequalities by eliminating discriminatory policies and practices and promoting appropriate policies
	12.2	Sustainable management and use of natural resources
	12.3	Reduce food waste at production, supply chain, and retail and consumer levels
	12.5	Substantial reduction waste generation
	12.8	Promote and provide information about sustainable lifestyles
	13.2	Integrate climate change measure into policies, strategies and planning
	15.2	Promote sustainable forest management and reduce ecosystem degradation
	15.5	Reduce degradation of natural habitats, halt the loss of biodiversity and, protect and prevent the extinction of threatened species
	16.5	Reduce corruption and bribery
	16.6	Effective, accountable and transparent institutions
	17.16	Multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the SDGs

SUSTAINABILITY STATEMENT

SUSTAINABILITY PERFORMANCE SUMMARY

GRI Standard/Other Source	Disclosure	UoM	*FY2023	*FY2024	**FY2024	Target
Economic						
Material Topic: Business Performance						
GRI 201-1 Direct economic value generated and distributed	Economic Value Generated	RM million	1,600.8	N/A	1,803.2	For Business Performance, figures stated are based on DXN Group's Consolidated Financial Performance Continue monitor the market and seek its opportunities to increase the market
	Profit Before Tax	RM million	455.5	N/A	479.0	
Material Topic: Sustainable Supply Chain						
^ GRI 204 Procurement Practices 2016	Percentage of purchase value spent on local suppliers	%	85.47	75	29	Increase engagement with local suppliers
Material Topic: Anti-Corruption						
GRI 205-2 Communication and training about anti-corruption policies and procedures	Total number of employees that have received training on anti-corruption	Pax	287	1,930	2,860	100% of DXN Group's employees to complete ABC training and maintain zero case
GRI 205-3 Confirmed incidents of corruption and actions taken	Total number of confirmed and reported incidents of corruption and bribery	Case	0	0	0	
Material Topic: Product Quality, Safety and Labelling						
GRI 417-2 Incidents of non-compliance concerning product and service information and labelling	Total number of incidents of non-compliance concerning product and service information and labelling	Case	0	0	0	Maintain zero case concerning product and service information and labelling
Material Topic: Information Security						
^ GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Total number of substantiated complaints received concerning breaches of customer privacy	Case	0	0	0	Maintain zero cases
	Total number of identified leaks, thefts, or losses of customer data	Case	0	0	0	

SUSTAINABILITY STATEMENT

GRI Standard/Other Source	Disclosure	UoM	*FY2023	*FY2024	**FY2024	Target
Material Topic: Innovation and Digital Transformation						
Non-GRI Disclosure	Successful maintenance of comprehensive data management and communication system to enhance business operation	N/A	N/A	N/A	N/A	
Environmental						
Material Topic: Climate Change						
^ GRI 302-1 Energy consumption within the organisation	Total energy consumption within the organisation	GJ	N/A	55,757	91,051	^^ DXN Group has not yet identified any specific targets for FY2025, however, DXN Group continues to maintain and monitor its GHG emissions for reduction trendline
	Electricity	GJ	43,923	55,757	60,037	
	Diesel		10,009		11,449	
	Propane		N/A		1	
	Coal				3,212	
	Natural Gas				8,728	
	Liquefied Petroleum Gas				95	
	Gasoline				2,718	
	Solar				5,577	
GRI 305-1 Direct (Scope 1) GHG emissions (CO ₂ e)	Total Direct GHG emissions	tCO ₂ e	2,755	2,230	1,166	
	Mobile Combustion	tCO ₂ e	2,755	2,230	800	
	Fugitive Emissions				939	
	Stationary Combustion				1,166	
^ GRI 305-2 Energy indirect (Scope 2) GHG emissions (CO ₂ e)	Total Indirect GHG emissions (equivalent)	tCO ₂ e	N/A	8,646	8,881	
	Electricity			8,646	8,881	
^ GRI 305-3 Other indirect (Scope 3) GHG emissions (CO ₂ e)	Total Other Indirect GHG emissions (equivalent)	tCO ₂ e	N/A	N/A	6,731	
	Business Travel				3,649	
	Employee Commuting				3,081	
Material Topic: Water Stewardship						
GRI 303-3 Water withdrawal by source	Total volume of water withdrawal	m³	60,725	28,280	28,809	Continue to manage operations level to comply with regulations
^ GRI 303-4 Water discharge	Total water discharge by destination		23,743	17,538	18,516	
GRI 303-5 Water consumption	Total volume of water consumption		281,663	295,621	305,297	
Material Topic: Waste Management (Scheduled and Non-Scheduled Waste)						
GRI 306-3 Waste Generated	Total waste generated	MT	697	414	2,292	Maintain zero reports of non-compliance
	Waste directed to disposal		697	414	2,292	
	Hazardous waste		257	262	433.92	
	Non-hazardous waste		441	152	1,858.17	

SUSTAINABILITY STATEMENT

GRI Standard/Other Source	Disclosure	UoM	*FY2023	*FY2024	**FY2024	Target
Social						
Material Topic: Employment and Diversity						
^ GRI 401-1 New employee hires and employee turnover	Total new employees	Pax	1,567	608	832	Retain talents by understanding employees' needs and aspirations through employee engagement programmes
	New employees by gender		1,567	608	832	
	Male		N/A	370	498	
	Female			238	334	
	New employees by age group		N/A	608	832	
	< 30 years old			334	434	
	30 - 39 years old			234	339	
	40 - 49 years old			31	43	
	> 50 years old			9	16	
	Parental leave	Day	N/A	1,979	2,371	
	Paternity leave			159	189	
	Maternity leave			1,820	2,182	
	Total turnover	Pax	1,213	633	919	
	Turnover by gender		1,213	633	919	
	Male		N/A	333	497	
	Female			300	422	
	Turnover by employee category		1,213	633	919	
	Top Management		N/A	39	60	
	Executive Level			594	220	
	Non-executive Level				639	
^ GRI 405-1 Diversity of governance bodies and employees	Total employees by gender		Pax	2,822	2,647	3,374
	Male	N/A		N/A	1,729	
	Female				1,645	
	Total employee by age group	N/A		2,647	3,374	
	< 30 years old	N/A		1133	1,298	
	30 - 39 years old			927	1,177	
	40 - 49 years old			403	620	
	> 50 years old			184	279	
	Total employees by employee category	N/A		N/A	3,374	
	Top Management				399	
	Executive level				991	
	Non-executive level				1,984	

SUSTAINABILITY STATEMENT

GRI Standard/Other Source	Disclosure	UoM	*FY2023	*FY2024	**FY2024	Target
Material Topic: Training and Development						
^ GRI 404-1 Average hours of training per year per employee	Total training hours	Hours	N/A	N/A	91,350	Maintain the average training hours per employee
	Average training hours per employee	Hours			27.07	
Material Topic: Occupational Health and Safety						
GRI 403-9 Work-related injuries	Employee recordable work-related injuries	Case	37	5	35	Maintain zero fatality case throughout the high-risk operations and reduce work-related injuries and illness
	Major	Case	11	2	4	
	Exposure	Case	6	0	11	
	Minor	Case	21	3	20	
	Fatality	Case	0	0	0	
	Work-related injuries	Case	37	5	35	
	High-consequence injuries	Case	0	0	0	
GRI 403-10 Work-related ill health	Work-related fatalities	Case	0	0	0	
	Work-related illness	Case	0	0	0	
Material Topic: Community Engagement						
^ GRI 413-1 Operations with local community engagement, impact assessments, and development programmes	Percentage of operations with implemented local community engagement, impact assessment, or development programme	%	-	-	13	Increase the community engagement through various activities

* FY2023 only covers fifteen (15) entities across five (5) countries.

* FY2024 only covers fifteen (15) entities across five (5) countries.

** FY2024 covers fifty six (56) entities across thirty three (33) countries.

^ New reporting scope since FY2024.

^^ Due to the limited availability of data, having only one (1) year's worth of data, as this marks the second preparation of our Sustainability Statement, DXN Group has yet to set specific targets for the material topics for FY2025.

SUSTAINABILITY STATEMENT

ECONOMIC (ONE MARKET)

SUSTAINABLE BUSINESS AND GOVERNANCE FUNDAMENTALS

Understanding the extensive impact of our activities in the cultivation, manufacturing, and marketing of health food supplements, and recognising our role as a prominent player in the thirty three (33) countries, we are committed to responsible decision-making that upholds our business fundamentals, especially in corporate governance throughout our operations and supply chain.

As part of our commitment to sustainability, we endeavour to lead by embedding Responsible Business and Governance Fundamentals in our business activities, including:

Sustainable Business and Governance Practice

Business Performance

Sustainable Supply Chain

Anti-Corruption

Our contribution to the SDGs:

Primary

Secondary

SUSTAINABLE BUSINESS AND GOVERNANCE PRACTICE

At the core of our operations lies a steadfast commitment to responsible business practices and rigorous governance. We ensure transparency in communicating our strong governance policies and ethical standards, thereby building and maintaining integrity among our stakeholders. These foundational principles permeate all areas of our business, from financial performance and risk management to interactions with our supply chain stakeholders.

In this chapter, we detail our approach to sustainable business and governance practices across the following sections:

Business Performance

Sustainable Supply Chain

Anti-Corruption

SUSTAINABILITY STATEMENT



Business Performance
GRI 3-3, GRI 201-1



Business performance ensures longevity and success of the Group. It serves as a foundation for revenue growth, profitability, and the creation of value for our stakeholders. To enhance business growth, DXN Group adopts the following approach:

Cohesive Production and Sourcing Capabilities

- In-house production of selected raw materials allows close monitoring and ensures quality
- Local sourcing across markets enhances cost efficiency and meets consumer demands

Excellence in Quality & Product Portfolio

- Product quality is ensured through R&D
- Expansion of product line through new R&D

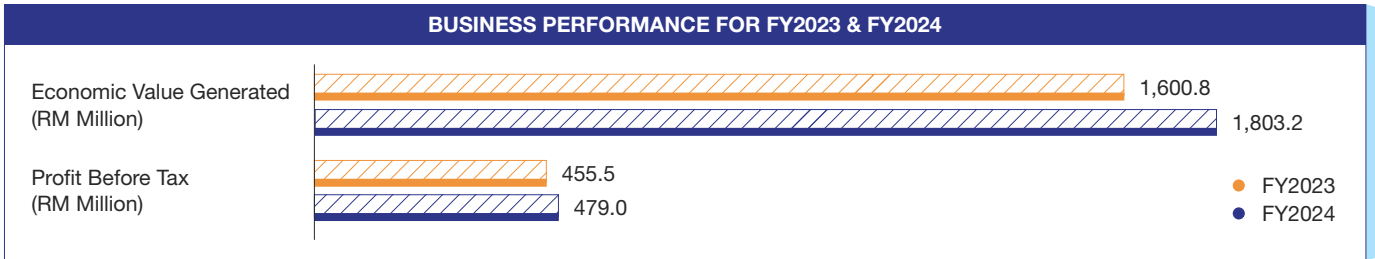
International Distribution Network

- Direct selling through registered members worldwide ensures efficient distribution of products
- Customers' feedback through members enables product innovation and expansion into new markets

Our business model extends beyond national boundaries and aims to strengthen our market presence both domestically and internationally. We have achieved this through a network of seventy eight (78) sales branches and seventeen (17) million registered members (as at 29 February 2024). These members have the opportunity to generate personal income by selling the Group's products at their own flexibility.

This expansive network of members creates a unified global market that fosters collaboration and synergy. To facilitate this collaboration, we have developed robust IT platforms that serve as channels for disseminating product information, facilitating communication, and establishing a unified compensation system.

The following chart summarises the Group's business performance for FY2023 and FY2024:



We are determined to expand our business and reach new markets with our products. Our aim is to leverage our financial capacity to drive growth and make a positive impact on the global society through continuous R&D.

Our full economic performance can be found in our audited financial statements, as part of our FY2024 Annual Report, Group Financial Statements, pages 126 to 225.

SUSTAINABILITY STATEMENT



Sustainable Supply Chain
GRI 3-3, GRI 204-1



Our commitment to sustainability extends to ensuring that our procurement practices are ethical and considerate of their impact on climate change. To align with our commitment to integrity and transparency within all facets of our operations, we've developed a comprehensive Anti-Bribery & Corruption ("ABC") Policy. This policy specifically outlines our expectations and requirements for all external entities engaged in any business relationship with our Group. This encompasses a wide range of associates including vendors, suppliers, contractors, sub-contractors, consultants, agents, outsourcing providers, and other intermediaries who deliver services or conduct activities on our behalf.

The term "Associate" relates to any individual or organisation directly or indirectly connected to our business activities, as per the definitions outlined in the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"). This includes but is not limited to employees, management entities, business partners, corporations as defined under the Companies Act 2016, and trustees of any trust associated with our Group. Importantly, it should be noted that our independent distributors, although crucial to our operations, do not fall within this definition of Associates due to their independent status. Our ABC Policy covers critical areas to prevent unethical practices and ensure all business dealings are conducted in a lawful and ethical manner. This includes strict guidelines on interactions with our Associates to avoid any conflicts of interest or corrupt activities. By implementing this policy, we aim to foster a business environment that is not only ethical but also beneficial for all parties involved, ensuring risk identification and mitigation are effectively managed. Vendors can access the most recent version of our Code of Conduct at any time through our website. The details of our ABC policies are thoroughly elaborated on and reinforced through engagements held throughout the year as part of our Supplier Development Programme. This initiative aims to cultivate an ethical supply chain.

Procurement Management

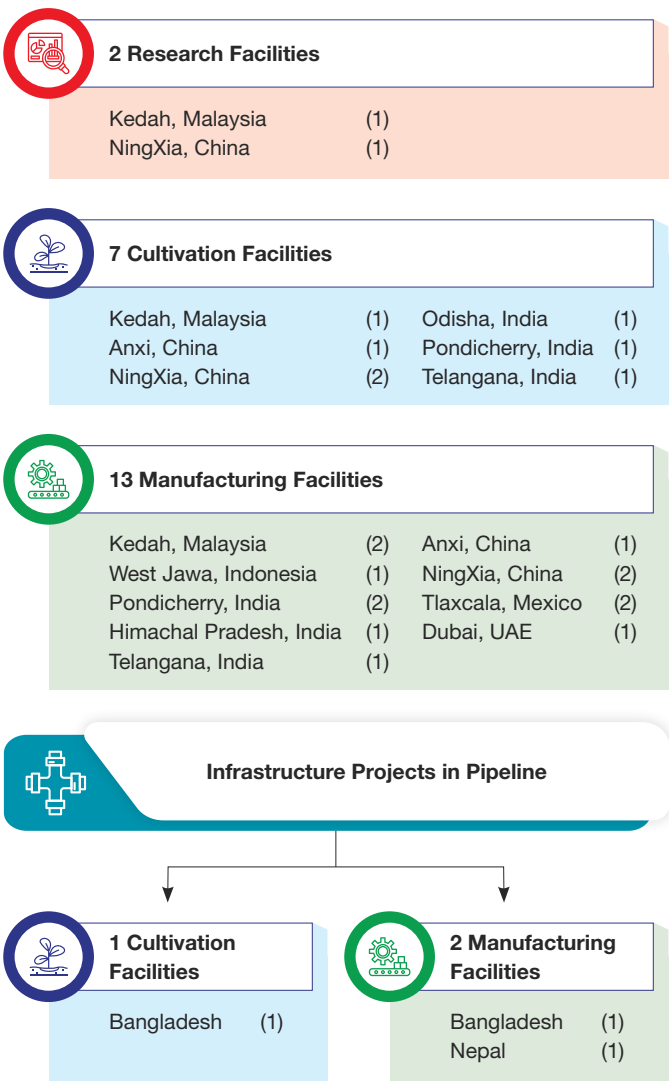
Our procurement process is categorised into internal and external procurement as follows:

Internal Procurement

Within our internal procurement framework, we have three (3) main activities which are R&D, cultivation and manufacturing. These activities play a crucial role in maximising the quality and expansion of our product line while ensuring effective quality assurance measures are in place.

To ensure superior product quality and minimisation of contamination risks, DXN Group maintains a stringent manufacturing process that involves internal production of a broad range of products.

The following chart shows the number and location of research, cultivation and manufacturing facilities:



External Procurement

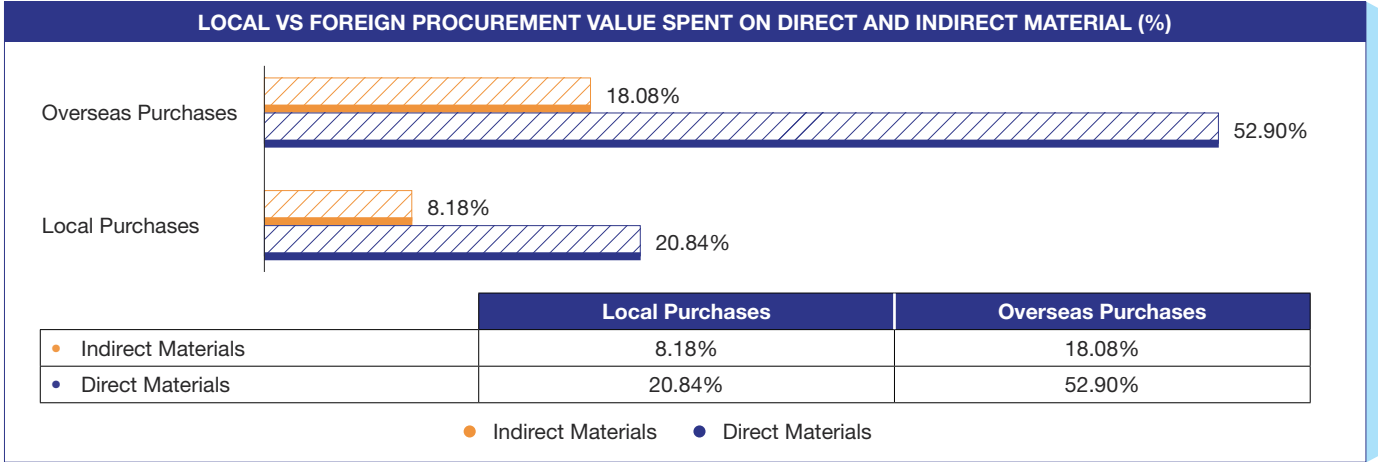
In addition to our cultivation efforts, DXN Group also purchases certain raw materials that fulfil the specifications and quality required by the Group from external suppliers. This approach allows us to ensure a continued supply of raw materials and maintain cost-effectiveness.

DXN Group recognises the importance of specialised manufacturing expertise for certain products that the Group has yet to acquire. In such cases, we engage external manufacturers to produce these selected products, ensuring that we offer a comprehensive range of high-quality and exclusive products to our customers.

SUSTAINABILITY STATEMENT

The primary materials procured from external suppliers are coffee powder, sugar, non-dairy creamer, wheat cereal powder, alkalised cocoa powder, virgin coconut oil, empty capsule gel, aluminium foil, boxes, bottles and labels.

The total amount of purchases categorised by local and foreign suppliers are summarised below:



In FY2024, DXN Group made local purchases amounting to RM108,680,502 and foreign purchases amounting to RM265,864,309. Local purchases refer to the procurement of materials from suppliers located within the respective countries in which DXN subsidiaries operate. Procurement activity focuses on sourcing materials locally aids DXN Group to avoid expenses related to import activities which has an overall impact on DXN Group’s expenditure.

DXN Group maintains a diverse and sustainable network of suppliers and vendors. In FY2024, DXN had about 2,700 suppliers and vendors, showcasing the Group’s commitment to working with a wide range of partners to meet its procurement needs. Our strong and enduring relationships with suppliers and vendors, as evidenced by the average tenure of over six (6) years and the longest tenure exceeding fifteen (15) years. These long-standing partnerships demonstrate mutual trust, reliability, and a commitment to collaboration.

DXN Group’s commitment to effective procurement practices is evident through the establishment of detailed Standard Operating Procedures (“SOPs”) for both direct (materials that has direct impact on finished goods e.g. raw materials, packaging) and indirect materials (e.g. machinery, stationary, office equipment). The procurement SOP for direct materials and the SOP for indirect materials have been implemented to establish a detailed and structured approach. This enables the Group to make more informed choices and optimise its procurement processes based on factors such as pricing, quality, delivery, and service. The supplier selection criteria are as follows:

Delivery – Efficiency in delivering the products and services to ensure uninterrupted operation of business.

01

Service – Quick assistance and response from supplier whenever needed to ensure uninterrupted operation of business.

02

Quality – Quality of the products/materials and services has to meet the quality standards required by the Group. Suppliers shall provide the Material Safety Data Sheet (“MSDS”), HALAL certificate or manufacturing process flow, required specifications reports and other certifications such as GMP, HACCP, ISO (if any) to support quality claims.

03

Pricing – Products/ Materials are sourced from suppliers that offer competitive pricing matched with availability of the products/materials.

04

SUSTAINABILITY STATEMENT

The inclusion of due diligence evaluations on suppliers along with adherence to DXN Group’s policies, such as the ABC Policy and the Supplier Conflict of Interest Declaration Form, is conducted annually. By conducting these evaluations, DXN Group ensures that suppliers maintain ethical and operational standards and are able to identify areas of concern and take appropriate measures to mitigate risks.

Logistic Management

In improving operational efficiency and cost-effectiveness, we focus on maximising our resources, manage logistics prudently and minimise delivery time and resource wastage.

We have a systematic approach to shipping our finished goods to other countries, through courier vendors on a weekly basis and managing truck transportation for materials and products within a country or short distances.

The warehouse maintains a schedule for shipping based on the product requisition forms received from the person in charge of international business section. Managing fleet schedules, which are managed by the warehouses, to maximise the capacity of vehicles to avoid multiple trips.

Distribution Channel

In DXN Group, several distribution channels are utilised to disseminate products, that include a network of distributors, or independent representatives. DXN Group’s main distribution channels are listed as below:

- Sales branches;
- External distribution agencies;
- Stockists; and
- Members.

In FY2024, we expanded our presence in thirty three (33) countries. Table below shows the various categories of distribution channel and the number of distributors.

Distribution Channel	Number of Distributors
Sales Branches	78
External Distribution Agencies	12
Stockists	1,838
Registered Members	17,084,450
Active Members	3,559,955

Anti-Corruption
GRI 2-25, GRI 2-26, GRI 3-3, GRI 205-2, GRI 205-3

The Group maintains a zero-tolerance stance towards bribery and corruption, ensuring that its business operations strictly adhere to the ethical guidelines outlined in the Malaysia Direct Selling Act 1993 and Direct Selling Association of Malaysia (“DSAM”) Code of Conduct. To reinforce this commitment, the Group implemented its ABC Policy on 1 June 2020, emphasising compliance with the MACC Act and the Malaysian Anti-Corruption Commission (“Amendment”) Act 2018.

We are dedicated to fostering ethical values and raising awareness about bribery and anti-corruption among our directors, employees, suppliers and business associates. To achieve this, we have implemented various initiatives aimed at enhancing knowledge, gaining commitment and promoting transparency within the Group. Some of the efforts include:

- Incorporating information on the Code of Business Conduct, ABC Policy, and Whistleblowing Policy in the employee handbook. We ensure that all employees, including new joiners, are provided with this information and obtain their acknowledgement.
- Requiring directors, employees, and associates to complete a Conflict of Interest Declaration Form. This form helps identify any potential conflicts of interest and ensures transparency in business dealings.

- Making the ABC Policy available on the Group’s corporate website. This ensures that the Policy is easily accessible to all stakeholders and demonstrates our commitment to combating bribery and corruption.
- Establishing a Whistleblowing form and a dedicated reporting channel (whistleblowing_abc@dxn2u.com) to encourage the reporting of misconduct by all employees of the DXN Group and business associates. This provides a confidential and secure platform for reporting an unethical behaviour, bribery, or corruption.
- Subjecting suppliers to a due diligence evaluation process, which includes an acknowledgement of DXN Group’s ABC Policy and the submission of a Supplier Conflict of Interest Declaration form. This ensures that our suppliers are aligned with our ethical standards and have mechanisms in place to prevent bribery and corruption.
- Conducting briefings on anti-bribery and anti-corruption for employees. These briefings are aimed to raise awareness, provide guidance on ethical conduct, and reinforce our commitment to maintaining a corruption-free work environment.

SUSTAINABILITY STATEMENT

New employees joining the Group are required to sign an anti-corruption declaration form. Monthly anti-corruption training is provided to employees at Malaysian subsidiaries, while overseas subsidiaries receive annual training.

To comply with the Group's ABC policy, employees are required to declare any gifts, entertainment, or hospitality received or offered, regardless of value. A memo on the Whistleblowing policy was issued to raise awareness among employees about the Group's ethical standards. During the induction sessions for new employees, the Whistleblowing policy and reporting channel are discussed. Posters on anti-corruption and reporting channel are displayed to serve as reminders and foster an ethical culture within the Group.

The Group has established robust processes and procedures to aid the investigation process in the event of suspected case of bribery and anti-corruption. These measures are in place to ensure that industrial relations and legal procedures are followed systematically.

To promote transparency and accountability, both internal and external stakeholders are encouraged to report any incidents of bribery and corruption. The report can be channelled to:



Attention to:
Stefan Heitmann, Chairman of Board Risk Committee

Mailing address:
No.113, Jalan BGS2, Bandar Stargate,
Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah.

Email:
stefanheitmann@dxn2u.com
whistleblowing_abc@dxn2u.com



Attention to:
Abraham Verghese a/I T V Abraham, Chairman of Board Audit Committee

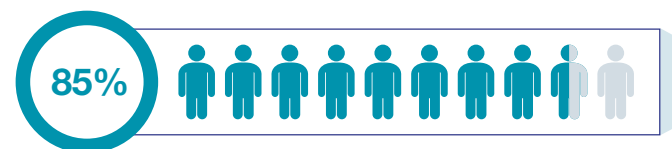
Mailing address:
No.113, Jalan BGS2, Bandar Stargate,
Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah.

Email:
abraham_verghese@dxn2u.com

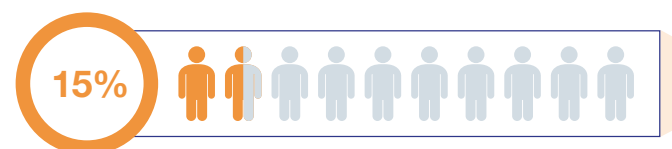
The policies concerning anti-bribery and corruption and whistleblowing are accessible at <https://www.dxn2u.com/investor-relations/>.

Whistleblowing Policy provides a formal mechanism for employees and the public to report concerns, suspicions or known misconduct, wrongdoings, unlawful acts, corruption, fraud, waste, abuse, product safety, integrity, quality and legality. The Policy also protects whistleblowers from reprisals for disclosures and safeguards the reporting individuals' confidentiality. The Board Risk Committee ("BRC") is responsible for investing and acting on any concerns or allegations of misconduct.

Attended ABC Training



Not Attended ABC Training



For the fiscal year ended 2024, DXN Group reported that 2,860 employees attended ABC training. Throughout this period, DXN Group dedicated a substantial number of hours, totalling 1,044, to training on ABC. This training investment amounted to RM9,864 and successfully covered 85% of the total employee base. This initiative is part of the Group's ongoing commitment to upholding integrity and transparency across all levels of operation, ensuring that all team members are well-versed in and compliant with anti-corruption standards.

We are proud to announce that DXN Group reported zero cases of corruption and bribery throughout our business in FY2024, and maintained our target.

Sustainable Product Stewardship

We are committed to delivering on our promise of "Low Price, High Quality" products to our customers, members and distributors. We prioritise the needs of our stakeholders and continuously maintain and innovate our information systems and digital infrastructure to meet their evolving demands and desires. This commitment ensures that our products not only meet the highest standards of quality and affordability but also align with our sustainability goals, enabling us to address environmental and social impacts effectively while adapting to market changes.

In this chapter, we detail our approach to sustainable product stewardship across the following sections:



SUSTAINABILITY STATEMENT

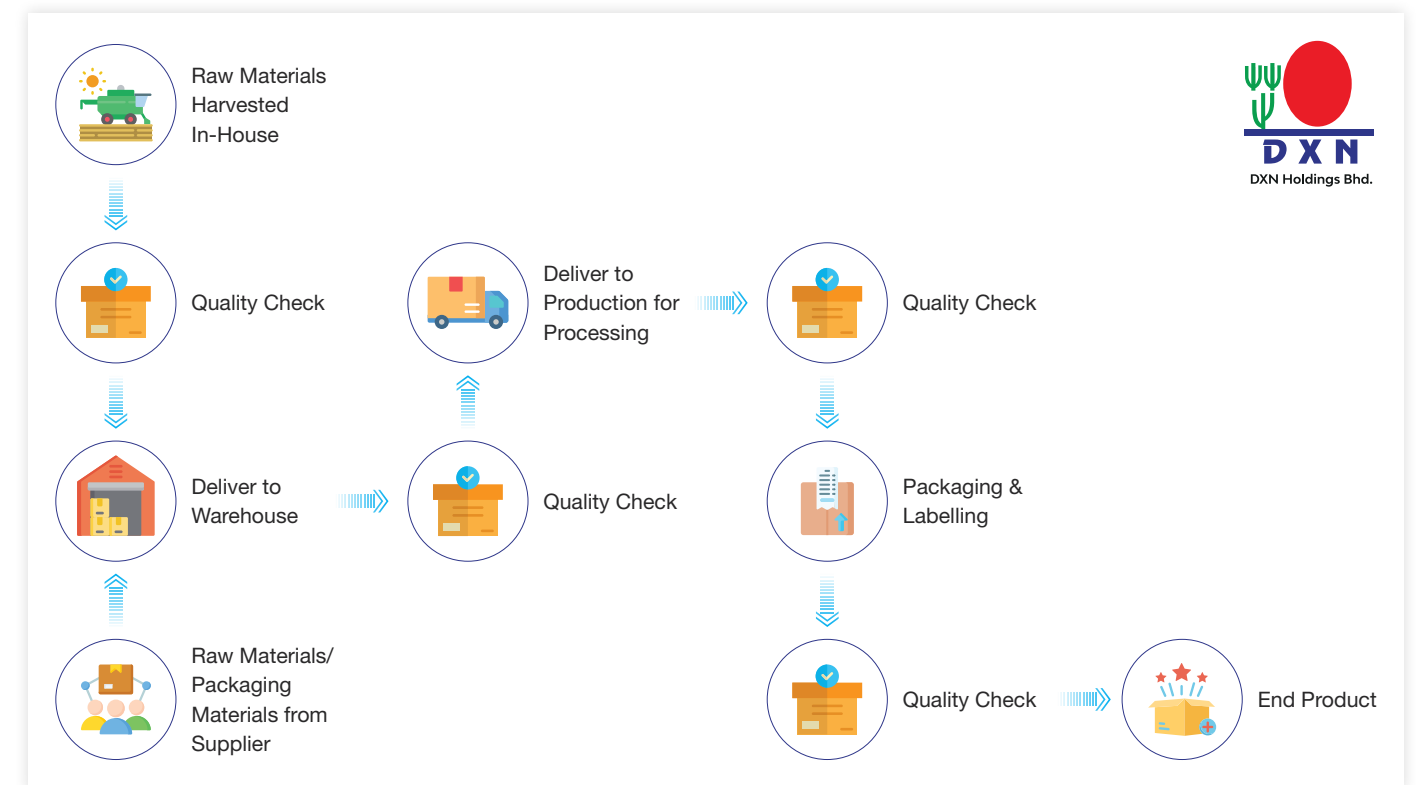


Product Quality, Safety and Labelling

GRI 417-2



We integrate EES practices into our product manufacturing and distribution processes to produce sustainable and responsible products that benefit both consumers and the environment. To demonstrate our commitment to responsible business practices, we have implemented a comprehensive quality control process at every stage, from the cultivation of raw materials or the receipt of materials from suppliers to the final product stage. The diagram below illustrates the processing steps:



Sustainable seed bank and organic farming practices

We prioritise quality right from the beginning, starting with the seeds used for our products. The Group maintains its own seed bank and conducts quality testing to ensure healthy plant growth. Additionally, we use organic fertilisers and avoid any harmful pesticides or fertilisers to promote natural growth.

Responsible raw material sourcing and Just-In-Time delivery

To effectively manage the production process, we utilise an integrated IT system that tracks raw material demand. Harvesting is planned based on demand to ensure a steady supply. Fresh ingredients such as fruits, rhizomes, and leaves are delivered to production facilities using the Just-in-Time method to maintain their freshness.

Enhancement of quality products and continuous improvement

Our R&D efforts focus on preserving the maximum level of nutrients in natural raw materials such as Ganoderma, Spirulina, mushrooms, and fruits while enhancing their solubility and absorption. We achieve these goals through research on nano-fermentation, cold-dehydration, centrifuge filtration, and micro-powderisation techniques. These processes contribute to the overall quality of our products and their health benefits.

SUSTAINABILITY STATEMENT

In maintaining product quality, we conduct random sampling of materials, packaging, and labels to ensure that our products meet our quality standards. A comprehensive quality assurance report is prepared, confirming that all necessary quality checks have been performed, and that the packaging has accurate printing according to our SOP. This ensures consistency and reliability in our products. Notably, in FY2024, there were no product recalls, further underscoring our commitment to maintaining the highest quality standards.

AWARDS AND CERTIFICATIONS

Our unwavering commitment to product quality, safety, and sustainable business practices has played a pivotal role in our successful expansion into new markets. This dedication to excellence has been duly recognised through the reception of numerous prestigious awards and certificates within the industry. We take immense pride in the acknowledgment of our achievements, which underscores our position as a leader in the field.

To date, we have been honoured with a total of twenty three (23) notable awards and ten (10) local and international certificates, all showcased on our official website at <https://www.dxn2u.com/award/>. Each of these accolades serves as a testament to our relentless pursuit of excellence, reflecting our ongoing efforts to uphold the highest standards across all facets of our operations.

Among these achievements, we proudly hold various certifications and accreditations that ensure the quality and safety of our products. These certifications stand as a testament to our unwavering commitment to meeting and exceeding international standards and regulations. Our dedication to excellence is evident in the comprehensive list of certifications and accreditations we have attained, including:

Name of Standard	Certifying Authority	Purpose/Scope	Recipient
ISO 9001:2015	Lloyd’s Register	Quality management system	DXN Pharmaceutical Sdn. Bhd.
ISO 14001:2015	Lloyd’s Register	Environmental management system	DXN Pharmaceutical Sdn. Bhd.
ISO 22716:2007	Lloyd’s Register	Manufacture of PCC products	DXN Industries (M) Sdn. Bhd.
MS ISO/IEC 17025:2017	Department of Standards Malaysia	Quality management system	Bio Synergy Laboratories Sdn. Bhd.
myOrganic	Ministry of Agriculture and Agro-Based Industry Malaysia (now Ministry of Agriculture and Food Industries)	Cultivation of Ganoderma, Spirulina, elm oyster mushroom, Lion’s Mane mushroom, Tiger Milk mushroom, Cordyceps, Porea cocos fungus, Splitgill mushroom and Noni	DXN Pharmaceutical Sdn. Bhd.
GMP	Ministry of Health Malaysia	Manufacture of food products	DXN Industries (M) Sdn. Bhd.
Organic EU Certificate	Control Union Certifications	Cultivation of RG, GL, Cordyceps and Lion’s Mane mushroom	DXN Pharmaceutical Sdn. Bhd.
USDA-NOP Certificate	Control Union Certificates	Cultivation of RG, GL, Cordyceps and Lion’s Mane mushroom	DXN Pharmaceutical Sdn. Bhd.
HACCP	Ministry of Health Malaysia	Manufacture of food products	DXN Industries (M) Sdn. Bhd.
Halal Certificate	JAKIM	Halal products certification	DXN Industries (M) Sdn. Bhd. DXN Pharmaceutical Sdn. Bhd.

CUSTOMERS’ FEEDBACK AND SATISFACTION

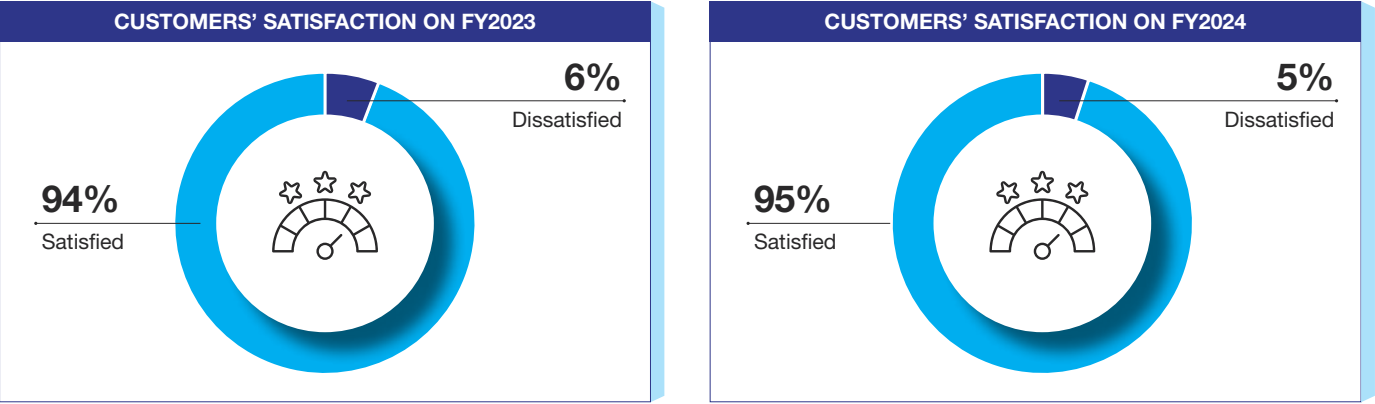
Members and customers are encouraged to provide feedback on our products through various channels. The eWorld online portal embedded on our website serves as a platform for users to share their feedback and experiences. Additionally, members have the option to complete the Members Feedback Form, enabling them to rate various aspects of the products such as taste, smell, price, texture, and packaging. This feedback is invaluable as it allows us to evaluate consumer satisfaction and identify areas for improvement in our quality management.

We prioritise customer satisfaction and have clear policies and SOPs to manage customer complaints and incidents of dissatisfaction. Customers or distributors can contact us regarding product issues or any concerns via the Feedback System.

As of 29 February 2024, our customer satisfaction scores provided by the Customer Satisfaction Survey for FY2024 and FY2023 were 95% and 94%, respectively. Additionally, we are proud to report that there were zero complaints received in FY2024.

SUSTAINABILITY STATEMENT

This addition emphasises the organisation’s commitment to addressing customer concerns effectively.






Compliance

GRI 3-3, GRI 417-2

Our commitment to product quality and safety remains steadfast, and we strive to meet all regulatory requirements to ensure the well-being and satisfaction of our customers.

We are proud to announce that no cases of non-compliance resulting in death, illness, or adverse health effects on consumers were reported for the consumption of our products in FY2024. This achievement

reflects our unwavering commitment to delivering safe, healthy, and trustworthy products that promote the well-being of our customers. We will continue to prioritise product safety and maintain a record of zero side effects on consumer health as we move forward, ensuring that our clients can rely on our products for their health and wellness needs.



Information Security

GRI 3-3, GRI 418-1



The Group recognises the paramount importance of information security within its operations, given the constant generation, collection, and management of data concerning stakeholders and the business. Given its global reach and the collection of personal information from members worldwide, the Group is obligated to adhere to stringent data protection and privacy laws. This includes compliance with regulations such as the Personal Data Protection Act 2010, the General Data Protection Regulation in Europe, and the Personal Data Protection Act in Singapore. Safeguarding sensitive information is achieved through the meticulous management of the Group’s IT system.

To ensure the confidentiality, integrity, and availability of data, the Group has established an internal IT security team tasked with planning, monitoring, and fortifying a cohesive and secure system. Good IT Governance is in place to secure the network, installations, system patching, data backup, and system recovery. Regular IT security checking and Vulnerability Assessment and Penetration Testing (“VAPT”) are conducted, and additional cybersecurity measures, such as firewalls, system access monitoring, and anti-virus applications, are diligently implemented.

Further bolstering cybersecurity efforts, the Group’s IT system undergoes third-party audits to identify potential enhancements to the existing defence system. Employees are kept abreast of malicious cyber-attacks, such as phishing, through the Group’s HR bulletin. Additionally, an email filtering gateway has been deployed to thwart malicious emails from reaching users.

In the event of a security incident, such as the compromise of the India eWallet payment application, the Group swiftly took action to troubleshoot the root cause and enhance the application’s security. Proactive checks on other systems were conducted to forestall similar incidents. The Group is committed to achieving zero cases of data and cybersecurity intrusion in the upcoming reporting period, underscoring its dedication to upholding the security and integrity of its IT systems and safeguarding sensitive information.

FY2024	Total number of identified leaks	Total number of thefts	Total number losses of customer data
Total	0	0	0

SUSTAINABILITY STATEMENT



Innovation and Digital Transformation



Innovation and digital transformation are key focus areas for the Group, enabling efficient inventory management, production planning, and effective engagement with Members. The Group utilises a range of platforms as Member support tools and internal management tools, including:



Member Support Tools

- eWorld/DXN App - Members manage activities related to purchasing, earnings, access marketing content, and track and redeem their EPoints
- Regional/Member Personal Websites - Members can engage, recruit and sell to end-customers online by setting up a personal website hosted on DXN Group regional websites
- DChat App - Communication tool that connects Members to the Group, team members and end-customers. End-customers can use this app to communicate with the Group's customer and Members service regarding products



Internal Management Tools

- Online Billing System ("OBS") - to track recruitment, sales, and place purchase orders from manufacturing facilities
- Enterprise Resource Planning ("ERP") - to track purchase orders, track production output/statuses, create consolidated packing lists for shipping and generate invoice
- Laboratory Management - to provide quotation to customers and receive orders from local and overseas customers to carry out laboratory testing services on samples provided under controlled conditions
- Human Resource Management System ("HRMS") - to manage profile, check work calendar and apply for overtime and leaves and appraisals for manager and employee
- Accounting Information System ("ACIS") - to track sales data, generate financial reports, monitor key financial metrics, and maintain accounting ledger
- Centralised Processing System ("CPS") - to manage sales and Member data across the Group that calculates Member qualification status, Member tiers, and Member bonus earnings
- Risk, Compliance, & Sustainability System ("RCS") - is an integrated software solution to help manage the effectiveness and efficiency of Risk, Compliance, and Sustainability data collection

The Group recognises the critical role of its IT infrastructure in integrating the activities of the Group and its Members within the global supply chain network. To ensure business continuity and resilience, the Group has implemented a comprehensive disaster recovery procedure for our IT systems. This procedure enables the Group to recover and rebuild its process systems in the event of unforeseen occurrences, including natural disasters, terrorist attacks, data breaches, and telecommunication failures.

SUSTAINABILITY STATEMENT



SOCIAL (ONE SOCIETY)

WELL-BEING OF SOCIETY

As we celebrate our 30th anniversary, a significant milestone in our journey, we acknowledge the tremendous contributions from our dedicated employees, and the unwavering support from our customers, members, and distributors worldwide. Nurturing resilient, interactive relationships with our stakeholders is fundamental to our continuous growth and long-term prosperity. With a firm commitment to well-being, we persistently offer top-quality, nutritious products to our customers, while also supporting vulnerable groups and empowering our workforce. This commitment ensures enduring success and fosters positive workplace environments. By integrating the principle of global citizenship, aligned with our "One Society" philosophy, we strive to foster a sense of shared responsibility and active participation in global sustainability efforts.

Empower Our People



Employment and Diversity



Training and Development



Occupational Health and Safety

Our contribution to the SDGs:

Primary



Social Contribution



Community Engagement

Secondary



Our people empowerment efforts are further elaborated in the sections that follow:



Occupational Health and Safety



Training and Development



Employment and Diversity

SUSTAINABILITY STATEMENT

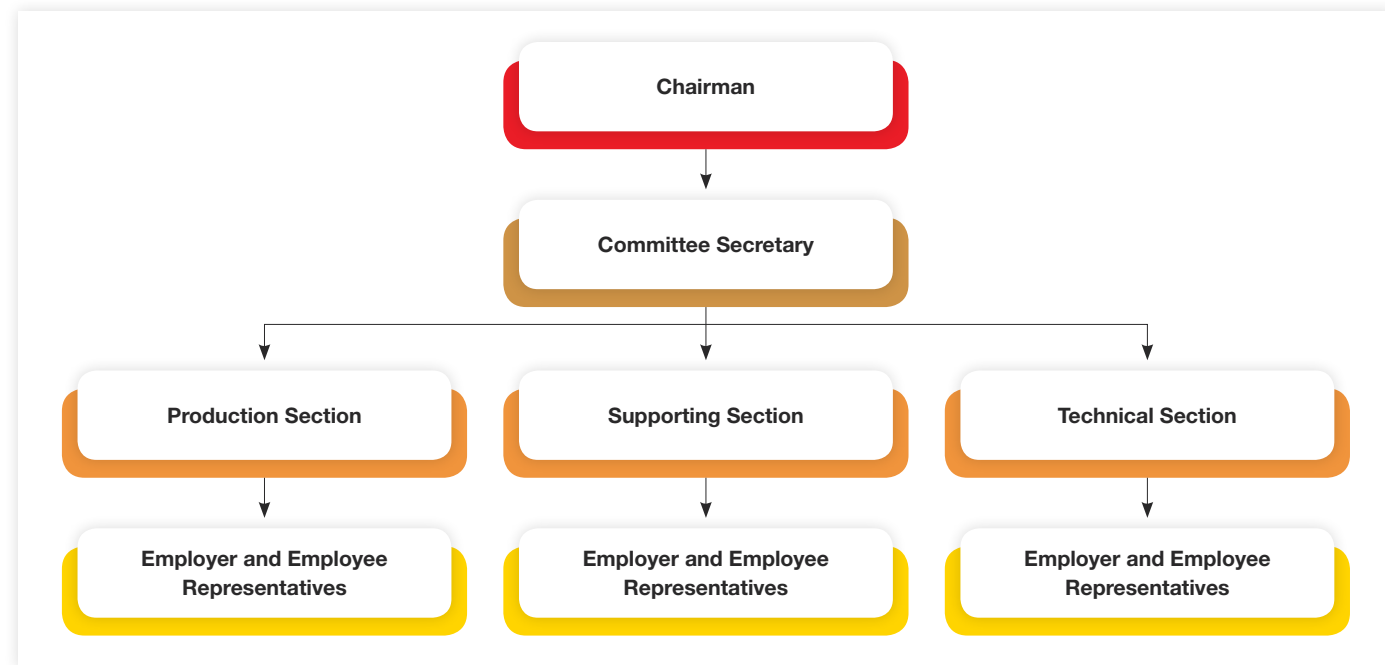
**Occupational Health and Safety**

GRI 3-3, GRI 403-1, GRI 403-2, GRI 403-4, GRI 403-5, GRI 403-8, GRI 403-9, GRI 403-10



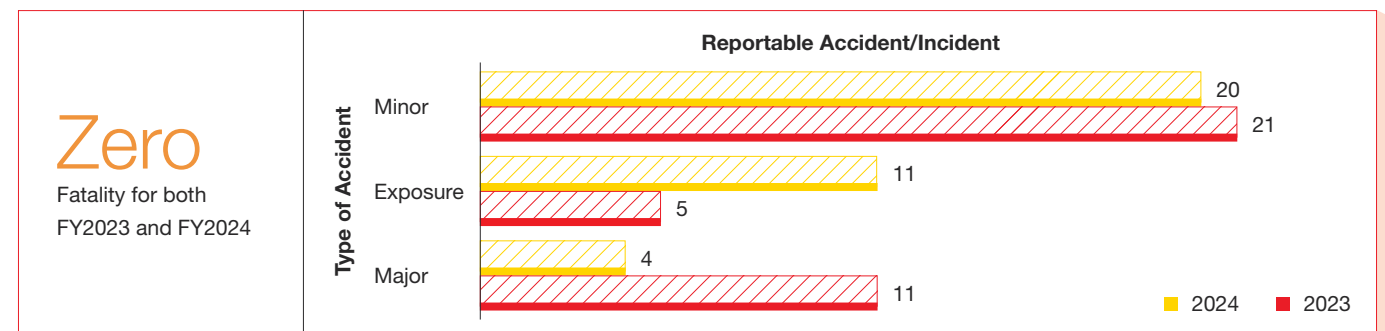
At our organisation, prioritising workplace health and safety is paramount to fostering a positive and productive work environment. As a responsible entity, we recognise the significance of cultivating a safe and healthy workplace for our employees.

To demonstrate our unwavering commitment to employee health and safety, our organisation has developed robust health and safety policies and procedures aimed at ensuring a secure work environment for all staff members. We diligently provide appropriate personal protective equipment (“PPE”) and enforce safe work practices to proactively prevent workplace accidents and injuries.



Furthermore, we have established a dedicated Safety and Health Committee (“SHC”) tasked with overseeing our health and safety initiatives. Chaired by a designated leader and comprising representatives from various departments, our SHC conducts regular reviews to ensure that our health and safety policies and procedures remain current, aligning with industry best practices and regulatory standards. The committee also conducts comprehensive risk assessments to identify potential workplace hazards and implements effective control measures to mitigate these risks effectively.

In FY2023, our organisation recorded eleven (11) major exposures, five (5) minor exposures, and twenty one (21) instances where employees were exposed to potential hazards, but fortunately, there were no fatalities. The following year, FY2024, saw a decrease in major exposures to four (4), while minor exposures increased to eleven (11). The number of minor hazard exposures remained relatively stable at twenty (20), and again, there were no fatalities reported. This data indicates a shift in the nature of exposures, with a significant reduction in major incidents, underscoring our ongoing efforts to enhance workplace safety and reduce high-risk incidents.



SUSTAINABILITY STATEMENT

**Employment and Diversity**

GRI 2-7, GRI 3-3, GRI 401-1, GRI 401-2, GRI 401-3, GRI 405-1



At DXN Group, we recognise the importance of diversity. Embracing diversity in the workplace brings numerous benefits to our organisation, including the generation of more creative solutions and effective solutions, contributed by a team comprised of individuals with various backgrounds and viewpoints.

Our employees have equal opportunities for career advancement based on merit, performance, experience, and academic qualifications, regardless of race and gender. The Group regularly updates employees' knowledge and skills to enhance each employee's competency. We provide equal employment opportunities in our recruitment and remuneration processes to retain talents that drive towards positive impact on the business success and innovative strength of DXN Group.

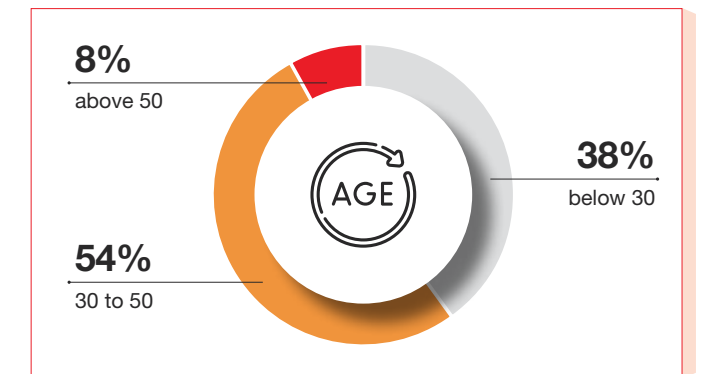
In FY2024, DXN Group reported a total of 3,374 employees which comprised of 49% of female and 51% of male.

- i) Employee Gender Profile
- ii) Employee Profile by age

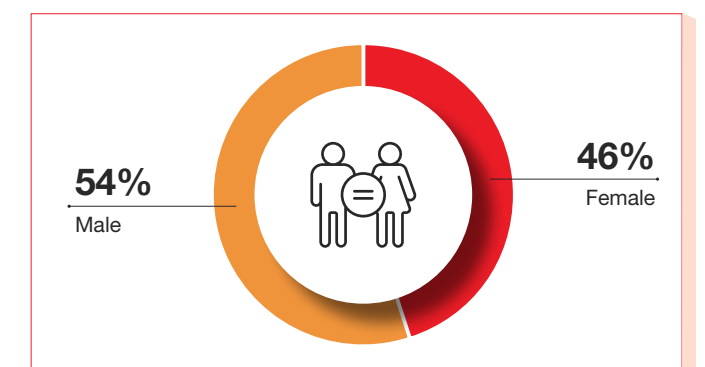
Employees Gender Profile

From an age group perspective, we had a diverse range of employees in the Group. Approximately 38% of our employees aged below 30 years old, representing a younger demographic in our workforce. These younger employees are provided with support and guidance by a group of more experienced colleagues, where 54% of employees were aged 30 to 50 years old while 8% of employees aged above 50 years old.

By fostering a diverse age range in our workforce, we benefit from a combination of fresh ideas, energy, and innovation from younger employees, as well as the wisdom and expertise from more experienced colleagues. This age diversity contributes to the overall success and growth of DXN Group.

Employees Age Group

The following chart illustrates our employee turnover in FY2024. In FY2024, the number of employee turnover was 919, which consisted of 54% male and 46% female.

Employees turnover by gender

The following chart illustrates the employee new hires in FY2024. In FY2024, we hired a total of 832 new employees at DXN Group. Among these new hires, 60% were male, and 40% were female, indicating a relatively balanced gender representation in our recruitment efforts.

Employee New Hires by Gender

SUSTAINABILITY STATEMENT


At DXN Group, we recognise the significance of prioritising employee well-being through comprehensive employee benefits. We understand that offering competitive benefits not only aids in attracting and retaining talented individuals but also plays a crucial role in supporting their health, happiness, and productivity. By providing these benefits, we demonstrate our commitment to creating a workplace that values the well-being of our employees.

We regularly review and evaluate our employees’ benefit offerings against the market standards, which allow us to stay responsive to the evolving needs and expectations of our workforce. We are dedicated to continuously improving our benefit programmes to ensure they align with the well-being goals of our employees and support their individual and collective growth.

Our employees’ benefits encompass a wide range of offerings, which is listed in the table below.




Types of Benefits	Description
Leaves	Annual Leave, Marriage Leave, Maternity Leave, Paternity Leave, Compassionate Leave, Sick Leave
Allowance	Travelling Allowance, Clothing Allowance, Phone Allowance
Medical	Medical Attention
Insurance	Group Personal Accident Insurance, Group Hospitalisation & Surgical Insurance
Others	Long Service Award

Parental Leave Utilisation by Gender	Total Days
Paternity	189
Maternity	2,182



Training and Development

GRI 3-3, GRI 404-1, GRI 404-2



In DXN Group, our human capital is a crucial asset of all our operations and businesses. The Group recognises the importance of investing in employee training and development as a fundamental strategy for building a knowledgeable and skilled workforce. By providing training opportunities, it enhances our employees’ skill set and progress in their careers with the Group. This commitment to employee development aligns with the overall growth objectives of the Group.

In FY2024, we recorded a total of 91,350 training hours for both internal and external training courses with an average of 27.07 average hours per employee. All training sessions were conducted either internally or externally across all operational and businesses focusing to our manufacturing, cultivation, direct selling, R&D, lifestyle or other nature of business. The training courses covered broad range of topics including company policies such as ABC Policy, Sustainability Policy, Code of Conduct, Whistleblowing Policy, environmental, safety & health and other relevant agricultural or operational practices. Our Group will further focus on investing the human capital development in the future to produce more professionalism throughout our operations.

SUSTAINABILITY STATEMENT

SOCIAL CONTRIBUTION

Our regional operations extend their impact beyond just our consumers. The community, a crucial part of our stakeholder network, significantly influences our business outcomes. We actively cultivate positive ties and provide support to local communities, building bridges across diverse cultures and enhancing social inclusivity.

This chapter outlines our methods for social contribution, detailed in the subsequent section:



Community Engagement

GRI 3-3, GRI 413-1



Developing Internal Communities through Employee Engagement

Employee engagement is critical for building internal communities and maintaining a positive and collaborative work environment at DXN Group. Engaged employees are more likely to be motivated, productive, and dedicated to their work, which ultimately contributes to the improved overall performance of DXN Group.

30TH ANNIVERSARY CELEBRATION

DXN’s 30th Anniversary celebration was held on a grand scale at DXN Cyberville on 15 October 2023. The event was graced by the presence of DXN’s Executive Chairman, Chief Executive Officer (“CEO”), members of our **Board of Directors and Key Senior Management team**, DXN Crown Ambassadors (“CA”), as well as DXN distributors worldwide. One of the highlights of the event was the address delivered by the key figures of the Company, providing valuable insights into the future of DXN Group and inspiring attendees to strive for their best. Another notable aspect of the event was the recognition of the top distributors, who were celebrated for their outstanding achievements in DXN Group.



SUSTAINABILITY STATEMENT

Our Contribution to External Communities

The Group is committed to actively engaging with and providing support to the local communities in which we operate. We recognise the fundamental connection between the well-being of these communities and our sustainability objectives, and we strive to foster positive social and economic impacts through our various initiatives.



Sentuhan Kasih PRIHATIN x DXN 2.0 reflects DXN Group's substantial engagement in community support and corporate social responsibility, particularly during their impactful response to Malaysia's severe floods in December 2022. This initiative, a collaboration between Yayasan Prihatin Nasional ("PRIHATIN") and DXN Group, primarily delivers direct aid and relief to flood victims, distributing essential supplies such as food, water, clothing, and household items. These efforts are crucial in alleviating the immediate hardships faced by the communities and support the longer-term rebuilding and rehabilitation efforts. By participating in cleaning up debris, repairing homes, and restoring basic services, DXN Group plays an essential role in the recovery and stability of the affected areas, promoting quicker community recovery.



The **Jelajah Ikon Madani** and **Ziarah Komuniti Madani** programmes, sponsored by DXN Group in collaboration with PRIHATIN, embody a focused effort to support and enrich communities through knowledge sharing and direct aid. The Jelajah Ikon Madani initiative aims to inspire and motivate the younger generation, equipping them with the insights and strategies needed for success. This programme also plays a vital role in fostering professional networks and exposing young professionals to broader perspectives, which is crucial for their growth and development in a competitive global environment.

SUSTAINABILITY STATEMENT

Supporting Education, Health, and Well-being Programmes

DXN Group's commitment to health is evident in their support for education, medical facilities and health sciences programmes. Contributions to the UTAR Faculty of Medicine and the development of the Ayurvedic Clinic at UTAR Hospital are pivotal in advancing community health services and research capabilities. With the funding of advanced facilities and sophisticated equipment, we equip both students and faculty with the essential resources for conducting innovative and pioneering research in medical science. This strategic investment not only enriches the educational experience for medical students but also fosters a robust environment for academic exploration and discovery. The outcome is a well-equipped academic institution that can lead to breakthroughs in healthcare, which directly contributes to improved public health outcomes.



SUSTAINABILITY STATEMENT

Similarly, the development of the Ayurvedic Clinic at UTAR Hospital represents a deliberate step by DXN Group to integrate traditional holistic health practices with contemporary medical care. The establishment of the Ayurvedic Clinic underlines the Group's commitment to promoting holistic and integrative health solutions, thereby enhancing the range of healthcare options available to the community.



Furthermore, these contributions exemplify DXN Group's dedication to community engagement. By involving itself in the healthcare sector, particularly in areas that bridge traditional and modern medical practices, the Group actively participates in shaping a health-conscious community. The Company's engagement doesn't stop at financial contributions; it extends to active participation in health advocacy and education, promoting a more informed and health-conscious society.

DXN ONE DOLLAR, ONE CHILD ("ODOC") CAMPAIGN

The One Dollar, One Child ("ODOC") Campaign is a global corporate social responsibility ("CSR") programme for DXN. This campaign is an initiative dedicated to supporting children aged 2 to 10 who are suffering from malnutrition in Malaysia and overseas, such as in India and Poland. This campaign aims to provide free health check-ups to those targeted young children, raise awareness about malnutrition, offer preventive healthcare information, and distribute spirulina to address malnutrition among children.

Goal 1

DXN to provide healthy nutrition to malnourished children aged 2 to 10 years, by supplying with DXN Spirulina.



Goal 2

DXN to offer proper medical advice and consultations by qualified doctors during the camp.



Goal 3

DXN to conduct further health assessment on the progress and results.



The programme focuses on encouraging our members to contribute to ODOC via deduction e-points on our eWorld platform. This programme exemplifies a significant commitment to community engagement, which aligns closely with the GRI Standard 413 for DXN, aiming to contribute positively to societal welfare and supporting the UN SDGs. This initiative marks a pivotal step in addressing malnutrition through strategic, impactful actions across global communities.

Refer to <https://www.dxn2u.com/> for further information.

SUSTAINABILITY STATEMENT



Emergency Response and Contribution

DXN Group's response to emergencies and natural disasters illustrates a swift and compassionate approach to crisis management. The Company has provided critical support during natural disasters, such as the floods in Johor and Pahang, by supplying affected families with essential resources and support. Moreover, the Group's international humanitarian efforts, like the contributions to relief operations, highlight its commitment to addressing global crises, providing essential supplies and financial aid to those in conflict zones.

DXN Group also aid efforts to reflect a broader commitment to global community support, extending beyond local or national boundaries. The Group not only contributes to alleviating global humanitarian crises but also enriches the global perspective of its employees, fostering a culture of compassion and global responsibility.

Furthermore, the Group's community support extends to programmes aimed at alleviating poverty and enhancing the quality of life for underprivileged populations. This includes collaborative projects with local foundations to provide aid and support to impoverished Malaysian citizens, demonstrating a holistic approach to community welfare.

The combined value of these contributions from the Group, totalling RM 11,907,750, reflects a significant investment in community welfare. These initiatives not only address immediate needs but also aim to foster sustainable development and long-term benefits for the communities involved, showcasing the group's dedication to responsible corporate citizenship and its strategic commitment to community engagement.


SUSTAINABILITY STATEMENT


ENVIRONMENTAL (ONE WORLD)


ECO-FRIENDLY PRACTICES


As part of our commitment to “One World”, we demonstrate our responsibility to protect the environment and combat climate change through the implementation of eco-friendly practices within DXN Group. We have decided to embrace eco-friendly practices that contribute to global sustainability, showcasing a holistic approach to growth while minimising environmental impact. Our initiatives for the coming year include reducing waste, enhancing energy efficiency, and utilising sustainable materials across our operations. This commitment not only helps protect the environment but also ensures the long-term sustainability of our business.

Sustainable Operations Management

Climate Change




Energy

Water Stewardship




Waste Management

Our contribution to the SDGs:


Primary





Secondary




Insights into how we manage each environmental impact are detailed in the upcoming sections:

Climate Change

Energy

Water Stewardship

Waste Management

ADDRESSING TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)


We are planning to adopt the TCFD recommendations by FY2025 as part of our ongoing dedication to sustainability and resilience. This proactive approach underscores our commitment to safeguarding individuals and communities from the impacts of climate change while aligning with principles of sustainable development.

SUSTAINABILITY STATEMENT



Climate Change

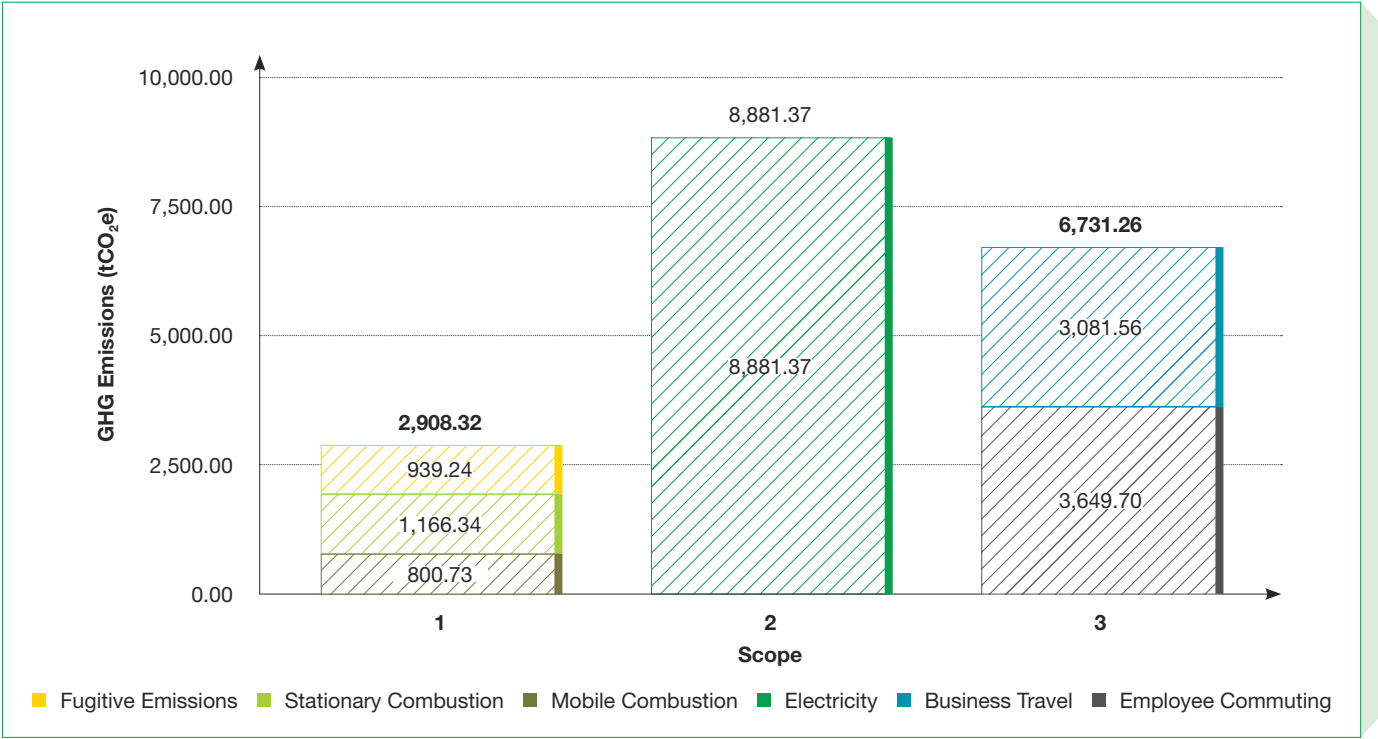
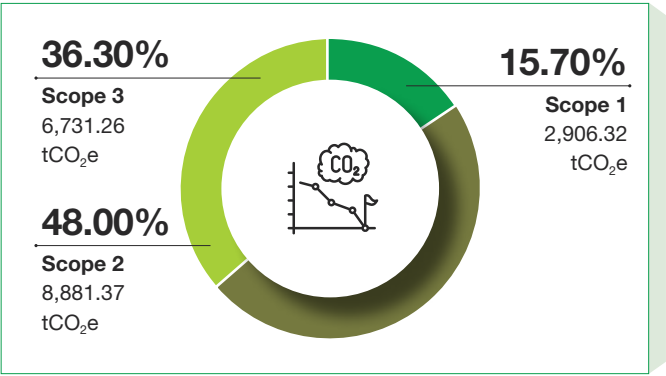
GRI 3-3, GRI 305-1, GRI 305-2, GRI 305-3



DXN Group recognises the global risks associated with climate change and is devoted to minimising its impact. A key sustainability objective is to reduce the carbon footprint of our operations. To accomplish this, we adhere to ISO 14001 guidelines, which require the reduction of CO₂ emissions, a greenhouse gas. To maintain environmental sustainability and fulfil our commitment to reducing our carbon footprint, we consistently measure, monitor, and report our energy emissions, including noise and smoke. This ensures our compliance with the limits outlined in the Environmental Act and regulations set by the Department of Environment (“DOE”).

This reporting year, the Group is committed to enhancing the management and monitoring of our carbon accounting. We have fully adopted the GHG Protocol Corporate Accounting and Reporting Standard aligned with ISO 14064-1: 2018 Greenhouse Gases standard. Within the DXN Group, the measurement of GHG emission in our whole operations is carried out to ensure accurate accounting of our emission. During the period between 1 March 2023 to 29 February

2024, the Group had emitted a total emission of 18,518.95 tCO₂e with Scope 1, 2 and 3 emissions to be 2,906.32 tCO₂e, 8,881.37 tCO₂e and 6,731.26 tCO₂e respectively. The charts below show the breakdown of GHG emissions from DXN Group's operations.

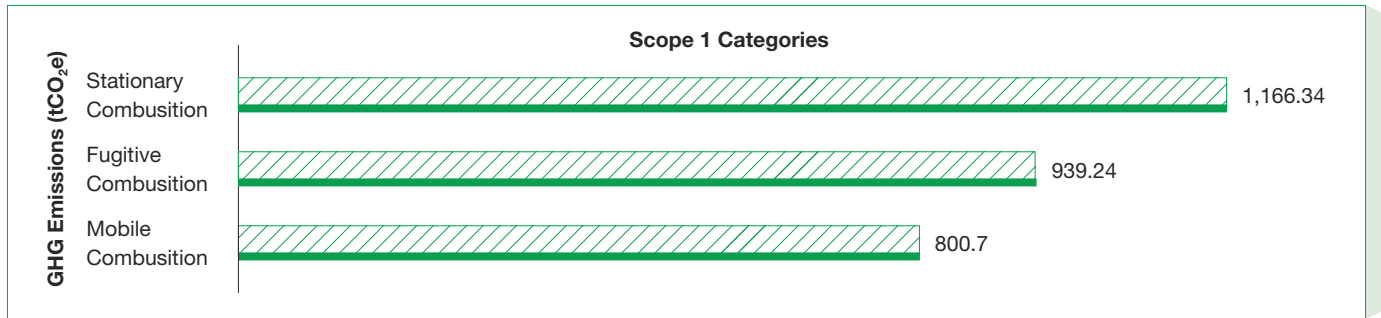


Based on the results above, Scope 1 emission contributes to 15.70% of the Group's emissions while Scope 2 contributes to 48.00% followed by Scope 3 with 36.30% of the total emissions calculated.

SUSTAINABILITY STATEMENT

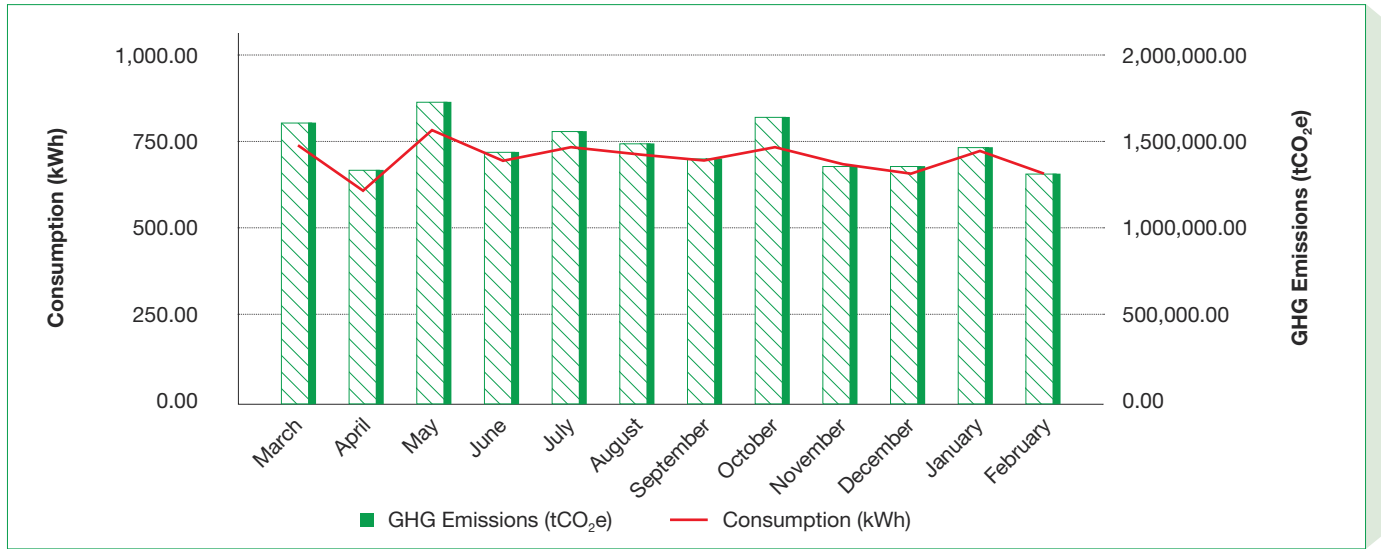
Scope 1 Emission Overview

DXN Group's operations resulted in the emission of 1,166.34 tCO₂e from Scope 1 – Stationary Combustion, 939.24 tCO₂e from Scope 1 - Fugitive Emissions, and 800.73 tCO₂e from Scope 1 – Mobile Combustion.



Scope 2 Emission Overview – Indirect Emissions (Electricity)

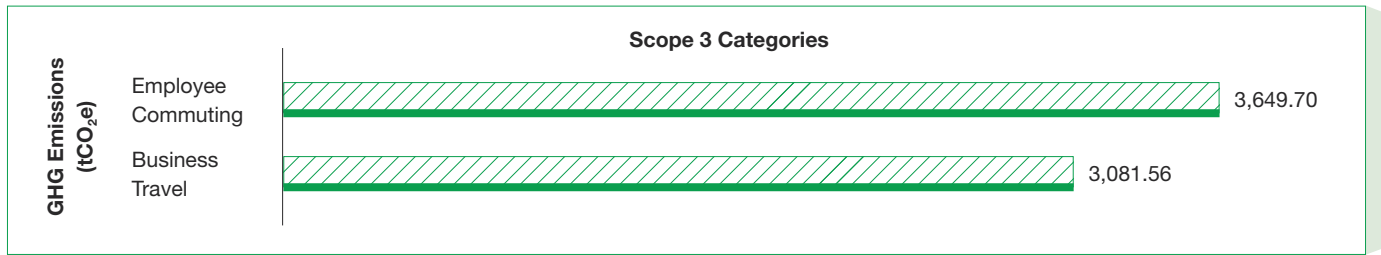
DXN Group's consumed a total of 16,677,165.32 kWh of electricity which resulted in a total emission of 8,881.37 tCO₂e relating to Scope 2 for its operations from 1 March 2023 to 29 February 2024. On average, DXN Group's operations consumed 1,389,763.78 kWh per month, contributing to 740.11 tCO₂e per month.



Scope 3 Emission Overview – Upstream Emission

Scope 3 - Upstream Emissions Overview

DXN Group emitted a total of 3,081.56 tCO₂e from its operations relating to Scope 3 - Business Travel and 3,649.70 tCO₂e from its operations relating to Scope 3 - Employee Commuting.



SUSTAINABILITY STATEMENT



Energy
GRI 3-3, GRI 302-1, GRI 302-4

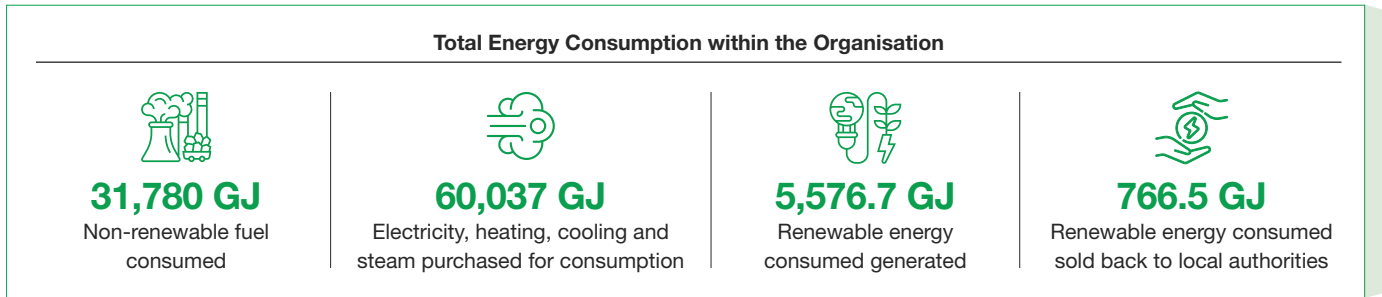


At DXN Group, we are committed to taking an active role in environmental and climate change management. Our strategy focuses on essential areas such as improving energy efficiency, promoting responsible water usage, and optimising the efficacy of our 5Rs initiatives: Refuse, Reduce, Reuse, Repurpose, and Recycle. Additionally, we prioritise the 5Rs initiatives by actively seeking ways to refuse, reduce, reuse, repurpose, and recycle materials in all aspects of our business operations. By focusing on these essential areas, we ensure that our environmental and climate change management strategy is effective in mitigating our impact on the environment and contributing to sustainable development.

To enhance our commitment in reducing our energy consumption and improving energy efficiency, we have implemented the following measures:


Initiatives to the Environment	Objective
Use natural light and switch off artificial light	Energy efficiency
Choose energy efficient light bulbs	Energy efficiency
Choose laptop over desktop	Energy efficiency
5Rs practices	Proper segregation
Use hibernation feature on all computers	Energy efficiency
Use energy saving features on all devices	Energy efficiency
Upgrade all outdated equipments	Energy efficiency
Procure energy efficient devices	Energy efficiency
Perform energy audit	Energy efficiency
Print only when necessary	Energy efficiency
Control the heating and cooling of air conditioning	Energy efficiency
Constantly remind the employees of a sustainable workplace. Send memos, awareness, training etc.	Onboarding

The data for energy consumption encompasses several key categories. The graph and table below illustrate the value of each category of the total energy consumption for FY2024:



We strive to support the UN SDGs, Goal 7, through our energy optimisation to produce more clean energy through our solar panel system and LED system installed in our factory in Malaysia. This project commenced in 2021 and subsequently generated a total of 5,576 gigajoules of electricity, which was then sold back to the local communities with a total of 766 gigajoules in FY2024. We believe these practices will significantly decrease the dependency on non-renewable energy and reduce greenhouse gas emissions in our business.

SUSTAINABILITY STATEMENT



Water Stewardship

GRI 3-3, GRI 303-1, GRI 303-3, GRI 303-5

3

GOOD HEALTH AND WELL-BEING

6

CLEAN WATER AND SANITATION

8

DECENT WORK AND ECONOMIC GROWTH

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE



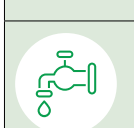
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RESPONSIBLE CONSUMPTION AND PRODUCTION

17

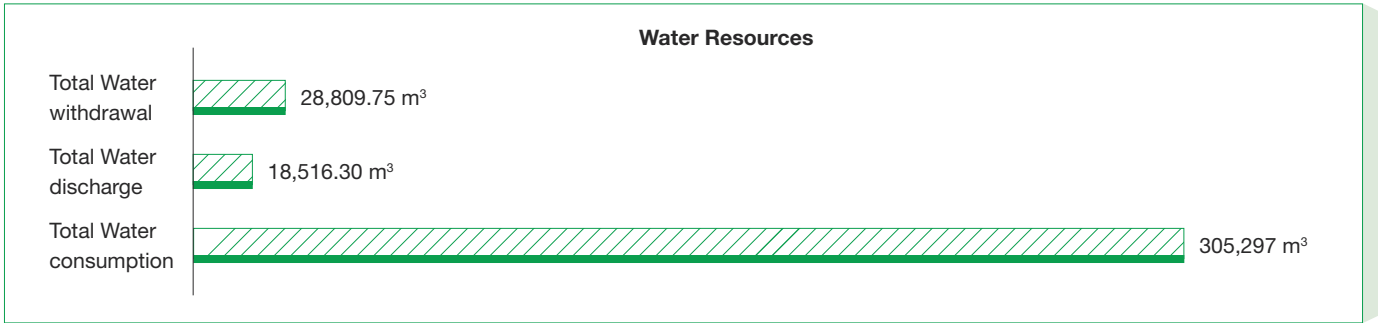
PARTNERSHIPS FOR THE GOALS

Water stewardship aims to enhance water quality, minimise water usage, and mitigate adverse effects on the natural water cycle, while ensuring sufficient water availability for all users. The table below provides an overview of water usage throughout the organisation’s value chain and highlights specific catchments where significant water-related impacts occur:


Division	Overview of usage of water/Activities in operation using water	List of Specific Catchments
 <div>Manufacturing</div>	City water used for cleaning purpose and use by worker for sanitation purpose	NIL
	Juice line production, Hand wash, Canteen, Toilets	NIL
	Production and domestic use	The water source is supplied by the municipal water supply pipe network
 <div>Plantation</div>	Rainwater	HDPE Water Tanks
	Spirulina cultivation and processing use	Re-circulated water
	Irrigation and using sprinkling water in Mushroom shed house	Tube well, Sprinkler systems
	City water used for cleaning purpose and by workers for sanitation purpose	NIL
	Ground water used for plantation activities such as to watering plant 1) Boring water is used to fill in the Spirulina Pond to prepare media 2) Local resource on pipe water is used for cleaning small equipment and lab apparatus 3) Local resource on pipe water is used in toilets	
 <div>Lifestyle</div>	1) Production and domestic use 2) Water usage for Swimming Pool, Operation and Daily use 3) Use for plantation	1) Sprinkler system (Manual) 2) FRP/GRP Water Tank 3) HDPE Water Tank 4) PBA water piping network

Gathering data from these divisions offers a holistic view of water usage, facilitating informed decisions and sustainable water management. The data covers two (2) crucial aspects: water consumption and water withdrawal.

The chart below shows the Group’s water consumption, water discharge and water withdrawal for FY2024:



SUSTAINABILITY STATEMENT



Waste Management

GRI 3-3, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

13

CLIMATE ACTION

Given the nature of our production operations, the generation of waste is unavoidable. Nevertheless, we are actively seeking opportunities to enhance our production processes and practices, aiming to reduce the environmental impact caused by waste. We categorise our waste into two (2) distinct types:



HAZARDOUS WASTE

Scheduled Waste


- SW206 – Spent Inorganic Acids
- SW409 – Used Chemical Containers
- SW322 – Waste of Non-halogenated Organic Solvents
- SW102 – Used lead acid batteries
- SW103 – Used battery containing cadmium and nickel or mercury or lithium
- SW110 – Used pendafLOUR lamp, LED lamp
- SW204 – WWTP Sludge
- SW305 – Spent lubricating oil, spent compressor oil
- SW410 – Used filter
- SW411 – Spent activated carbon
- SW417 – Waste of inks
- SW429 – Wasted chemical
- SW422 – Mixed chemical waste (Incineration)




NON-HAZARDOUS WASTE

- General waste
- Domestic waste


Adopting waste management practices that align with EES principles is crucial for sustainable development. By integrating EES considerations into waste management strategies, we can effectively address environmental challenges, enhance social well-being, and ensure responsible governance. Implementing efficient waste management strategies enables organisations to reduce pollution, conserve natural resources, and contribute to a circular economy.



Continuous improvement of existing controls and practices in waste management, which includes improving the scheduled waste storage area and segregation methods

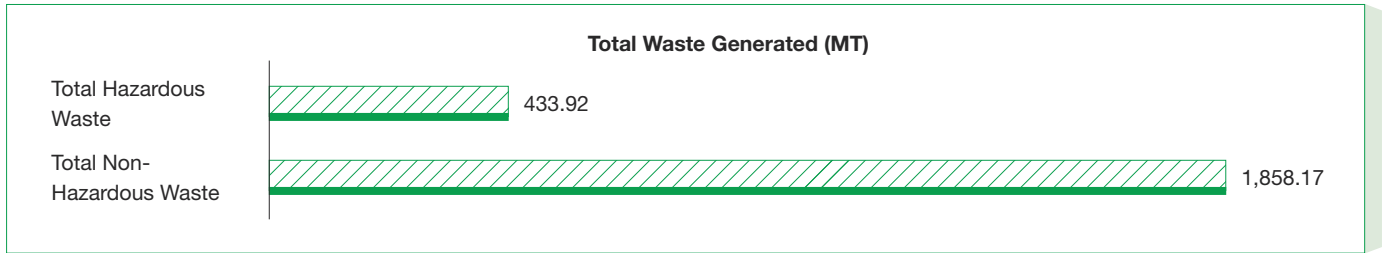


Pre-planned preventive maintenance is being implemented to ensure that the existing plants, machine and equipment are operating at the optimum level, thus minimising the possible waste generated from our operation processes



After harvesting Ganoderma fruit bodies, the bag logs or bag waste are sent to a biomass collector to be recycled as biofertilisers or for other purposes. Any bag waste that cannot be recycled is then sent to the Municipal Council for disposal

The chart below illustrates the total waste generated, including total hazardous waste and total non-hazardous waste, for FY2024:



SUSTAINABILITY STATEMENT

BURSA ESG PERFORMANCE DATA

Bursa Malaysia has mandated the ESG reporting via the ESG Reporting Platform, and all ESG Performance Data is included in our Sustainability Statement within the Main Market Listing Requirements.

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
All Management Level	Percentage	85.00*
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	No Data Provided
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	11907750.36
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	35
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Top Management Under 30	Percentage	4.26*
Top Management Between 30 - 39	Percentage	34.59*
Top Management Between 40 - 49	Percentage	41.35*
Top Management Above 50	Percentage	19.80*
Executive Level Under 30	Percentage	31.88*
Executive Level Between 30 - 39	Percentage	44.00*
Executive Level Between 40 - 49	Percentage	18.67*
Executive Level Above 50	Percentage	5.45*
Non-Executive Level Under 30	Percentage	48.64*
Non-Executive Level Between 30 - 39	Percentage	30.39*
Non-Executive Level Between 40 - 49	Percentage	13.61*
Non-Executive Level Above 50	Percentage	7.36*
Gender Group by Employee Category		
Top Management Male	Percentage	53.63*
Top Management Female	Percentage	46.37*
Executive Level Male	Percentage	45.81*
Executive Level Female	Percentage	54.19*
Non-Executive Level Male	Percentage	53.48*
Non-Executive Level Female	Percentage	46.52*
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	62.50
Female	Percentage	37.50
Under 30	Percentage	0
Between 30 - 39	Percentage	0
Between 40 - 49	Percentage	0
Above 50	Percentage	100.00

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2024
Percentage of women in the global workforce.	Percentage	48.72
Number of Board Directors	Number	8
Number of independent Directors on the board	Number	5
Number of women on the board	Number	3
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
All Management Level	Hours	91,350
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	No Data Provided
Bursa C6(c) Total number of employee turnover by employee category		
Top Management	Number	60*
Executive Level	Number	220*
Non-Executive Level	Number	639*
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	53,069.72
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	No Data Provided
Bursa C5(c) Number of employees trained on health and safety standards	Number	2,242*
Number of work-related employee fatalities, over last three (3) years	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	29.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	28.809
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	2,292
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	2,292
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	1,166
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	8,881
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	6,731

SUSTAINABILITY STATEMENT

GRI CONTENT INDEX

Statement of use	DXN Group has reported the information cited in this GRI content index for the period of 1 March 2023 to 29 February 2024 in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	Introduction, Page 15
	2-2 Entities included in the organisation’s sustainability reporting	Reporting standards, scope and boundary, Pages 35 to 37
	2-3 Reporting period, frequency and contact point	Reporting standards, scope and boundary, Page 34 Point of Contact, Page 37
	2-5 External assurance	External assurance, Page 34
	2-6 Activities, value chain and other business relationships	Management Discussion and Analysis section in the Annual Report, Page 22
	2-7 Employees	Employment and diversity, Page 67
	2-9 Governance structure and composition	Sustainability Governance, Page 42 Corporate Governance Overview Statement section in the Annual Report, Page 98
	2-10 Nomination and selection of the highest governance body	Corporate Governance Overview Statement section in the Annual Report, Page 105
	2-11 Chair of the highest governance body	Corporate Governance Overview Statement section in the Annual Report, Page 99
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance, Page 42 Corporate Governance Overview Statement section in the Annual Report, Page 98
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Overview Statement section in the Annual Report, Page 112
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance, Page 40
	2-15 Conflicts of interest	Corporate Governance Overview Statement section in the Annual Report, Page 102
	2-16 Communication of critical concerns	Anti-Corruption, Page 59 Corporate Governance Overview Statement section in the Annual Report, Page 96
	2-17 Collective knowledge of the highest governance body	Corporate Governance Overview Statement section in the Annual Report, Page 103
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement section in the Annual Report, Page 106
	2-19 Remuneration policies	Corporate Governance Overview Statement section in the Annual Report, Page 116
	2-20 Process to determine remuneration	Corporate Governance Overview Statement section in the Annual Report, Page 115

SUSTAINABILITY STATEMENT

GRI STANDARD	DISCLOSURE	LOCATION
	2-21 Annual total compensation ratio	Corporate Governance Overview Statement section in the Annual Report, Page 107
	2-23 Policy commitments	Corporate Governance Overview Statement section in the Annual Report, Page 116
	2-24 Embedding policy commitments	Corporate Governance Overview Statement section in the Annual Report, Page 96
	2-25 Processes to remediate negative impacts	Anti-Corruption, Page 59
	2-26 Mechanisms for seeking advice and raising concerns	Anti-Corruption, Page 59
	2-27 Compliance with laws and regulations	Sustainability policy, Page 41
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, Page 42
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Sustainability Matters, Page 44
	3-2 List of material topics	Material Sustainability Matters, Page 44
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Performance, Page 56
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Business Performance, Page 56
Procurement practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Supply Chain, Page 57
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainable Supply Chain, Page 57
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	Anti-Corruption, Page 59
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Corruption, Page 59
	205-3 Confirmed incidents of corruption and actions taken	Anti-Corruption, Page 60
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy, Page 77
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Energy consumption outside of the organisation is provided, Page 77
	302-4 Reduction of energy consumption	Reduction of energy consumption through energy efficiency is stated, Page 77
Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	Water Stewardship, Page 78
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Interactions with water as shared resource is disclosed under Water Stewardship, Page 78
	303-3 Water withdrawal	Total water withdrawal is disclosed in M3, Page 78
	303-5 Water consumption	Total water consumption is disclosed in M3, Page 78

SUSTAINABILITY STATEMENT

GRI STANDARD	DISCLOSURE	LOCATION
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate Change, Page 75
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change, Page 76
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change, Page 76
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change, Page 76
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste Management, Page 79
	306-2 Management of significant waste-related impacts	Waste Management, Page 79
	306-3 Waste generated	Waste Management, Page 79
	306-4 Waste diverted from disposal	Waste Management, Page 52
	306-5 Waste directed to disposal	Waste Management, Page 52
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Employment and diversity, Page 67
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employment and diversity, Page 67
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment and diversity, Page 68
	401-3 Parental leave	Employment and diversity, Page 68
Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety, Page 66
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, Page 66
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, Page 66
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, Page 66
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, Page 68, Page 81
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, Page 66
	403-9 Work-related injuries	Occupational Health and Safety, Page 66
	403-10 Work-related ill health	Occupational Health and Safety, Page 54
Training and education		
GRI 3: Material Topics 2021	3-3 Management of material topics	Training and development, Page 68
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training and development, Page 68
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Training and development, Page 68

SUSTAINABILITY STATEMENT

GRI STANDARD	DISCLOSURE	LOCATION
Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Employment and diversity, Page 67
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employment and diversity, Page 67
Local communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Community Engagement, Page 69
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Community Engagement, Page 69
Customer health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Compliance, Page 62
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Awards and Certification, Page 62
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Compliance, Page 63
Marketing and labeling		
GRI 3: Material Topics 2021	3-3 Management of material topics	Compliance, Page 63
GRI 417: Marketing and labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labelling	Compliance, Page 63
Customer privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Information security, Page 63
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information security, Page 63

PROFILE OF BOARD OF DIRECTORS

DATUK LIM SIOW JIN
Non-Independent Executive Chairman



Age 64	Malaysian	Male
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MEMBERSHIP OF BOARD COMMITTEES

- Member, Executive Committee

QUALIFICATIONS

- Bachelor of Technology, Indian Institute of Technology Kharagpur, India

WORKING EXPERIENCE

Datuk Lim Siow Jin is the Executive Chairman of DXN Holdings Bhd. (“DXN” or “the Company”). He was appointed to the Board of Directors of DXN (“the Board”) on 3 April 1996 as Executive Chairman and Chief Executive Officer. He relinquished his position as the Chief Executive Officer in May 2022.

From 1984 to 1994, he worked as an Engineer at the Muda Agriculture Development Authority in Kedah under the Ministry of Agriculture and Food Industries of Malaysia tasked to improve and manage economic development projects in the Muda area in Kedah and to plan and manage all agricultural development assigned to it by the state governments of Kedah and Perlis.

He founded DXN in 1995 and has over twenty five (25) years of experience in the direct selling industry. During his tenure as Chief Executive Officer, he oversaw and significantly expanded the business operations of DXN and its subsidiaries (“the Group”) transforming them into a global force within the direct selling industry.

As Executive Chairman, he continues to oversee the Group’s business strategies, marketing plans and research and development (“R&D”) initiatives, which are integral to the Group’s continued development and growth potential.

He is a brother of Dato’ Lim Boon Yee, Non-Independent Non-Executive Director and Ms. Lim Yew Lin, Chief Financial Officer.

He is a major shareholder by virtue of his interest in LSJ Global Sdn. Bhd. (“LSJ Global”) and his beneficial ownership representing approximately 0.3% equity interest in DXN that is held in trust by LSJ Global.

Datuk Lim has no conflict of interest (“COI”) with the Company and the Group save as disclosed in the Notes to the Audited Financial Statements. He has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 29 February 2024 (“FY2024”).

PROFILE OF BOARD OF DIRECTORS

DATO’ LIM BOON YEE
Non-Independent Non-Executive Director



Age 60	Malaysian	Male
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MEMBERSHIP OF BOARD COMMITTEES

Nil

QUALIFICATIONS

- Bachelor of Business Administration in International Trade and Accounting, Soochow University, Taipei, Republic of China
- Master of Business Administration, National University of Singapore

WORKING EXPERIENCE

Dato’ Lim Boon Yee was appointed to the Board as Executive Director on 22 November 1998 and re-designated Non-Independent Non-Executive Director in May 2022.

He began his working career in 1990 as Assistant Audit Manager with Reality United Firm, CPAs, an accounting firm in Taiwan and left in 1996 to join DXN in 1997.

Since 1997, he has been a director of DXN Marketing and a key senior member of DXN Marketing’s management primarily responsible for his management, administration and licensing as well as assisting in setting up its branches.

From 1998 to May 2022 (including the period when DXN was previously listed on the Kuala Lumpur Stock Exchange), he served as our Managing Director responsible for the Group’s management, administration and licensing.

He is a brother of Datuk Lim Siow Jin, Executive Chairman and Ms. Lim Yew Lin, Chief Financial Officer.

He has no COI with the Company and the Group save as disclosed in the Notes to the Audited Financial Statements. He has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during FY2024.

PROFILE OF BOARD OF DIRECTORS

VIBHAV PANADIKER
Non-Independent Non-Executive Director



Age 60	Singaporean	Male
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MEMBERSHIP OF BOARD COMMITTEES

Nil

QUALIFICATIONS

- Bachelor of Engineering (Honours), Electrical and Electronics, Birla Institute of Technology and Science, India
- Master of Science (Honours), Economics, Birla Institute of Technology and Science, India
- Post Graduate Diploma in Management, Indian Institute of Management, Bangalore, India

WORKING EXPERIENCE

Vibhav Panandiker was appointed to the Board on 12 May 2017 as a Non-Independent Non-Executive Director.

He began his working career in 1986 as Product Marketing Executive at Wipro Systems Limited and left in 1989 to pursue his post graduate studies.

In 1994, he joined Citibank N.A. but left in 1995 to join Standard Chartered Bank, India as a Product Manager.

He moved to Singapore in 1996 to join Citibank N.A., Singapore as a Regional Product Manager until 2000. Between 2000 and 2001, he was the Industry Practice Director at Web Connection Pte. Ltd., an internet services company in Singapore.

Between 2001 and 2009, he was a director at Standard Chartered Bank (Singapore) Limited, Private Equity Division. In 2009, he was appointed Managing Director of Global Special Opportunities at J.P. Morgan (S.E.A.) Limited and subsequently left in 2010 to co-found and partner in KV Asia Capital, a private equity firm headquartered in Singapore focused on equity investments in companies across Southeast Asia.

He does not have any family relationship with any director and/or major shareholder or any COI with the Company and the Group. He has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during FY2024.

DATUK NORIPAH BINTI KAMSO
Senior Independent Non-Executive Director



Age 66	Malaysian	Female
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MEMBERSHIP OF BOARD COMMITTEES

- Member, Board Nomination and Remuneration Committee

QUALIFICATIONS:

- Diploma in Business Studies, Institut Teknologi Mara, Malaysia
- Bachelor of Science, Northern Illinois University, U.S.A
- Master of Business Administration, Marshall University, U.S.A
- Member of the Institute of Corporate Directors Malaysia

PROFILE OF BOARD OF DIRECTORS

WORKING EXPERIENCE

Datuk Noripah Kamsu was appointed to the Board as a Senior Independent Non-Executive Director on 10 February 2022.

She began her working career in 1980 as a Development Officer in the Project Division of the Urban Development Authority of Malaysia (“UDA”). She joined Bank of Commerce (M) Berhad in 1983 which subsequently became part of CIMB Group Holdings Berhad (“CIMB Group”).

She remained with the CIMB Group for the next thirty (30) years until 2014 and had held various key positions, responsible for all corporate lending businesses from 1993 to 2004.

She was the CEO of CIMB Futures Sdn. Bhd., in charge of derivatives broking from 1996 to 2004. She was the CEO of CIMB Principal Asset Management Berhad from 2004 to 2008 and the founding CEO of CIMB Principal Islamic Asset Management Sdn. Bhd. from 2008 until 2012. Her last position was as an advisor to CIMB Islamic Wholesale Banking of the CIMB Group from 2013 until 2014.

In 2015, she lectured in Islamic Capital Market as Global Practitioner in Residence in the Centre for Global Citizenship of Principal Financial Group at Drake University, Iowa, U.S.A. In the academic year from 2016 to 2017, she was a Visiting Fellow in Islamic Finance at the Oxford Centre for Islamic Studies, an independent centre of the University of Oxford, United Kingdom.

From 2015 until 2021, she was a visiting lecturer at St. Joseph University in Beirut, Lebanon, lecturing on the Fundamentals of Islamic Finance Contracts to practising lawyers pursuing their Master in Law degree. She was adjunct professor in the School of Economics, Finance & Banking of Universiti Utara Malaysia between 2014 and 2019, and in the Faculty of Business and Management of UiTM between 2019 and 2021.

Between 2013 and 2015, she was appointed by the SC to serve as Public Interest Director of the Federation of Investment Managers Malaysia, recognised by the SC as a self-regulatory organisation for the unit trust industry. Between 2016 and 2020, she was a member of the Appeals Committee of Securities Industries Dispute Resolution Centre. She was also the Chairman of Bank Kerjasama Rakyat Malaysia Berhad from 2018 to 2020 and the Chairman of the board of trustees of Yayasan Bank Rakyat from 2019 to 2020.

Between 2015 and January 2023, she was an independent director of Top Glove Corporation Berhad. She has been an independent director of Swift Haulage Berhad since 2021. She took the role as Founder Advisor to Pantas Software Sdn. Bhd., a carbon emission management solution service provider since 2020.

In 2022, she was appointed chairwoman of the Malaysian operations of Arabesque Holding Ltd, a United Kingdom based financial technology company.

She does not have any family relationship with any director and/or major shareholder.

Notwithstanding that she is the Founder Advisor to Pantas which provides services to the Group, Datuk Noripah is not involved in any situations that may give rise to COI with the Group as her presence in Pantas is in advisory role and she is not involved in deliberation and decision-making at DXN with regards to the appointment of Pantas as service provider to the Group.

She has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during FY2024.

PROFILE OF BOARD OF DIRECTORS

TUNKU AFWIDA BINTI TUNKU A. MALEK
Independent Non-Executive Director



Age 58	Malaysian	Female
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MEMBERSHIP OF BOARD COMMITTEES

- Chairman, Board Nomination and Remuneration Committee
- Member, Board Audit Committee

QUALIFICATIONS

- Bachelor of Science (Honours), Economics and Accountancy, The City University, London (the predecessor of City, University of London)
- Chartered Accountant, Institute of Chartered Accountants, England and Wales
- Member of the Malaysian Institute of Accountants

WORKING EXPERIENCE

Tunku Afwida Binti Tunku A. Malek was appointed to the Board as an Independent Non-Executive Director on 10 February 2022.

In 1993, she joined Rashid Hussain Asset Management (the predecessor of RHB Asset Management Sdn. Bhd.) as a fund manager and analyst until 1994. She then joined UOB Asset Management Ltd. in Singapore as an equities analyst and manager and left in 1995.

Between 1995 and 2003, she served as an executive director and Chief Investment Officer at Commerce Asset Fund Managers Sdn. Bhd. (the predecessor of CPAM).

She joined MIMB Investment Bank Berhad (now known as Hong Leong Investment Bank Berhad) in 2003 and served as Chief Executive Officer until 2006. She was then appointed as Chief Executive Officer of Kenanga Investment Bank Berhad (“Kenanga IB”) between 2006 and 2008. She also served as an executive director of both banks during her tenure with the banks.

During the period after she left Kenanga IB, she served on the boards of a number of public and private companies including Cagamas Berhad, i-VCAP Management Sdn. Bhd., Universiti Tun Abdul Razak Sdn. Bhd., Transnational Insurance Brokers (M) Sdn. Bhd. and Benih Semaian Sdn. Bhd.

Between 2016 and 2022, she was a director and co-owner of Asia Equity Research Sdn. Bhd., a company licenced by the SC to provide advisory services in corporate finance including compliance and funding advisory related services.

She is currently the Chairman of Affin Hwang Investment Bank Berhad. She has been an independent director of Telekom Malaysia Berhad since 2016, SAM Engineering & Equipment (M) Berhad since 2020 and Enra Group Berhad since March 2022 – all public companies listed on the Main Market of Bursa Securities.

She does not have any family relationship with any director and/or major shareholder or any COI with the Company and the Group. She has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during FY2024.

PROFILE OF BOARD OF DIRECTORS

STEFAN HEITMANN
Independent Non-Executive Director



Age 58	German	Male
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MEMBERSHIP OF BOARD COMMITTEES

- Chairman, Board Risk Committee
- Member, Board Audit Committee

QUALIFICATIONS

- Business Administration (Diplom- Betriebswirt (FH)), University of Applied Sciences, Rheinland Pfalz, Germany (Fachhochschule Rheinland Pfalz)

WORKING EXPERIENCE

Stefan Heitmann was appointed to the Board as Independent Non-Executive Director on 10 February 2022.

He began his working career in 1985 as an Apprentice Industrial Business Management Assistant at Hoechst AG, a pharmaceutical and chemical company in Germany. He was conscripted for mandatory military service in Germany from 1987 until 1988.

He returned to Hoechst AG in 1988 as a marketing executive (Eastern Europe) and rose through the ranks to become a pharmaceutical representative and thereafter, as an international pharmaceutical representative at Hoechst Australia Ltd. between 1993 to 1994; business service (distribution) & business development manager at Hoechst Thai Ltd. in Bangkok, Thailand between 1994 and 1996; regional controller & marketing coordinator for South East Asia and Pakistan at Hoechst Marion Roussel AG (Singapore Representative Office) in Singapore between 1997 and 1998; and finally as Country Business Analyst, Asia Pacific at Hoechst Marion Roussel AG, Frankfurt from 1998 to 1999.

He subsequently joined the Zuellig Pharma group and worked from 1999 until 2012 across its operations in the Philippines, Indonesia, Vietnam, Brunei and Malaysia holding various senior positions including Vice President of operations at Metro Drug, Inc., Manila, Philippines in 1999.

His last position was as President and General Manager in 2003 before being transferred to PT Wigo Distribusi Farmasi, Jakarta, Indonesia as General Manager and subsequently, President Director. He then served as General Director of Zuellig Pharma Vietnam Co. Ltd., Vietnam in 2006 until his subsequent transfer in 2011 as the Chief Executive at Zuellig Pharma Sdn. Bhd., Malaysia overseeing operations in Malaysia and Brunei until 2012.

Since 2012, he has been providing healthcare consultancy services, initially privately on his own and subsequently under Windira Ltd. and thereafter under Windira (HK) Limited as Managing Director and co-owner. He has provided advisory services to, among others, healthcare manufacturers and distributors.

He does not have any family relationship with any director and/or major shareholder or any COI with the Company and the Group. He has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during FY2024.

PROFILE OF BOARD OF DIRECTORS

ABRAHAM VERGHESE A/L T V ABRAHAM
Independent Non-Executive Director



Age 68	Malaysian	Male
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MEMBERSHIP OF BOARD COMMITTEES

- Chairman, Board Audit Committee
- Member, Board Risk Committee

QUALIFICATIONS

- Fellow, Association of Chartered Certified Accountants (“ACCA”)
- Member of Malaysian Institute of Certified Public Accountants (“MICPA”)
- Member of the Malaysian Institute of Accountants (“MIA”)
- Member of the Institute of Corporate Directors Malaysia

WORKING EXPERIENCE

Abraham Verghease was appointed to the Board on 10 February 2022 as an Independent Non-Executive Director.

He began his working career as an Audit Assistant with an accounting firm in 1979 and left in the same year to join Hanafiah Raslan & Mohamad, another accounting firm. He remained with the firm after its merger in 1990 with Arthur Anderson (“AA”), and subsequent merger in 2002 with Ernst and Young (“EY”) until his retirement in 2016. He was a partner from 1994 until his retirement in 2016.

He has served on the council and committees of the MIA, MICPA, and ACCA.

He has been an independent director of Maxim Global Berhad since 2019, a public company listed on the Main Market of Bursa Securities.

He does not have any family relationship with any director and/or major shareholder or any COI with the Company and the Group. He has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during FY2024.

PROFILE OF BOARD OF DIRECTORS

ONG HUEY MIN
Independent Non-Executive Director



Age 65	Malaysian	Female
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MEMBERSHIP OF BOARD COMMITTEES

- Member, Board Nomination and Remuneration Committee
- Member, Board Audit Committee

QUALIFICATIONS

- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants
- Member of the Chartered Tax Institute of Malaysia

WORKING EXPERIENCE

Ong Huey Min was appointed to the Board as an Independent Non-Executive Director on 1 August 2022.

She began her working career in 1978 as an Articled Clerk at Peat Marwick, Mitchell & Co. (now known as KPMG PLT) and rose through the ranks of supervisor, manager and director over her years of service with the firm. In 2003, she was appointed Executive Director/Partner heading the Penang tax division of KPMG Tax Services Sdn. Bhd. (“KPMG Tax”), her last position held before her retirement in 2014.

She stayed on as a Consultant at KPMG Tax for three (3) months in 2015. During her tenure of more than thirty five (35) years at KPMG, she gained extensive experience in tax advisory and tax compliance matters, as well as being the engagement partner for public listed and multinational companies in various industries. She also advised foreign investors on various tax incentives accorded by the Government and setting up initial operations in Malaysia.

Since 2015, she has been the co-founding partner of YNWA Advisory PLT, a corporate advisory firm which provides, among others, business management consultancy, investment advisory and tax consultancy services.

She has been an Independent Non-Executive Director of Personic Holdings Bhd. since 2017, a public company listed on the Main Market of Bursa Securities.

She does not have any family relationship with any director and/or major shareholder or any COI with the Company and the Group. She has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during FY2024.

PROFILE OF KEY MANAGEMENT TEAM



PRAJITH PAVITHRAN
Chief Executive Officer



QUALIFICATIONS

- Bachelor of Commerce, Utkal University, India
- Post Graduate Diploma in Management ("PGDM"), School of Communication and Management Studies, Cochin, India

WORKING EXPERIENCE

Prajith Pavithran was appointed as the Group's Chief Executive Officer on 1 June 2024. He previously served as the Group's Chief Marketing Officer and has more than twenty (20) years of experience in sales and marketing.

He began his working career in 2001 with DXN as Sales and Training Executive responsible for coordinating sales and training activities in North India. In 2003, he was promoted to Head of Sales and Training and following that, to Manager of International Business in 2004 responsible for coordinating marketing and operational matters in South Asia.

Between 2005 and 2009, he was Manager of the International Business Department and subsequently, Country Manager where he oversaw the operations of DIPL Philippines Branch. In 2009, he was designated as Country Manager of DXN Mexico to oversee the Mexican operations. He was then promoted to Regional Manager of Latin America in 2010 to lead the Latin American market and ensure the continuous growth and stability of the Group's presence in that region.

In 2012, he was promoted to Regional Manager of North and South America at Daxen USA until 2016 and later became the Regional President (U.S. and Latin America).

Mr. Prajith does not have any family relationship with any director and/or major shareholder or any COI with the Company and the Group. He has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during FY2024.



LIM YEW LIN
Chief Financial Officer & Company Secretary



QUALIFICATIONS

- Associate Member, Chartered Institute of Management Accountants
- Member of Malaysian Institute of Accountants since 2003

WORKING EXPERIENCE

Lim Yew Lin is the Group's Chief Financial Officer and Company Secretary. She has been with the Group for over twenty five (25) years as our Executive Director and Company Secretary and in her various positions held in our Accounting and Finance Department.

From 1990 to 1991, she worked at Ch'ng Khoon Peng Trading Sdn. Bhd. as an Accounts Clerk. From 1992 to 1994, she had worked as an Accounts Assistant at Takwong (Kedah) Sdn. Bhd.

In 1994, she joined DXN as an Accounts Executive and was promoted to Assistant Finance Manager of DXN Marketing in 1995 responsible for the preparation of accounts and liaison with external auditors. She was later promoted as Group Finance Manager and Corporate Finance Manager in 1997 and 1999 respectively and subsequently as our Group's Financial Controller from 2002 until 2008.

Over the eleven (11) years, she was responsible for the Accounting and Finance Department of the Group in addition to her existing responsibilities of liaising with external auditors. Her responsibilities as Corporate Finance Manager and Financial Controller of the Group also included preparing and reviewing monthly consolidated financial statements, as well as reviewing and approving the budgets of our subsidiaries.

From 2002 to May 2022, she was our Executive Director and during her tenure, she was responsible for overseeing the Group's finance. She has also been our Company Secretary since 2015.

She assumed her current position of Chief Financial Officer in 2021 where she is responsible for our Group's corporate financial planning, budgeting, treasury, investment, insurance coverage, tax and payroll matters.

Ms. Lim is the sister of Dato' Lim Boon Yee, Non-Independent Non-Executive Director and Datuk Lim Siow Jin, Executive Chairman. She has no COI with the Company and the Group save as disclosed in the Notes to the Audited Financial Statements. She has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during FY2024.

PROFILE OF KEY MANAGEMENT TEAM



SALEEM SHAJEER
Chief Marketing Officer



QUALIFICATIONS

- Bachelor of Business Studies, University of Calicut, India (1999)
- Post Graduate Diploma in Business Administration, India (2001)

WORKING EXPERIENCE

Saleem Shajeer was appointed as Group's Chief Marketing Officer on 1 June 2024. Between 2001 and 2003, he embarked on his professional journey as a Client Service Executive at a leading advertising firm in India. During this tenure, his focus was on managing client relationships with a commitment to delivering excellence in service.

Following this, from 2003 to 2004, he was elevated to the role of Country Manager at the same company's branch in the Republic of Maldives. Here, he demonstrated strategic leadership and oversaw operational management, tailored to the distinct market dynamics of the Maldives.

In 2004, fuelled by entrepreneurial ambition, he co-founded an Advertising Agency in Kerala alongside two partners. Over the ensuing two (2) years, their collective efforts resulted in the establishment of a robust clientele base and the successful execution of numerous advertising campaigns, solidifying his reputation for excellence in the industry.

In 2006, seeking new challenges, he transitioned to Dubai and assumed the role of Public Relations Manager at DXN Middle East. In this capacity, he adeptly cultivated relationships with stakeholders and facilitated

effective communication between the organisation and external entities.

His career at DXN Middle East continued to evolve, with his appointment as General Manager in 2013. Over the subsequent years, he undertook a diverse array of responsibilities aimed at driving growth and fostering operational excellence within the organisation.

In 2018, his role expanded further as he assumed the position of International Marketing Director at DXN Middle East, with additional responsibilities for DXN Pakistan in 2021. In this role, he has been instrumental in shaping and executing marketing strategies across multiple countries, driving brand growth, and facilitating market expansion.

Beyond his corporate endeavours, he has also been involved in notable engagements outside of his primary roles. His involvement with the Direct Selling Association ("DSA") UAE commenced in 2020, initially as Vice Chairman before being elected Chairman in 2022. In this capacity, he oversees the association's operations, promotes collaboration among member companies, and advocates for the interests of the industry in the UAE.

Mr. Saleem does not have any family relationship with any director and/or major shareholder or any COI with the Company and the Group. He has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies since his appointment as Chief Marketing Officer.



MUHAMMAD LUTHFI HIDAYAT

Chief Technology Officer



QUALIFICATIONS

- ITS Surabaya, Indonesia
- Airlangga University, Indonesia
- Member of Information Systems, Audit, And Control Association ("ISACA")
- Member of Project Management Institute ("PMI")

WORKING EXPERIENCE

M.Luthfi Hidayat, a 49-year-old Indonesian, is our Chief Technology Officer with over twenty five (25) years of experience in the IT/IS field, holding various roles.

He graduated from two (2) universities in Indonesia: ITS Surabaya and Airlangga University. In addition to his academic achievements, he has acquired numerous valuable certifications, including the Certified Information System Auditor ("CISA") from ISACA USA and the Certified Project Management Professional ("PMP") from PMI USA. Currently, he is an active member of the ISACA as a CISA and a member of the PMI as a Certified PMP.

With a strong and diverse background, he has successfully navigated through various roles in his career, starting his professional journey at Megah Vitro Inkom and steadily progressing to his current position as Director at PT. Suryasoft Konsultama. With more than two (2) decades of experience, he has honed his skills and expertise in management, IT auditing,

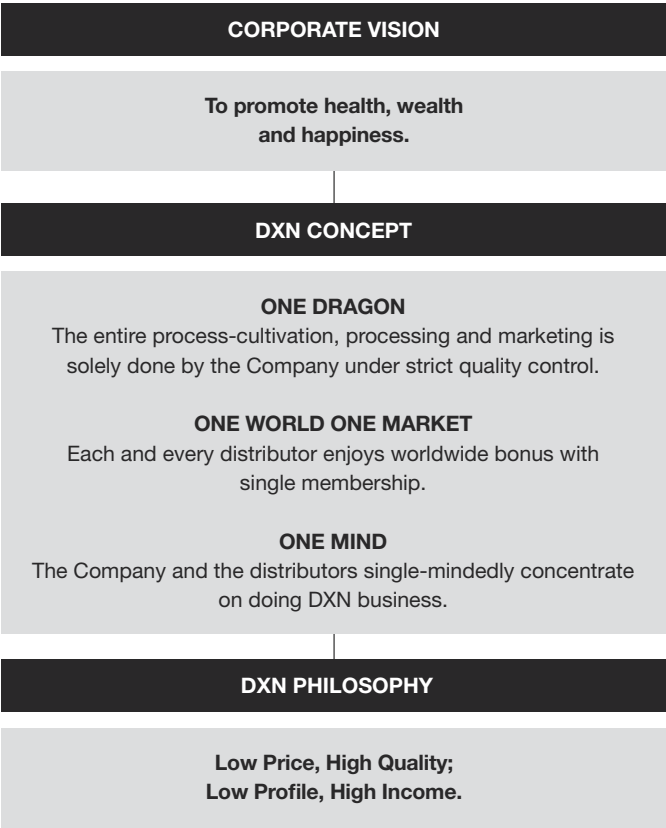
project management, data communication, network security and consultancy.

His career journey has been marked by significant achievements, such as managing teams and projects at PT. Limaxindo Intersistem and DXN Solutions Sdn. Bhd. Malaysia, where he served as a Manager and Technical Director, respectively. As the Director of PT. Suryasoft Konsultama from 2013 to 2019, he played a pivotal role as an IBM Business Partner Consultant, collaborating with clients to drive technology-driven solutions and enhancing their business processes.

Now, as the Chief Technology Officer in DXN Group, he continues to drive strategic initiatives and provide visionary leadership.

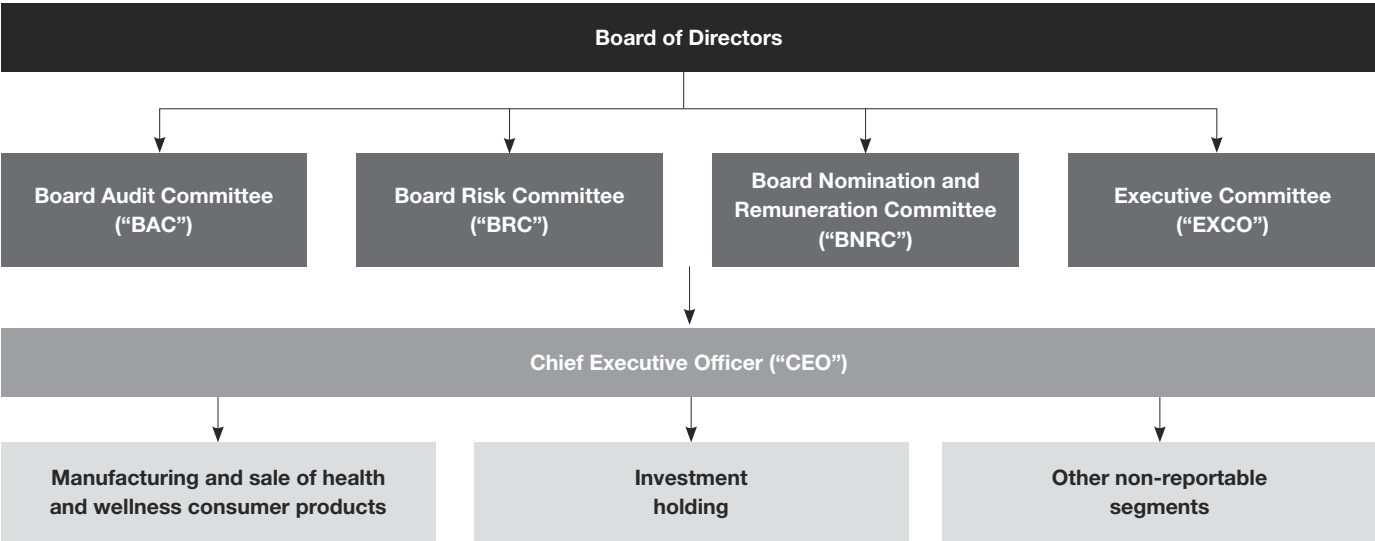
Mr. Luthfi does not have any family relationship with any director and/or major shareholder or any COI with the Company and the Group. He has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during FY2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The governance structure of the Board is as follows:



To assist the Board in discharging its oversight function with specific responsibility areas, the Board has established four (4) Board Committees as illustrated. These Board Committees are guided by their respective TORs in discharging their duties. These TORs are reviewed periodically by the Board to ensure that they remain relevant and adequate in governing the functions and responsibilities of the respective Board Committees and reflect the latest developments in the regulatory space. The TORs are accessible on the corporate website at www.dxn2u.com.

The Board retains collective oversights over the Board Committees and is regularly updated on the proceedings of these Board Committees by the respective Board Committee Chairperson on key matters deliberated and recommendations made for decision-making of the Board. The minutes of meetings of all Board Committees are accessible to all Directors.

Division of Responsibilities

The roles and responsibilities of our Executive Chairman and CEO are clearly segregated to enhance and preserve a balance of authority and accountability.

The Executive Chairman, Datuk Lim Siow Jin, is responsible for providing leadership and instilling good corporate governance and effectiveness of the Board. The CEO, Prajith Pavithran, appointed on 1 June 2024, is primarily responsible for the day-to-day management of the Group’s business within a set of authorities, lead the implementation of policies, strategies and decisions approved, adopted and delegated by the Board as well as monitoring the operating and financial results of our Group against plans and budgets.

The Chairman of the Board is also not a member of the Board Committees.

Division of Responsibilities

Our Companies Secretaries support the Board on all governance matters, Board policy and procedures, adherence to relevant statutory and regulatory requirements and advocate the adoption of corporate governance best practices.

Access to Information

Unless otherwise provided by or subject to any applicable laws or Main Market Listing Requirements of Bursa Securities (“MMLR”), all Board members have unrestricted access to the information pertaining to the Group to discharge their duties and responsibilities. The Board also has access to the advice and services of the Company Secretaries and may obtain independent professional’s advice, at the Company’s expense, as and when necessary and reasonable to facilitatie the performance of their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Composition

The Group is led by an experienced Board with wide-ranging professional experiences in direct selling, general management, sales and marketing, finance and accounting, corporate finance, asset management and investment banking, tax, audit as well as hospitality and healthcare consulting.

The Board comprised of eight (8) members of whom 63% (5 out of 8) are INEDs. Its current composition is as tabulated:

Position	Name
Executive Chairman	Datuk Lim Siow Jin (“DLSJ”)
Non-INEDs	Dato’ Lim Boon Yee (“DLBY”)
	Vibhav Panandiker (“VP”)
Senior INED	Datuk Noripah Binti Kamso (“DNK”)
INEDs	Stefan Heitmann (“SH”)
	YM Tunku Afwida Binti Tunku A. Malek (“TA”)
	Abraham Verghese A/L T V Abraham (“AV”)
	Ong Huey Min (“OHM”)

The details of Directors’ background, experiences and qualifications are set out under “Profile of Board of Directors” in this Annual Report 2024.

On 1 June 2024, Teoh Hang Ching stepped down as Executive Director and CEO as well as member of the BRC to spearhead the Group’s business expansion efforts in the People’s Republic of China. Simultaneously, he also stepped down from membership in the EXCO and BRC.

The Board considers its current composition and size adequate for carrying out its functions and responsibilities effectively and efficiently. Given presence of diverse skill sets, expertise and qualifications as well as the independent governance structure of the Board Committees and Board, the Board has been able to provide clear and effective leadership to the Group, as well as informed and independent judgment of the Group’s activities and performance.

None of the Non-Executive Directors are involved in the Group’s day-to-day management. None of the Directors are politicians.

Diversity

The selection of Board candidates involves several criteria, including expertise, professional experience, corporate industry standing, skills, diversity and the potential to enhance the Board composition. Ultimately, these criteria contribute to achieving the Group’s objectives and strategic goals.

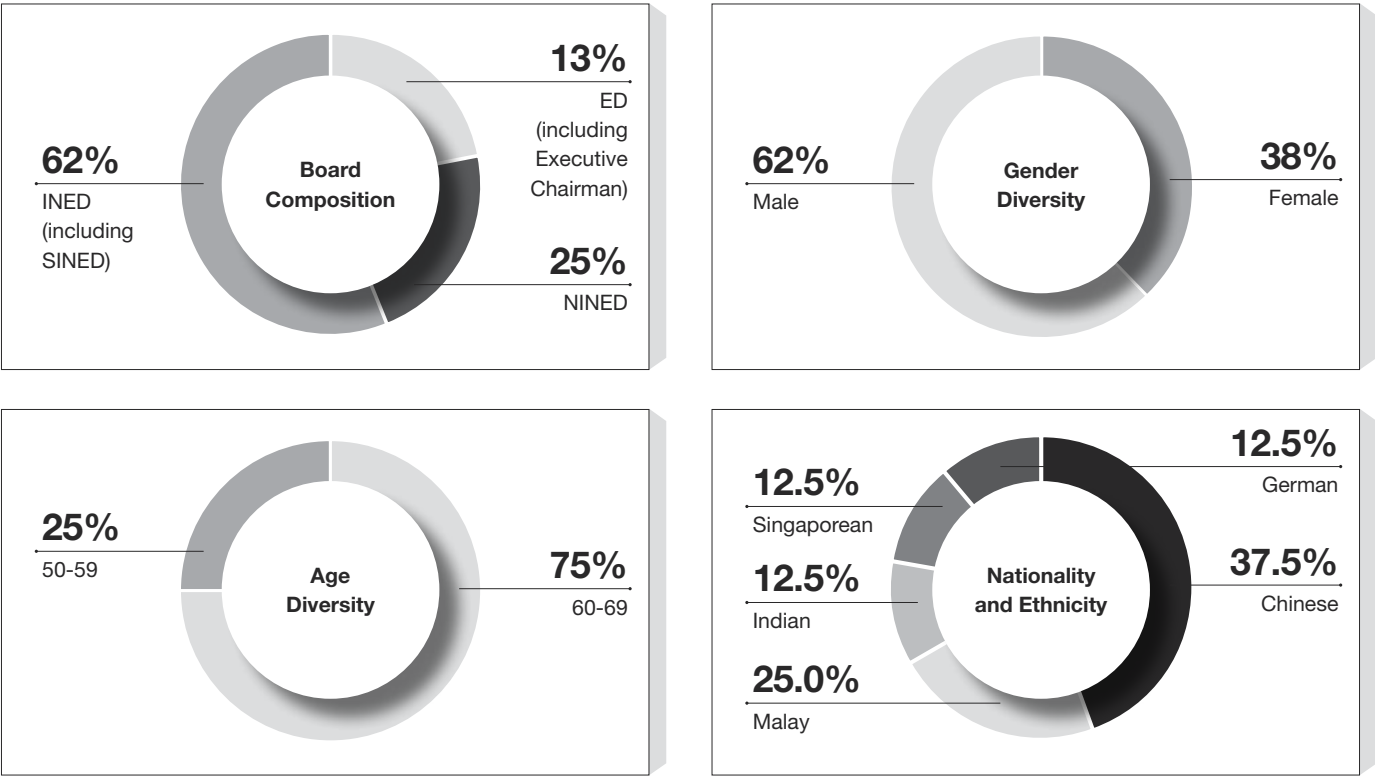
The presence of three (3) highly qualified women directors represent 38% of the Board composition, and is in line with the recommendation of the MCCG to have at least 30% women representation on the Board.

The Board believes that promoting women’s inclusion in decision-making roles should extend beyond board positions to encompass members of KSM to derive similar benefits.

The Board members collectively possess a diverse range of qualifications, backgrounds, professional experiences and skills that greatly benefit the Group. Additionally, there is a healthy mix of ethnicities and gender on the Board. This diversity fosters a wide range of viewpoints, contributing to robust discussions on issues brought forward for decision-making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board diversity from perspectives of composition, gender, age as well as nationality and ethnicity during the year under review are as tabulated:



Skill Set Matrix

Scope of skill set	DLSJ	THC	DLBY	VP	DNK	TA	SH	AV	OHM
Leadership	√	√			√	√	√	√	√
Strategic Planning	√	√		√	√	√	√	√	
Audit, Accounting, Financial Reporting and Taxation			√		√	√	√	√	√
Human Capital					√			√	
Legal and Regulatory		√	√	√				√	√
Information Technology									
Corporate Governance, Risk Management and Internal Controls		√	√		√	√	√	√	√
Government and Policy		√			√			√	√
Corporate Finance/Investment Banking				√	√	√		√	
General/Business Management	√	√			√	√	√	√	√
Entrepreneurial	√	√		√	√			√	
Sales and Marketing	√	√			√				
Production and Quality Assurance	√							√	
International Knowledge/ Experience	√	√		√	√	√	√	√	
Health, Safety and Environment				√	√			√	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Independence

Our INEDs are Datuk Noripah Binti Kamso, YM Tunku Afwida Binti Tunku A. Malek, Stefan Heitmann, Abraham Verghese A/L T V Abraham and Ong Huey Min. As such, the Board complies with Paragraph 15.02 of the MMLR, which mandates at least two (2) directors or one-third (1/3) of the Board of the Company, whichever is higher, to be independent directors.

As at to-date, the tenure of all INEDs is less than three (3) years of service.

The qualifications, experiences and personal qualities of the INEDs, especially their integrity, calibre and objectivity in fulfilling their responsibilities in the best interest of the Company and the Group play a crucial role in assessing their effectiveness. The Board is confident that the INEDs, having confirmed their independence, will continue to provide unbiased, independent and objective judgement during Board discussions and decision-making.

Tenure of the INEDs

The Board has adopted the Step-Up Practice 5.4 of the MCCG which limits the tenure of its INEDs to nine (9) years without further extension.

Board and Board Committees meetings

Meetings of Board and Board Committees are scheduled quarterly (or annually, as applicable) with additional meetings convened as and when necessary.

An annual Board calendar incorporating meeting dates (after taking into consideration black-out dates as informed by the Directors) will be circulated to the Directors in advance before the commencement of a new financial year. Meeting materials are provided to the Board and Board Committees at least five (5) business days prior to the meetings to accord the Directors sufficient time to assess and review the proposals or information.

The Chairperson of the Board and Board Committees chair the respective meetings where robust and vigorous deliberations were properly recorded. Minutes of the meetings of the Board and Board Committees are tabled at the following meetings for confirmation. The status of matters arising are also tabled at the subsequent meetings of the respective Board Committees to ensure that they are duly acted upon.

The meeting attendance for the Board and Board Committees during the financial year under review are recorded as follows:

Directors	Board	BAC	BRC	^RC	^NC	EXCO
Datuk Lim Siow Jin	#9/10	-	-	-	-	2/2
Dato' Lim Boon Yee	10/10	-	-	-	-	-
Teoh Hang Ching*	10/10	-	7/7	-	-	2/2
Vibhav Panandiker	9/10	-	-	-	-	-
Datuk Noripah Binti Kamso	9/10	-	-	^3/3	^3/3	-
YM Tunku Afwida Binti Tunku A. Malek	9/10	7/8	-	^3/3	^3/3	-
Stefan Heitmann	10/10	7/8	7/7	-	-	-
Abraham Verghese A/L T V Abraham	10/10	8/8	7/7	-	-	-
Ong Huey Min**	10/10	2/2	-	^3/3	^3/3	-

Notes:

- * Mr. Teoh Hang Ching stepped down as Executive Director and CEO on 1 June 2024.
- ** Attendance at meetings is counted from date of appointment.
- ^ The BNRC was established on 6 October 2023. Prior to this date, three (3) meetings each were held for the standalone Nomination Committee (“NC”) and Remuneration Committee (“RC”). All members of the NC and RC attended all three (3) meetings for each Committee.
- # Datuk Lim Siow Jin attended another previously scheduled meeting, which conflicted with a Board meeting on short notice to authorise entry into a Memorandum of Agreement.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. At present, none of the Directors hold more than five (5) directorships in any other public listed companies at any point of time.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The major focus of the Board (or the non-interested Directors, as applicable) at their meetings during FY2024 were as tabulated:

Focus Area	Description
Business Performance, Financials and Operations	<ul style="list-style-type: none">Dividend declaration, share buy-back, quarterly financial results, audited financial statements and annual reportsBusiness performance and operationsRisk management and internal controlsBudget, forecast, capital investment, business development and planning on business operationsStrategic investments and divestments
Stakeholders Management	<ul style="list-style-type: none">Prospective investors engagement plans in connection with the initial public offering (“IPO”) and feedback from such engagements
Governance, Compliance and Others	<ul style="list-style-type: none">Approved, among others, maximum pricing, sub-division of the Company’s shares, various agreements, bonus issue, prospectus, allocation of options to Directors and selected parties as well as various reports issued by the external auditors in relation to the IPO exerciseApproved the Employees Share Option Scheme (“ESOS”) for tabling to shareholders at the Extraordinary General Meeting (“EGM”)Acknowledged disclosures of COI and/or potential COI and agreed on the mitigating actionsApproved all TORs, policies and guidelines on, among others, sustainability, business continuity, compliance, remuneration and risk managementDiscussed and approved the sustainability roadmapReceived updates and reports from the Chairperson of the BRC, BNRC, BAC and EXCO on their respective oversight of various scopes of workUndertook annual assessment and evaluation of Directors, Board and Board CommitteesApproved the appointment of KSM personnelConvened AGM to consider ordinary matters in relation theretoDeliberated and approved recurrent related party transactions (“RRPT”)Convened EGMs to consider and approve matters in relation to the IPO exercise and adoption of new ConstitutionReceived reports and updates from CEO on operational and sales performance of the Group and other key mattersApproved Authority MatrixDiscussed updates on corporate governance and regulatory mattersApproved establishment of new entities to spearhead investments in South Asian, South America, Middle East and North African regions to support market expansion to better position the Group in those regions

COI

Board members and KSM are required to disclose any actual or potential COI in a timely manner including financial interests, relationships, affiliations and other relevant connections that could influence their judgement or decision-making on matters.

Datuk Lim Siow Jin, Executive Chairman; Dato' Lim Boon Yee, Non-INED and Lim Yew Lin, CFO (“Affected Persons”) are members of the immediate family. They are deemed in COI with the DXN Group by virtue of their interests in several entities which are involved in the supply and/ or purchase of products and services to the Group. Notwithstanding that the involvement of the Affected Persons in the Group gives rise to COI situation, such conflict is mitigated because the management had obtained comparative rates from third party(ies) to ensure that the selling/ purchase prices (as applicable) are at arm’s length and on terms not more favourable to the entities connected to the Affected Persons than to the third parties.

Induction and Continuous Professional Development

All newly appointed Directors will participate in an induction programme to ease into their new role and assist in enhancing their understanding of the Group’s business activities and operations. The Directors will be provided a range of information about the Group and briefings on the Company’s business, strategy and operational related matters. The Directors are given the opportunity to meet with other Directors, in particular the Executive Chairman, the Company Secretary, the KSM and visit the Group’s key operating sites.

The Directors are encouraged to continuously participate in training programmes, workshops, seminars and conferences to keep abreast as well as gain deeper insights of the development of the industry, new statutory and regulatory requirements, from time to time.

The Company Secretary circulated and briefed on the relevant guidelines on statutory and regulatory requirements from time to time and for the Board’s reference.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Details of training programmes attended by the Directors during the financial year under review are listed below:

No	Directors	Training Programmes	Date
1	Datuk Lim Siow Jin	<ul style="list-style-type: none">Sustainability Reporting Requirement: Climate Change Reporting from JTS Training Sdn. BhdMandatory Accreditation Programme Part II: Leading for Impact ("LIP") from Institute of Corporate Directors Malaysia ("ICDM")	2 August 2023 6 – 7 November 2023
2	Dato’ Lim Boon Yee	<ul style="list-style-type: none">ANTI BRIBERY CORRUPTION TRAINING from TRAINING & DEVELOPMENTMandatory Accreditation Programme Part II: Leading for Impact ("LIP") from Institute of Corporate Directors Malaysia ("ICDM")	6 August 2023 25 – 26 October 2023
3	Vibhav Panandiker	<ul style="list-style-type: none">Sustainability Reporting Requirement: Climate Change Reporting from JTS Training Sdn. Bhd.Mandatory Accreditation Programme Part II: Leading for Impact ("LIP") from Institute of Corporate Directors Malaysia ("ICDM")	2 August 2023 13 – 14 December 2023
4	Datuk Noripah Binti Kamso	<ul style="list-style-type: none">Stopping Scandals before they happen (Risk culture from the top) by Institute Enterprise Risk PractitionersRegTech for Human Rights Due Diligence in Malaysia by Hewlett Packard & BlueNumber New YorkInside stories of Sustainability Champions by Securities Commission Malaysia- SIDCLessons learned. Pioneering Global Leadership by Chartered Institute Islamic Finance ProfessionalsNew Digital Frontier. Delivering a Sustainable Future with Innovation by AM Bank Bhd.Crystalising PEMANGKIN ideas to Revolutionise Malaysia’s Digital Financial Landscape by Malaysia Digital Economy Corp. MDECIntegrating ESG into Business Model by Institute Enterprise Risk PractitionersPurpose, Leadership & skills - purposeful leadership in times of crisis. Journey from Islamic Finance to ESG-Sustainability by Global Ethical Forum Initiatives, Edinburgh, ScotlandCorporate Perspective: Strategy, Leadership, Risk, Finance and Corporate Governance by University MalayaBoard Dynamic & Governance Transformation Executive Masterclass 2024 from ASIAN WORLD CENTRE ("AWC")Mandatory Accreditation Programme Part II: Leading for Impact ("LIP") from Institute of Corporate Directors Malaysia ("ICDM")	10 March 2023 18 April 2023 10 May 2023 24 May 2023 15 August 2023 22 August 2023 23 August 2023 20 to 21 September 2023 30 November 2023 28 – 29 May 2024 24 – 25 June 2024
5	YM Tunku Afwida Binti Tunku A. Malek	<ul style="list-style-type: none">Briefing by Amazon Web Services ("AWS")Demystifying CyberRisk Management Committee - Banking SectorMedia Preparedness and Crisis SimulationAffin Conference Series 2023Understanding the Impact of Digital Transformation in the Financial IndustryBrand Health & NPSDigital Transformation World ("DTW") TM Forum CommunityKhazanah Megatrends Forum 2023Digital Banking Asia - Malaysia Conference 2023, Sustainability, Digital Transformation and FictechOil and Gas Day Industry Insights and Corporate UpdatesBreakfast Talk on AI with Prof Sanjay Sarma (Cybersecurity & Technology)National Economic Outlook Conference ("NEOC")Should Women Act Like Men To Succeed?Chairman’s Dialogue on Financing the Digital Economy-Supporting the Madani Framework	7 February 2023 7 March 2023 9 March 2023 15 March 2023 30 May 2023 13 June 2023 11 July 2023 19 – 21 September 2023 2 – 3 October 2023 13 October 2023 16 October 2023 9 November 2023 27 November 2023 27 November 2023 12 December 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

No	Directors	Training Programmes	Date
6	Stefan Heitmann	• PowerTalk Sustainability Series: (Re)Building the Board for Innovation	28 February 2023
		• Navigating ESG Data into Decisions	21 March 2023
		• Regulatory technology to measure "S" risks and performance for ESG reporting and Human Rights Due Diligence	18 April 2023
		• ICDM PowerTalk: Advancing Cyber Resilience: Board’s Top 3 Must-Knows	25 May 2023
		• Board Audit Committee ("BAC") Dialogue & Networking - 2023: What should independent directors and audit committee members do when a serious allegation is reported?	6 June 2023
		• ICDM PowerTalk: Generative AI - An Opportunity or Risk?	20 July 2023
		• DXN Climate change Training - Appreciation of climate risk and opportunities	2 August 2023
		• New Transfer Pricing horizon: Transition or transformation?	4 September 2023
		• The Cooler Earth Sustainability Summit - CIMB	11 – 12 September 2023
		• Asia School of Business: Sustainability in the digital age - Dr. Georg Kell Harnessing AI to accelerate the sustainability transition - Carolina Minio Paluello	14 September 2023
7	Abraham Verghese A/L T V Abraham	• ICDM: ICDM Member’s Exclusive with PWC: Global megatrends impacting how organisations manage their workforce	18 October 2023
		• Mandatory Accreditation Programme Part II: Leading for Impact ("LIP") from Institute of Corporate Directors Malaysia ("ICDM")	29 – 30 November 2023
		• ICDM PowerTalk: Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape	11 March 2024
		• Board of Directors Leadership - ESG Essentials	21 – 22 March 2023
		• MIA International Accountants Conference 2023	13 – 14 June 2023
		• Axiata Group Risk & Compliance Conference 2023	31 July 2023
		• Sustainability Reporting Requirement: Climate Change Reporting from JTS Training Sdn. Bhd	11 August 2023
		• Mandatory Accreditation Programme Part II: Leading for Impact ("LIP") from Institute of Corporate Directors Malaysia ("ICDM")	12 September 2023
		• Building a Culture of Good Governance and Sustainability : The Role of the Board and Management	14 September 2023
		• Advocacy Sessions for Directors and CEOs of the Main Market Listed Issuers	17 – 18 October 2023
8	Ong Huey Min	• Audit Committee Conference 2023: Audit Committees Catalysts of Change	4 December 2023
		• Russell Reynolds Associates APAC Board Leadership Forum 2023	2 August 2023
		• Axiata Group Finance Summit including MFRS updates, Sustainability Reporting Development etc	7 – 10 August 2023
		• Sustainability Reporting Requirement: Climate Change Reporting from JTS Training Sdn. Bhd	2 August 2023
		• Mandatory Accreditation Programme Part II: Leading for Impact ("LIP") from Institute of Corporate Directors Malaysia ("ICDM")	29 – 30 November 2023

DXN Group's Approach to Sustainability

The Board acknowledges the significance of sustainability and its impact to the businesses of the Group. To this end, the Group has established a Sustainability Department led by a Sustainability Manager. The Sustainability Manager is responsible for creating the Sustainability framework to address material sustainability risks, monitor sustainability-related matters as well as recommend strategies that incorporates the Environmental, Social and Governance ("ESG") elements into the business processes.

The Group's commitment to sustainability permeates every level within the Group, starting from the Board and extending to the EXCO and the Sustainability Working Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In order to operate in a sustainable manner, DXN focused activities on the following key impact areas:

ECONOMICS	ENVIRONMENT	SOCIAL
<ul style="list-style-type: none">• Be the trusted brand recognised for high quality, affordably priced products;• Uphold ethical business conduct and maintain a robust governance system; and• Promote human well-being, quality of life and equality without compromising the ecosystem's sustainability.	<ul style="list-style-type: none">• Embrace responsibility energy and resource management, adopt carbon reduction strategies, use green technologies, instill environmentally sustainable practices, where applicable;• Comply with relevant environmental laws and regulations;• Innovate and promote responsible product design, packaging, use and disposal; and• Raise awareness on sustainable and responsible environment conduct within the Group and among stakeholders.	<ul style="list-style-type: none">• Embrace diversity and inclusivity, promote gender equality and create an environment free of discrimination and harassment;• Cultivate and nurture talent continuously;• Recognise human rights and respect cultures and values in interactions with employees and communities;• Ensure a healthy and safe working environment;• Implement controls for business continuity and emergency responses; and• Support and contribute to the social, economic and development of the local communities.

Details of the Group’s sustainability management efforts and activities are disclosed in the Sustainability Statement in this Annual Report.

Board Nomination & Remuneration Committee (“BNRC”)

The Nomination Committee, chaired by YM Tunku Afwida Binti Tunku A. Malek, and the Remuneration Committee, chaired by Ong Huey Min, were established on 10 February 2022. On 6 October 2023, both committees were merged into a new committee named the BNRC. The BNRC aims to streamline deliberation and decision-making process, reduce time costs, and ensure cohesive governance.

Composition	Key Roles and Responsibilities
YM Tunku Afwida Binti Tunku A. Malek INED Chairperson	<ul style="list-style-type: none">• Oversee the appointment process, including the identification, evaluation (aligned with fit and proper policy) and recommendations for Directors and/or KSM positions.• Ensure that the Board and the Board Committees have an effective and balanced composition with a diverse mix of skills, independence, knowledge, qualifications, experience, age, cultural background and gender to discharge their responsibilities respectively.• Assess Directors’ training needs vis-à-vis changing regulatory and business landscapes and make recommendations thereof.• Oversee the annual assessment and evaluation of the Board, Directors and Board Committees as well as the KSM to assess the performance and effectiveness of individual Directors, Board, Board Committees and KSM. This is also inclusive of assessing the fit and properness of Directors who are due for retirement by rotation at the forthcoming Annual General Meeting (“AGM”).• Assess and analyse the composition of the Board, considering factors such as size, skill sets, qualifications, experiences and diversity.• Oversee the succession planning for the Board and KSM.• Ensure that the remuneration policy and framework are consistent with the Group’s business strategy, and a competitive remuneration structure so as to link rewards with corporate and individual performance to attract and retain the right talent of the appropriate calibre, skills, experience and quality needed in the Board (which includes the ED) and KSM in order to drive and achieve the Group’s long-term objectives.• Discuss, evaluate and formalise key performance indicators (“KPIs”) for incentive plans proposed by the executive leadership.• Recommend to the Board for approval the total remuneration packages for Executive Directors, Non-Executive Directors and KSM.
Datuk Noripah Binti Kamso Senior INED Member	
Ong Huey Min INED Member	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The BNRC is chaired by YM Tunku Afwida Binti Tunku A. Malek, an INED in compliance with Practice 4.7 of the MCCG.

Details of the roles and responsibilities of the BNRC are set out in the TOR, which is accessible on the Company’s website at www.dxn2u.com.

Board Selection and Appointment Process

When selecting and nominating new candidates to the Board, the BNRC took into account the objective criteria and various factors including skills, knowledge, professionalism, experience, diversity and time commitment. For the appointment of INED, the BNRC considered the independence criteria as outlined in the MMLR.

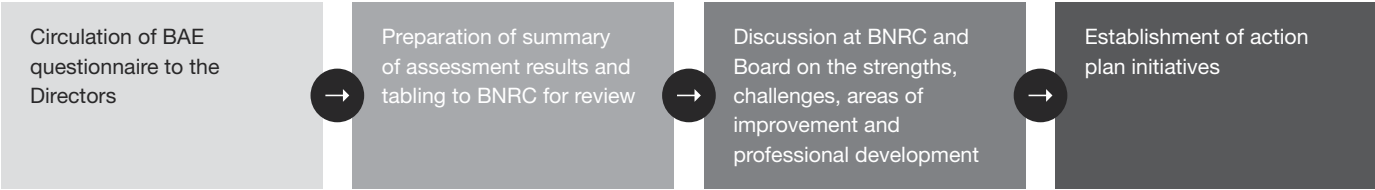
Board, Board Committees and Individual Evaluation

The Board, through the BNRC and facilitated by BoardRoom Corporate Services Sdn. Bhd. (“BoardRoom”), conducted an annual board assessment and evaluation of the of Board, Board Committees and each Individual Director in respect of FY2024 (“BAE”).

The criteria for Board evaluation included, among others, board mix and composition; quality of information and decision-making; Board’s relationship with management; Board activities; Chairman’s roles and responsibilities; ESG issues; Board Committees; character, experience, integrity, competency and time commitment of the Directors; skill set matrix of the Directors and independence of the INEDs.

A performance assessment was also conducted for KSM focussing on character, experience, integrity, competence and time commitment.

The BAE process is as set out below:



Following conclusion of the BAE, the BNRC evaluated the results which included overall strengths of the Board and areas of improvement as follows:

Overall Strengths of the Board	Key Areas of Improvement
<ul style="list-style-type: none">• Collective expertise: The combined strengths of Directors, each contributing their varied skill set, expertise and professional experiences.• Effective leadership: Executive Chairman’s pivotal role in encouraging robust discussions and informed decision-making that aligns with the Board’s consensus.• Independence of thoughts: The Directors’ willingness to openly express, challenge and debate issues, fostering an environment of critical thinking.• Positive working relationship: Camaraderie between Board members and KSM which facilitates knowledge sharing and expertise transfer.	<ul style="list-style-type: none">• Investment in human capital: Ensure that the Board and KSM levels are staffed with experienced and capable team to address the complex needs of a globally diversified Group.• Succession planning: Implement strategies to ensure seamless leadership transition when key personnel leave their roles.• Board materials and circulation: Ensure adequacy of board materials and their timely circulation.• Training programmes: Develop comprehensive programmes to keep Directors and KSM informed of industry trends and regulatory changes.• ESG integration: Consider ESG factors in key decision-making processes.• Strategic and business planning: Adopted a focussed approach to discussing and implementing strategic and business planning.• Formalise KPIs: Define KPIs for KSM.

After the BAE facilitated by BoardRoom, the Board concluded that the overall performance of both the Board and its Committees as well as the individual Directors was satisfactory. Given their recent appointment and constitution of the Board Committees within the past two (2) years, the Board agreed with the BNRC to maintain the current composition. Additionally, the INED have actively fulfilled their independent roles during Board deliberations and exercised their unbiased judgement.

Furthermore, following a review of the term of office and performance of the BAC and its members for FY2024, both the BNRC and the Board expressed satisfaction that the BAC and its members had performed their duties in adherence with the TOR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Re-election of Directors

In line with the Company’s Constitution, an election of Directors shall take place each year. At the AGM, if one-third (1/3) of the Directors for the time being or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Directors appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

In the event of any vacancy in the Board of Directors resulting in non-compliance with Para 15.02(1) of the MMLR, the Company must fill the vacancy within three (3) months.

Dato’ Lim Boon Yee, Vibhav Panandiker and Ong Huey Min will be retiring by rotation and are eligible for re-election at the forthcoming 2024 AGM. Dato’ Lim Boon Yee and Vibhav Panandiker are Non-INED while Ong Huey Min is an INED.

After the BAE FY2024, the BNRC conducted a review of the retiring Directors. The assessment considered their fitness and propriety, experience, integrity, competence, level of contribution and participation at the meetings of the Board and Board Committees and time commitment.

The Board is satisfied that following the BNRC’s review and based on the results of the BAE FY2024 undertaken, the Directors standing for re-election will continue to bring their knowledge, experience and skills and contribute effectively to the discussions, deliberations and decisions of the Board and Board Committees, as applicable. As INED, Ong Huey Min had fulfilled the requirements of independence as set out in the MMLR. All of them have demonstrated objectivity and commitment through proactive engagements at meetings of the Board and Board Committees (as applicable) held during the financial year by sharing valuable, relevant, independent and impartial (as applicable) insights, views and opinions on issues tabled for discussion. They have exercised due care and carried out their professional duties proficiently and effectively throughout their tenure of service. The Board recommends and supports the re-election of the retiring Directors who have abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant BNRC and the Board meetings.

Succession Planning

The BNRC oversees succession planning to ensure smooth leadership transitions. This involves identifying critical positions, emphasising key competencies and skills necessary for business continuity, and developing individuals to meet future business needs. The CEO collaborates with the BNRC to establish a robust succession planning framework, talent management and human capital development programme for KSM.

Remuneration, Fee and Benefits

The INEDs are paid Directors’ fees and meeting fees for their attendance at meetings of the Board and Board Committees in the manner as tabulated:

INEDs	Directors’ fees (RM)	Board meeting fee^ (RM)	Board Committees meeting fee^ (RM)
Datuk Noripah Binti Kamso	100,000	3,000	1,000
Abraham Verghese A/L T V Abraham	90,000	3,000	1,000
Stefan Heitmann	85,000	3,000	1,000
YM Tunku Afwida Binti Tunku A. Malek	85,000	3,000	1,000
Ong Huey Min	80,000	3,000	1,000

Note:
^ Fee is on per meeting basis and paid in arrears.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Details of the remuneration, fees and benefits received by the Directors from the Company and the Group in respect of FY2024 are tabulated below:

The Company

Name	Salaries RM'000	Directors' Fees RM'000	Bonus RM'000	Contributions to EPF and SOCSO RM'000	Allowances RM'000	Profit-sharing RM'000	Share Options under ESOS RM'000	Benefits-in-Kind RM'000	Total RM'000
Executive Directors									
Datuk Lim Siow Jin	2,499	-	-	101	-	-	163	1	2,764
Teoh Hang Ching^	492	-	103	30	120	12	136	21	914
Non-Executive Directors									
Dato' Lim Boon Yee	298	-	-	28	12	-	14	-	352
Vibhav Panandiker	-	-	-	-	-	-	-	-	-
Datuk Noripah Binti Kamso	-	92	-	-	48	-	11	-	151
YM Tunku Afwida Binti Tunku A. Malek	-	75	-	-	40	-	11	-	126
Stefan Heitmann	-	75	-	-	50	-	11	-	136
Abraham Verghese A/L T V Abraham	-	80	-	-	51	-	-	-	131
Ong Huey Min	-	71	-	-	47	-	11	-	129

The Group

Name	Salaries RM'000	Directors' Fees RM'000	Bonus RM'000	Contributions to EPF and SOCSO RM'000	Allowances RM'000	Profit-sharing RM'000	Share Options under ESOS RM'000	Benefits-in-Kind RM'000	Total RM'000
Executive Directors									
Datuk Lim Siow Jin	2,829	-	-	129	-	-	163	1	3,122
Teoh Hang Ching^	492	-	132	30	120	13	136	21	945
Non-Executive Directors									
Dato' Lim Boon Yee	298	-	-	28	12	-	14	-	352
Vibhav Panandiker	-	-	-	-	-	-	-	-	-
Datuk Noripah Binti Kamso	-	92	-	-	48	-	11	-	151
YM Tunku Afwida Binti Tunku A. Malek	-	75	-	-	40	-	11	-	126
Stefan Heitmann	-	75	-	-	50	-	11	-	136
Abraham Verghese A/L T V Abraham	-	80	-	-	51	-	-	-	131
Ong Huey Min	-	71	-	-	47	-	11	-	129

Note:
^ Teoh Hang Ching stepped down as Executive Director and CEO on 1 June 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Key Senior Management's ("KSM") Remuneration

The Board recognises the importance of transparency in disclosing the remuneration of the KSM. However, due to the intense competition for professional talent, commercial sensitivities associated with the remuneration package of the KSM, and to maintain a stable work environment, the Board opined that the detailed disclosure of remuneration of KSM might be perceived as a disadvantage to the Group's business interest and may give rise to talent recruitment and retention issues.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

Board Audit Committee ("BAC") (Formerly known as Audit Committee)

The Board is assisted by the BAC in ensuring reliable financial statements and disclosures, effective internal control and risk management and compliance with relevant laws and regulations.

The BAC members, all INEDs, are financially literate. All of them possess the expertise, skills and professional experiences needed to fulfil their duties and responsibilities.

The BAC Chairperson is separate from the Chairman of the Board, maintaining independence according to Practice 9.1 of the MCCG.

The BAC adheres to a policy requiring a cooling-off period of at least three (3) years for former partners of the Company's external auditors before they can be appointed as BAC members. As of the date of this Report, except for Ong Huey Min, none of our BAC members were former partners of our external auditors. She retired as a tax partner of an affiliate firm of our external auditors in 2014.The BAC is governed by its TOR which is accessible on the Company's website.

The BAC oversees the activities carried out by both internal and external auditors; assessing suitability, objectivity and independence annually.

The summary of activities of the BAC for the FY2024 is detailed under the BAC Report in this Annual Report 2024.

Board Risk Committee ("BRC") (Formerly known as Risk Management Committee)

The BRC was established on 10 February 2022 and comprises INEDs presently:

Composition	Key Roles and Responsibilities
Stefan Heitmann INED Chairperson	<ul style="list-style-type: none">Evaluate and recommend the Group's risk management policies and strategies for the Board's approval. This includes assessing major investment proposals, key risks, funding options, costs, and potential investment returns prior to seeking board approval.Establish effective governance structures and processes to seamlessly integrate performance-focused risk management and internal control across all levels of the Group and its operations.Fulfil the Board's corporate governance, risk management and statutory responsibilities in order to effectively manage the overall risk exposure of the Group.Establish a robust risk management and internal control framework and regularly assess its adequacy and effectiveness to mitigate risks effectively.
Abraham Verghese A/L T V Abraham INED Member	
Teoh Hang Ching Executive Director and CEO Member (Resigned on 1 June 2024)	

Details of the BRC's roles and responsibilities are set out in the TOR published on the Company's website at www.dxn2u.com.

The composition of the BRC is structured in such a way that there is an appropriate balance of views (from both executive leadership and INEDs) and oversight of the Group's risk management policies and practices to ensure these policies and practices are adequate and effective. The Board of DXN has a stewardship responsibility to understand these risks, provide guidance on dealing with these risks and to ensure risks are managed proactively, in a structured and consistent manner.

DXN Group is committed to the effective identification, mitigation and management of risk as an integral part of the Group's overall approach to risk governance. The implementation of the ERM Policy and Framework is expected to improve DXN's visibility on its strategic and operational challenges as well as the available opportunities. The design of the ERM Framework reflects the principles outlined in ISO 31000:2018 and the best practices on risk management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In September 2021, DXN established the Group Governance and Risk Management (“GGRM”) department for the purpose of co-ordinating and advising on risk and control activities to ensure that the management of our Group’s response to mitigate risks identified is carried out effectively, and also performing quarterly risk reviews in line with our Group’s ERM Framework. The GGRM reports to the BRC, CEO and KSM on the risks and mitigating action plan. The BRC met seven (7) times during the financial year under review to receive reports from GGRM, approve relevant policies, code and guidelines as well as to review investment proposals.

In April 2022, DXN established a Legal and Regulatory Compliance Committee (“LRCC”) comprising members from different departments and functions in our Group such as finance, project investments, sustainability, legal, marketing, compliance and factory operations. The LRCC is responsible for monitoring and overseeing the Group’s legal and regulatory compliance matters including the compliance with licensing, permits and approvals for the various businesses in the various jurisdictions and to ensure that non-compliance incidents are adequately investigated and reporting of issues to appropriate parties in a timely manner. All entities within the Group shall report to the LRCC on matters relating to legal and regulatory non-compliances. The LRCC shall monitor the status of the Group’s compliance with our requisite legal and regulatory obligations and where necessary.

The Group’s internal audit function is performed in-house by the Group Internal Audit (“GIA”) team led by Ms. Teoh Soo Kim who is supported by twelve (12) auditors. The GIA reports directly to the BAC on the adequacy and integrity of the Group’s internal controls and ensure compliance with the relevant laws and regulations in the jurisdictions where the Group has operations.

The details of the risk management and internal control systems are under the Statement on Risk Management and Internal Control in this Annual Report 2024.

Executive Committee (“EXCO”)

The EXCO was established on 10 February 2022 and comprises solely of executive Board members as follows:

Composition	Key Roles and Responsibilities
Datuk Lim Siow Jin Executive Chairman Member	<ul style="list-style-type: none">Ensure strategies are implemented within pre-determined framework and financial parameters that are approved and agreed by the Board from time to time.Oversee the implementation of Board policies and strategies in managing the business segments to sustain continued growth and enhance shareholders’ value.Review the performance of all business segments and implement corrective action plans, where needed, to address any shortfalls or non-compliance.Review the business plans and budgets and monitor the progress and performance of the business plan and budgets, including performance against agreed key performance indicators in all aspect of the Group’s operations.Apply the principles and best practices recommendations of corporate governance, sustainability and corporate responsibility and to ensure compliance with applicable regulatory and legal requirements.Provide support and direction in all aspects of the business strategies and plans as assigned or delegated by the Board and take action or assume any other powers and responsibilities that may from time to time be assigned or delegated by the Board to implement such business strategies and plans.
Teoh Hang Ching Executive Director and CEO Member (Resigned on 1 June 2024)	
Lim Yew Lin Chief Financial Officer (Appointed on 24 January 2024)	

The key purpose of the EXCO is to provide an effective oversight of the businesses of the Group and to ensure that operations and activities are aligned with the strategies approved by the Board and implemented within the framework and agreed financial limits as approved by the Board from time to time.

The EXCO has primary authority for close oversight of the Group’s operations except those matters which are reserved for the Board, the BAC, BNRC and BRC.

The functions of the EXCO are set out in the TOR published on the Company’s website at www.dxn2u.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I: COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of transparency, accountability and timely dissemination of information to all our stakeholders for them to make informed investment decision.

Moving forward from its listing, the Group has engaged with its stakeholders by way of announcements through Bursa Securities, press releases, briefings and the general meetings. All financial results, notices of dividend declaration and other ad-hoc announcements are available on Bursa Securities’ website.

The Board and the Group are guided by Bursa Malaysia Corporate Disclosure Guide in disseminating information to stakeholders. At the same time, management is in the process of formalising the Corporate Disclosure Policy to provide detailed guidance on communication with shareholders and other stakeholders.

The corporate website at www.dxn2u.com offers comprehensive information, including the Group’s background, corporate news, products, business details, career opportunities, and corporate social responsibility initiatives. The “Investor Relations” tab on the corporate website is a dedicated section that provides further details, including TORs, policies, codes, announcements to Bursa Securities as well as background information on the Board and KSM.

The Board actively encourages engagement with stakeholders, welcoming queries and concerns relating to the Group’s financial performance and governance practices. Stakeholders can direct their inquiries to our Investor Relation personnel:

Investor Relations
T : +603-8680 9850
E : ir@dxn2u.com

PART II: CONDUCT OF GENERAL MEETINGS

General meetings are the principal forum for dialogue and interaction with the shareholders.

The forthcoming 28th AGM, scheduled on 12 August 2024 will provide shareholders with an opportunity to seek clarification and insights into the Group’s operations and financial performance, as well as market outlook.

The notice of 28th AGM, which outlines the resolutions, will be sent together with Annual Report 2024, to shareholders at least twenty-eight (28) days before the date of the AGM. This practice aligns with Section 316(2) of Companies Act 2016 and Paragraph 7.15 of the MMLR. Additionally, explanatory notes accompanying selected proposed resolutions aimed to facilitate informed decision-making by shareholders when exercising their voting rights. The notice of AGM will also be circulated in a nationally distributed newspaper and announced on the Bursa Securities’ website. This would allow shareholders immediate access to the notice of AGM, enabling them to prepare to attend the AGM. In 2023, the notice of the 27th AGM was sent more than twenty-eight (28) days before the date of the AGM on 21 August 2023.

During the 27th AGM which was held in person, the Board, including Chairperson of the Board Committees, CEO, CFO and other KSM were present to address any queries and concerns, raised by shareholders. The external auditors were also present to address any shareholders’ queries about the conduct of audit and the preparation and content of the auditors’ report. The Executive Chairman provided appropriate and sufficient time to shareholders and encouraged them to raise questions, express opinions and give suggestions for improvements throughout the entire meeting. The Board members and KSM responded to relevant questions addressed to them during the 27th AGM.

To have greater transparency, accuracy and efficiency in the voting process, the Company adopted the system of e-voting by poll at the 27th AGM. An independent scrutineer was appointed to validate the votes cast and results of each resolution put to vote were announced at the meeting. The poll results were displayed on-screen which could be seen by shareholders who attended the meeting. An announcement detailing the results, including the total number of votes cast for and against each resolution and the respective percentages was announced through Bursa Securities’ website after the conclusion of the AGM.

Further more, the minutes of meeting for the 27th AGM were published on our corporate website within thirty (30) business days after the meeting.

This CG Overview Statement was approved by the Board of Directors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) of DXN Holdings Bhd. (“DXN” or “the Company”) is pleased to present the Statement on Risk Management and Internal Control (“the Statement” or “SORMIC”), which outlines the scope and nature of risk management and internal control of the Company and its subsidiaries (“DXN Group” or “the Group”) for the financial year ended 29 February 2024 (“FY2024”). This Statement is prepared per Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The Board is committed to safeguarding shareholders’ interests and the Group’s assets as well as reviewing the adequacy, integrity and effectiveness of the risk management and internal control system. Accordingly, the Board has established an Enterprise Risk Management policy (“Policy” or “ERM Policy”) incorporating an ERM Framework (“Framework” or “ERM Framework”) to identify, assess and monitor the Group’s significant risks, determine risk appetite and establish mitigation plans in pursuance of the Group’s business strategies and opportunities.

The design of the Framework reflects the principles outlined in ISO 31000:2018 and the best practices for risk management.

The Board has full oversight of the Group’s ERM Framework. Matters pertaining to risks are specifically overseen by the Board Risk Committee (“BRC”) and the Board Audit Committee (“BAC”), which in turn are supported by the Group Governance and Risk Management Department (“GGRM”) and the in-house internal audit function.

These Committees are responsible for overseeing the financial reporting process, evaluating internal and external audit processes, and reviewing the risk management and internal control processes.

The responsibility for managing risks resides at all levels within the Group, including at the operational level, and is guided by the ERM Policy.

The policies of the Board for ERM are as follows:

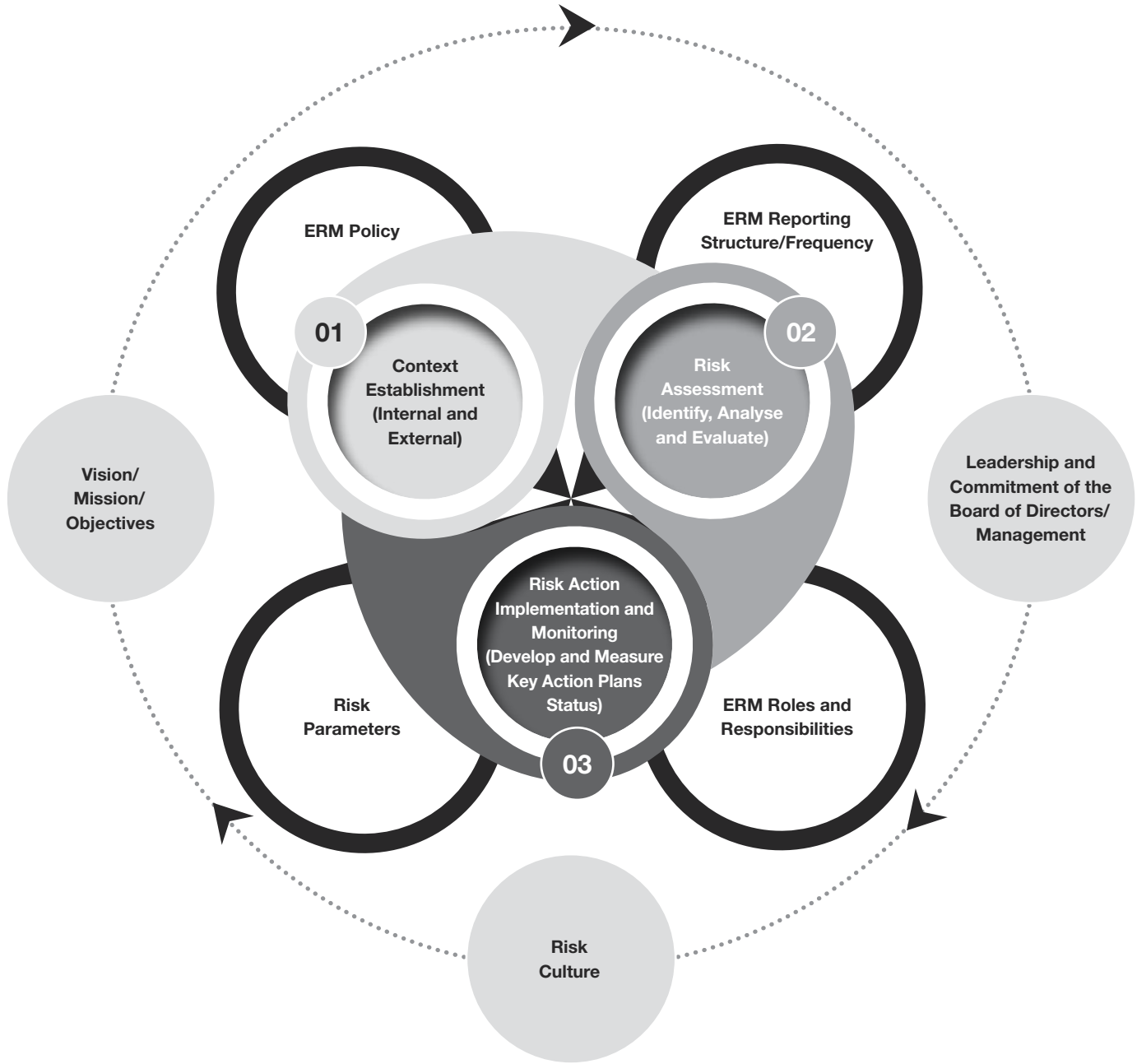
- To integrate risk management into DXN Group’s culture, operational activities and decision-making processes.
- To anticipate and respond proactively to the changing landscape in terms of areas that are strategic in nature, environmental, social, governance, compliance, operation, cyber, system and financial.
- To manage risks pragmatically, to an acceptable level given the particular circumstances of each situation.
- To require that all papers submitted to the Board by Management relating to strategy, key project approval, significant action, or investment include key risk factors and risk management strategies.
- To implement a structured and consistent ERM framework in DXN Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ERM FRAMEWORK

The ERM Framework outlines the process of achieving successful risk management by identifying the key elements required and the process for implementation.

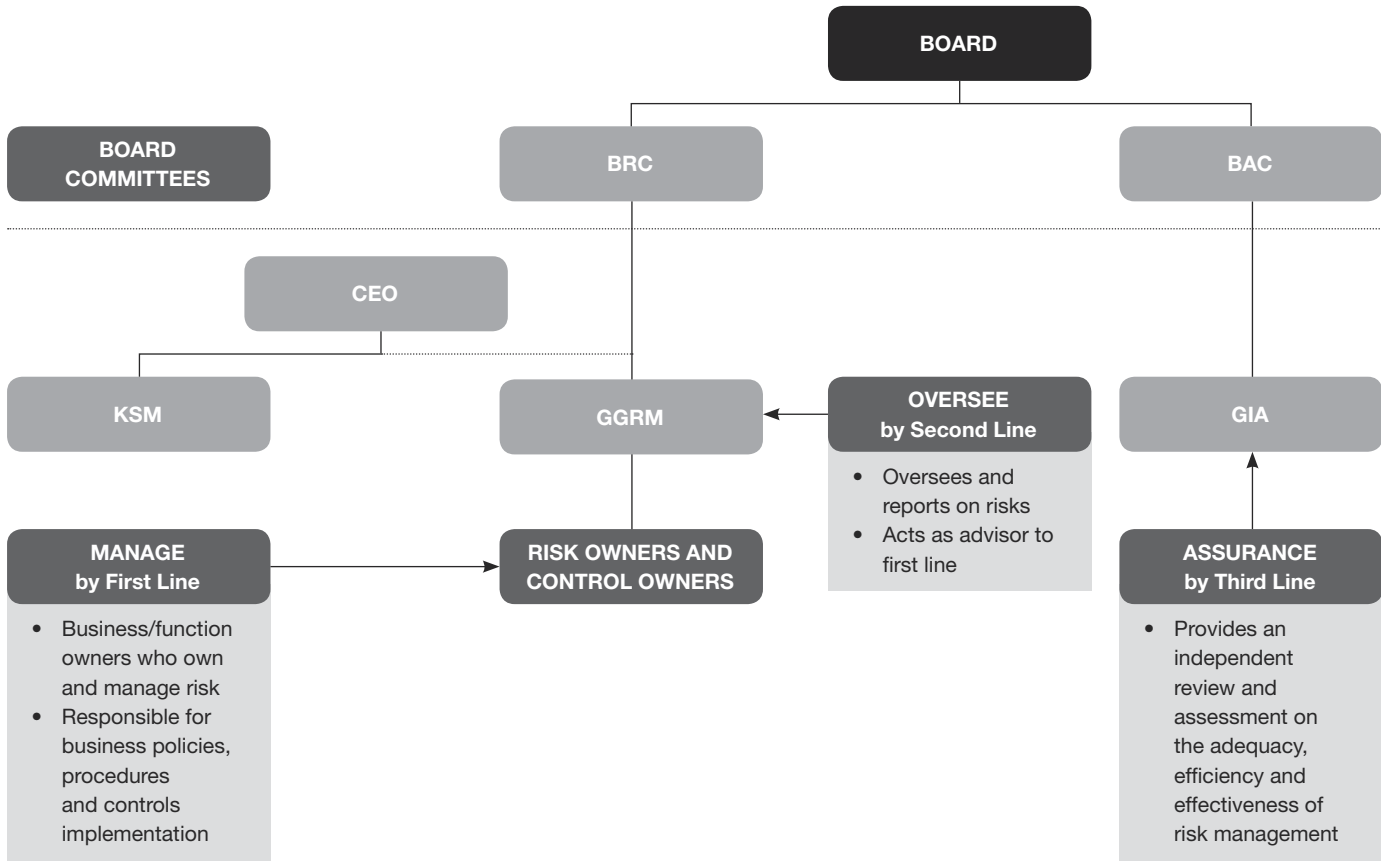
The components of the Framework are illustrated as below:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ERM REPORTING STRUCTURE

The ERM Reporting Structure is illustrated as follows:-



Notes:
CEO : Chief Executive Officer BAC : Board Audit Committee GGRM : Group Governance and Risk Management
GIA : Group Internal Audit KSM : Key Senior Management BRC : Board Risk Committee

ROLES AND RESPONSIBILITIES

Role	Description
Board	<ul style="list-style-type: none">• Provide overall risk management oversight.• Approve and adopt the ERM Policy and Framework.• Articulate and provide direction on risk appetite, organisational control environment and risk culture at the Group level.• Ensure the effectiveness of the ERM Framework and fully support the risk management process and its control systems in order to manage all risks to which the Group is exposed to.
BAC	<ul style="list-style-type: none">• Provide an objective and independent view on the effectiveness of ERM implementation to the Board.
BRC	<ul style="list-style-type: none">• Review the context within which risk is managed in relation to the Group's strategic direction and objectives.• Oversee and provide oversight and direction for the implementation of risk management in the Group and consistent application of ERM principles.• Endorse the ERM Policy for approval by the Board.• Annually review the Group's risk management framework and supporting structure, including:<ul style="list-style-type: none">• Satisfying itself that appropriate systems are in place to identify, assess and manage the significant risks affecting the Group.• Ensuring that the Group's employees are clear as to their roles and responsibilities with regards to the ERM Framework.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Role	Description
CEO/KSM	<ul style="list-style-type: none">• The CEO has the ultimate responsibility and accountability for ensuring that risk is managed across the business units within DXN Group and is supported by the KSM.• Provide executive leadership in the management of strategic, operational and project risk and generally champion risk management within the Group.• Ensure that the divisional risk profile as entered by each department/division is reviewed, updated and approved in line with the Policy requirements.• Ensure the Group is managed and operates within the agreed risk constraints and operations rules.
GIA	<ul style="list-style-type: none">• Assist BAC in reviewing the effectiveness of ERM in providing an independent view on specific risks and control issues, trends and events.
GGRM	<ul style="list-style-type: none">• Report to BRC, CEO, and KSM on risk management information.• Lead the development, implementation and review of the ERM Framework, and supporting processes and systems.• Coordinate ERM activities across DXN Group which includes among others, compiling risk reports (such as risk registers, risk profile, risk action plans) from the respective Risk Owners and Control Owners.• Provide risk management advice and support.• Develop and promote risk management awareness.• Provide ERM reports to the BAC when requested.• Evaluate the adequacy of ERM tools, resources, trainings and subject matter expert.
Risk Owners	<ul style="list-style-type: none">• Senior employees responsible for the management of a particular risk are to have the necessary level of authority to allocate resources in implementing the required treatments and strategies towards the identified risk.• Review and report on risks via periodic risk assessments.• Identify and assess risks as well as implement and monitor risk action plans and key risk indicators.• Assign the design and implementation of controls to mitigate the risk through a Control Owner.
Control Owners	<ul style="list-style-type: none">• Senior employee/Head of departments as Control Owners to operate and execute controls which represent a whole range of actions, measures and strategies taken by management to mitigate the risk.• Provide support to Risk Owners on key risks identified and to assist in the implementation of risk action plans.• Engage and discuss with Risk Owners on internal and external activities or circumstances that may give rise to new risks or changes on rating or control effectiveness of existing risks.• Submit prompt reporting of risk reviews on a specified deadline.• Highlight risk issues to Risk Owners and GGRM.• Periodically review of risk ratings and control/mitigation actions.

KEY STEPS IN MANAGING RISKS

The risk management process involves systematically applying policies, procedures, and practices to the activities of communicating and consulting, establishing the context, and assessing, treating, monitoring, reviewing, recording, and reporting risk. The process is outlined below:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY RISKS AND RISK TREATMENT

The Group's businesses are subject to risk factors. The treatment of risks to our Group is outlined below:

No	Key Risks	Risk Treatment
1	Regulatory Compliance	Establishment of Board Committees, GGRM, Legal and Regulatory Compliance Committee (“LRCC”) and GIA to identify and monitor regulatory compliances in selected subsidiaries of the Group.
2	Corruption	Establishment of Anti-Bribery and Corruption ("ABC") Committee, ABC Policy and Whistleblowing Policy, and to provide awareness trainings to employees in selected subsidiaries of the Group.
3	Information Security	Continuously monitor implemented process controls and identify system improvements, and to provide awareness trainings to employees in selected subsidiaries of the Group on cyber and information security best practices.
4	Sustainability	Establishment of Sustainability Management and Working Committee to identify, assess and manage key risks in relation to sustainability reporting, and provide awareness training and conduct materiality assessments with all stakeholders in selected subsidiaries of the Group with support from external consultants and subject matter experts.
5	Project Investment	Establishment of Project Investment Working Committee and the Project Investment Framework to identify and mitigate risks attached to projects invested.

INTERNAL CONTROL SYSTEM

The Group has the GGRM and the GIA to support the BAC and the BRC in discharging their duties and responsibilities. The following framework governs the internal control process:

1. Integrity and Ethical Values

The Board has adopted the Code of Conduct & Ethics policy which provides guidance on the standards of behaviour expected of all Directors, Employees and Associates of the Group.

The Code of Conduct & Ethics clearly sets out the expectations for managing conflict of interest, preventing anti-bribery and corruption, whistleblowing, the “No Gifts” policy, and other ethical business practices expected for adherence.

The Group has conducted ongoing educational and awareness briefings on the Company’s ABC Policy to inculcate ethical culture and integrity in selected subsidiaries of the Group.

2. Delegation of Authority and Responsibilities

The respective Board Committee’s terms of reference define the delegation of responsibilities to the various board committees.

The Group also defined limits of authority, which set out the approving limits assigned and delegated to each approving authority within the Group.

3. Risk Management

The GGRM Department leads the development, implementation, and review of the ERM Framework, as well as supporting processes and systems.

The BRC receives risk management information from this department and subsequently reports the Group’s risk management matters to the Board.

4. Documented Policies and Procedures

The Group has developed and maintained internal policies, guidelines, and procedures, which are reviewed and revised periodically, to meet changing business and operational requirements and statutory reporting needs.

The internal policies which have been established as follows:

- Code of Conduct & Ethics
- ABC Policy
- Whistleblowing Policy
- ERM Policy
- Sustainability Policy
- Project Investment Framework
- Compliance Management Policy
- Business Continuity Management Policy
- Sanctions Policy
- Anti-Sexual Harassment Policy
- Donation and Sponsorship Policy
- Personal Protection Data Notice
- Fit & Proper Policy for Directors and Key Officers
- IT Policy
- Remuneration Policy & Procedures

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5. Technology Ecosystem

The Group owns the source codes and blueprints for all existing software applications including key platforms such as the eWorld website, DXN app, DChat app, personal websites, Online Billing System (“OBS”), Enterprise Resource Planning System (“ERP”), Accounting Information System (“ACIS”) and Centralised Processing System (“CPS”).

6. Quality Control

The Quality department is responsible for maintaining quality standards throughout the production process, in which the results are demonstrated through the achievement of the following key accreditations:

- ISO 9001:2015
- ISO 14001:2015
- ISO 22716:2007
- MS ISO/IEC 17025:2017
- myOrganic Certificate
- EU Organic Certificate
- USDA-NOP Certificate
- GMP
- HACCP
- Halal Certificate

7. Performance Monitoring and Reporting

The Group carries out ongoing performance monitoring and reporting on various areas, including but not limited to:

- Operational results: The Executive Committee is responsible for monitoring the progress and performance of the operation;
- Staff performance: Each employee is required to undertake annual employee performance appraisal based on relevant key performance indicators; and
- Independent review: The Group’s GIA department which reports functionally to the BAC, performs risk-based audits and highlights key control issues and recommendations for improvement to Management and BAC. The Group appoints an independent external audit firm to examine the Group’s financial records on an annual basis.

INTERNAL AUDIT FUNCTION

The in-house internal audit function is led by the Head of GIA who is an associate member of The Institute of Internal Auditors Malaysia (“IIAM”).

As of 29 February 2024, the GIA comprises a team of thirteen (13) auditors, all of whom hold tertiary or professional qualifications. Several members are Certified Internal Auditor (“CIA”).

Headcount in the GIA by position and by country:

	Headcount (by Country)				
Position	Malaysia	India	Philippines	Mexico	Total
Head of Department	1				1
Manager	2			1	3
Section Manager	1				1
Senior Executive	4	1	1		6
Executive	1	1			2
TOTAL	9	2	1	1	13

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Head of GIA and the auditors have confirmed that they are free from any relationships or conflicts of interest which could impair their objectivity and independence in the audit assignments.

The independent GIA, undertakes regular and systematic reviews of the risk management and internal controls systems to provide sufficient assurance that the Group has in place sound risk management, internal controls, and governance systems.

The GIA maintains its impartiality, proficiency, and professional care when executing its plans and reports directly to the BAC. The GIA's mission, scope, accountability, independence, responsibilities, and authority are described in the Internal Audit Charter. GIA has also established an internal process that requires individual declarations confirming that the assigned internal auditor is free from any relationships or conflicts of interest that could impair objectivity and independence.

All internal audit assignments are based on the risk-based internal audit methodology. The Group's risk-based internal audit plan was drawn up, considering the potential high-risk areas identified based on the risk level and control assessment conducted by the GIA, and discussed with the CEO, before reviewed and approved by BAC prior to the commencement of the audits.

A private meeting without the presence of the Management and Executive Directors is held with the Chairman of the BAC during the year to discuss the internal audit plan. The risk-based internal audit plan covers the review of key operational and financial activities, including the effectiveness of internal control practices and compliance with Group policies and procedures and relevant laws and regulations.

The audit reports, including significant findings regarding any non-compliance/process improvement, recommendations based on root-cause analysis, and overall audit conclusion, were highlighted for the Management's attention, and are subject to quarterly reviews by the BAC. Measures and agreed actions by Management to address the improvement areas highlighted are followed up and reviewed on a timely basis.

During FY2024, GIA conducted twenty nine (29) audit assignments to review the adequacy of the internal control on business operations for sales branches and manufacturing entities, information technology general control, cybersecurity, related party transactions, as well as the effectiveness of internal control pertaining to ABC Policy on selected entities within the Group based on the GIA's risk-based audit methodology.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for FY2024, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects:

- a) has not been prepared in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

The Statement does not cover the associate as disclosed in Note 8 of the financial statements.

CONCLUSION

The Board has received assurance from the Executive Director and CEO (Mr. Teoh Hang Ching, for financial year under review until his resignation), CEO (Mr. Prajith Pavithran, for the period commencing his appointment until current) and Chief Financial Officer that the Group's risk management and internal control system are operating, in all material respects, adequately and effectively for FY2024 and up to the date of this Statement.

Accordingly, the Board is of the view that the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require separate disclosure in the Group's annual report. Nevertheless, the Board, through the BRC, BAC and the KSM, shall continue to take the appropriate and necessary measures to continuously improve the Group's risk management and internal control system to meet the Group's corporate objectives.

This Statement was approved by the Board of Directors.

BOARD AUDIT COMMITTEE REPORT

The Board of Directors ("the Board") of DXN Holdings Bhd. ("DXN" or "the Company") is pleased to present the report from the Board Audit Committee ("BAC") for the financial year ended 29 February 2024 ("FY2024") ("Report"). The Report provides insight into the approach taken by the BAC in discharging its functions during FY2024.

The BAC was established by the Board on 10 February 2022 to assist the Board in fulfilling its oversight responsibilities concerning the financial reporting process and audit process of the Company and its subsidiaries ("DXN Group" or "the Group").

The BAC, formerly known as the Audit Committee, adopted its present name on 23 April 2024 to differentiate itself from other committees within the governance framework in the Group. The updated name underscores the BAC's direct link to the overall board structure and its responsibility for maintaining integrity, accountability and transparency in financial oversight.

COMPOSITION

On 6 October 2023, Ms. Ong Huey Min joined the BAC. The BAC comprises exclusively of Independent Non-Executive Directors, and the current composition is as follows. No alternate Director is appointed as a member of BAC.

Designation	Name
Chairman	Abraham Verghese A/L T V Abraham
Members	Yang Mulia Tunku Afwida binti Tunku A. Malek Stefan Heitmann Ong Huey Min (appointed on 6 October 2023)

The BAC is chaired by Mr. Abraham Verghese. In line with Practice 9.1 of the Malaysian Code of Corporate Governance ("MCCG") 2021, the Chairman of the BAC is distinct from Chairman of the Board. Mr. Abraham holds professional qualification from the Association of Chartered Certified Accountants ("ACCA") since 1982 and has been a fellow member of the ACCA since 1987. Additionally, he is a member of the Malaysian Institute of Certified Public Accountants ("MICPA"), Malaysian Institute of Accountants ("MIA") and the Institute of Corporate Directors Malaysia ("ICDM").

Mr. Abraham brings over three (3) decades of experience in accounting, auditing and financial consulting including expertise in initial public offerings, corporatisation, and privatisation across various industries. In the BAC, he is complemented by three (3) members, each with extensive professional backgrounds ranging from corporate finance, tax advisory (including compliance and funding advisory-related services), equity analysis and healthcare consulting. The BAC adheres to a policy requiring a cooling-off period of at least three (3) years for former partners of the Company's external auditors before they can be appointed as BAC members. As of the date of this Report, except for Ong Huey Min, none of our BAC members were former partners of our external auditors. She retired as a tax partner of an affiliate firm of our external auditors in 2014.

The BAC operates under its published Terms of Reference ("TOR") which is available on the corporate website at www.dxn2u.com. The TOR was updated on 25 October 2023 to enhance administrative processes and to align with changes to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") on conflict of interest.

MEETINGS

Eight (8) meetings were held during FY2024. The record of attendance is set out in the Corporate Governance Overview Statement in this Annual Report.

The BAC meetings were appropriately structured through the use of agenda and relevant meeting materials, which were distributed to all members with sufficient notice. The Key Senior Management team (inclusive Executive Board Members) as well as representatives of the external and internal auditors were invited, as and when the need arose, to attend and brief the BAC on specific issues.

The Company Secretary was the Secretary of the BAC and was responsible, together with the BAC Chairman, for drafting the agenda and circulating it prior to each meeting.

The minutes of each BAC meeting were recorded and tabled for confirmation at the following meeting and subsequently presented to the Board for notation. The BAC Chairman reported to the Board on the activities undertaken and key recommendations for the Board's consideration and decision-making.

BOARD AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE BAC DURING FY2024

The BAC had carried out its duties in accordance with its TOR, and the key activities undertaken during FY2024 were as follows:

A Financial Reporting

- (1) Reviewed the unaudited quarterly financial results of the Group. The reviews ensured that the Group’s financial reporting and disclosures presented a true and fair view of the Group’s financial position and performance as well as complied with the MMLR, applicable accounting standards and other legal requirements.
- (2) Reviewed significant matters highlighted, including financial reporting issues, significant judgments made by management, significant and unusual events and/or transactions, significant adjustments arising from the audit and how these matters are addressed.
- (3) Reviewed the audited financial statements of the Company and the Group, which cover the financial position and performance of the year, to ensure they are presented on a true and fair view and complied with all disclosures and regulatory requirements, and recommended the audited financial statements to the Board for approval.
- (4) Reviewed relevant issues which have or could impact the financial position, performance or results materially.

B External Audit

- (1) Discussed with the external auditors their audit plan outlining their scope of work, areas of audit emphasis, possible key audit matters, updates on financial reporting, audit timeline, deliverables and proposed audit fees.
- (2) Reviewed and approved the reports issued by the external auditors and recommended the same to the Board for approval and adoption.
- (3) Held two (2) private sessions with the external auditors in the absence of management and Executive Board Members to discuss audit matters of concern arising from their interim and final audits and any other observations that they may have during the audit process and arising therefrom, instructing management to take needful remedial actions.
- (4) Assessed the coordination efforts and level of cooperation between the Group’s management team and the external auditors and problems encountered during the audit work, including any restrictions on the scope of the activities or access to required information.
- (5) Reviewed and evaluated the performance and effectiveness of the external auditors vis-à-vis suitability, objectivity, team competency, service level and independence. The BAC was satisfied with the external auditors’ performance and made its recommendation to the Board on their re-appointment at the forthcoming annual general meeting.
- (6) Reviewed the non-audit services provided by the external auditors and/or firms affiliated to the external auditors to the Group.

C Internal Audit

- (1) Reviewed and approved the internal audit plan to ensure the scope is adequate and there is a comprehensive coverage of the Group’s activities. The review also included an assessment of the resources (including human capital and necessary authority) required within the Group Internal Audit (GIA) department to carry out the audit assignments on key business units as well as support functions of the Group.
- (2) Reviewed Internal Audit Reports issued by the GIA and monitored the implementation of management action plans for outstanding issues on a quarterly basis to ensure that all key risks and control weaknesses were properly addressed.
- (3) Reviewed, appraised and assessed the performance of the Head of GIA.
- (4) Ensured the internal audit function is independent of the activities it audits and the Head of GIA reports to the BAC directly.
- (5) Took cognisance of resignation of GIA staff members and the reason(s) for these resignation(s).

BOARD AUDIT COMMITTEE REPORT

D Related Party Transactions and Conflict of Interest

- (1) Reviewed any conflict of interest or potential conflict of interest situation involving Directors or Key Senior Management and recommended measures to be taken to resolve, eliminate or mitigate such conflicts for Board’s deliberation and approval.
- (2) Reviewed Related Party Transactions (“RPT”) (inclusive of Recurrent Related Party Transactions (“RRPT”)) of the Group presented by management and ensured that these transactions were undertaken in the best interest of the Company, fair, reasonable, and on normal commercial terms as well as not detrimental to the interest of the minority shareholders and recommended to the non-interested Director for approval.
- (3) Reviewed the draft Circular to Shareholders concerning the proposed new shareholders’ mandate for RRPT of a revenue or trading in nature before submitting the same to the Board for consideration and approval as well as to Bursa Securities for perusal and approval.

E Compliance and Others

- (1) Discussed and reviewed non-compliance issues reported by management.
- (2) Undertook continuous professional development or training to keep abreast with relevant developments in accounting and auditing standards, practice, and rules or in any other relevant areas.
- (3) Reviewed the BAC Report and the Statement on Risk Management and Internal Control before recommending to the Board for approval for inclusion in the FY2024 Annual Report.

INTERNAL AUDIT FUNCTION

The GIA is responsible for the internal audit function within the Group. Ms. Teoh Soo Kim, an associate member of The Institute of Internal Auditors Malaysia (“IIAM”), has been leading the GIA since 2010. She is supported by twelve (12) staff members who hold tertiary or professional qualifications in various fields of study. Some of the auditors are Certified Internal Auditor (“CIA”) under The Institute of Internal Auditors (“IIA”).

Most importantly, both Ms. Teoh and her team have confirmed that they maintain independence and objectivity in their audit assignments, free from any relationships or conflicts of interest. The GIA maintains its impartiality, proficiency and professional care when executing its plans and reports directly to the BAC.

The GIA adheres to a risk-based internal audit methodology closely aligned with the International Professional Practices Framework issued by IIA. The GIA reports directly to the BAC and ensures impartiality, proficiency, and professional care in its execution.

During FY2024, the GIA conducted twenty nine (29) audit assignments. These assignments included review of the adequacy of the internal control systems on business operations covering sales branches and manufacturing, information technology general control, cybersecurity and related party transactions. Additionally, the GIA assessed the effectiveness of the Group’s internal control system in alignment with the Group’s ABC Policy.

BOARD AUDIT COMMITTEE REPORT

SUMMARY OF THE INTERNAL AUDIT ACTIVITIES CARRIED OUT DURING FY2024

- Prepared and presented a risk-based annual internal audit plan for the Group for the approval of the BAC.
- Carried out operational audits on the Group's key business units and support functions according to the annual internal audit plan to ascertain the presence of a proper risk management system and adequacy of the internal control system. Key control issues and recommendations for improvement were highlighted to enable the BAC to execute its oversight function.
- Issued Internal Audit Reports to the BAC and management, providing results of the assessments of internal controls, identifying key areas of concern as well as highlighting recommendations for improvements. Results of the internal audit reviews were reported to the BAC on a quarterly basis.
- Performed follow-up reviews to ensure that audit recommendations and agreed action plans were implemented by management in a timely manner.
- Reviewed RPT (inclusive of RRPT) and conflicts of interest situations that may arise within the Company and the Group. Reported to the BAC on the adequacy, appropriateness, and compliance with the procedures established to monitor RRPTs.

The operation cost incurred for the internal audit function of the Group in respect of the FY2024 amounted to RM1,099,017. Details of the internal audit function are disclosed in the Statement on Risk Management and Internal Control in this Annual Report.

The Board Audit Committee Report was approved by the Board of Directors.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The utilisation of proceeds raised from the Public Issue of RM112.0 million is as follows:

Details of Use of Proceed	Estimated Timeframe for Use from the Date of Listing	Amount (RM'000)	Actual Amount of Utilisation (RM'000)	Unutilised Amount (RM'000)
Repayment of bank borrowing	Within 12 months	80,000	(80,000)	-
Working capital	Within 6 months	7,913	(7,913)	-
Estimated listing expenses	Within 3 months	24,087	(24,087)	-
Total		112,000	(112,000)	-

2. AUDIT AND NON-AUDIT FEES

The fees payable to KPMG PLT and its affiliates in relation to the audit and non-audit services rendered to the Company and its subsidiaries for the financial year ended 29 February 2024 are as follows:

	The Company (RM'000)	The Group (RM'000)
Audit fees	100	1,625
Non-audit fees	125	199
Total	225	1,824

Non-audit fees consists of professional fees incurred for tax compliance services, review of Statement on Risk Management and Internal Control and review of interim financial statements.

3. MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE AND MAJOR SHAREHOLDERS' INTEREST

Save as disclosed in the prospectus dated 28 April 2023 in connection with the Company's IPO exercise, there were no material contracts (not being contracts entered into in the ordinary course of business) which had been entered into by the Company and its subsidiaries involving the interest of the directors, chief executive or major shareholders, either still subsisting at the end of the financial year ended at 29 February 2024 or entered into since the end of the previous period.

ADDITIONAL COMPLIANCE INFORMATION

UPDATES ON NON-COMPLIANCES WITH THE RELEVANT LAWS, REGULATIONS, RULES AND REQUIREMENTS GOVERNING THE CONDUCT OF THE OPERATIONS OF MATERIAL SUBSIDIARIES OF OUR GROUP AS DISCLOSED AS AT 31 MAY 2024

Malaysia

No.	Property Title/Description	Status Updates as at 31 May 2024
1.	GM 1109 Lot 2116 and GM1134, Lot 2150, Mukim Malau, Daerah Kubang Pasu, Negeri Kedah	• Buildings (surau/toilet) at lot 2150 had been demolished on 4 April 2023.
		• Buildings at lot 2116 will be demolished before the construction of four (4) units of new building on the site - warehouse, office, canteen and guard post.
		• New Kebenaran Merancang (“KM”) for these four (4) buildings had been submitted on 6 April 2023 and obtained full approval or “Lulus Penuh” on 31 July 2023.
		• We had received KM’s endorsement from Kubang Pasu Municipal Council (“KPMC”) on 01 September 2023. Currently we are in progress to appoint consultant for Kebenaran Merancang Terhad (“KMT”) and Permit Sementara (“PS”) application to KPMC.
2.	Lot 1319, 832, 833 and 60041, Mukim Malau, District of Kubang Pasu, State of Kedah	• All Buildings at lot 60041 had been completely demolished on 13 April 2023.
		• All buildings except Spray dry building, two (2) units of Spirulina pond and machinery store at Lot 1319 had been demolished on 13 April 2023.
		• KMT approval was obtained on 25 July 2023 and PS approval was obtained on 7 February 2024 for five (5) years for all remaining buildings at Lot 1319.
		• KMT Application for Lot 832 and 833 was obtained on 25 July 2023 and PS approval was obtained on 21 December 2023 for five (5) years. Status: Closed.
3.	Lot 618 & 619, Mukim Malau, District of Kubang Pasu, State of Kedah	• KM for lot 618 and 619 had been submitted on 13 October 2022 and obtained full approval by KPMC on 13 March 2023.
		• Online submission on Building Plan (“BP”) had been done on 27 April 2023 but was rejected. We had re-submitted BP application on 23 August 2023.
		• We obtained “Lulus Penuh” on 11 December 2023 and received endorsement plan on 21 January 2024. Status: Closed.
4.	Lot 2149, Mukim Malau, District of Kubang Pasu, State of Kedah	• KM and building plan had been submitted on 10 March 2020 and KPMC had commented on the building plan.
		• Pelan Tunai Syarat for endorsement had been submitted to KPMC on 10 July 2023 and received Development Charge amount (RM33,000) from KPMC on 18 December 2023. Payment has been made on 03 April 2024. Currently pending receipt and feedback from KPMC.

ADDITIONAL COMPLIANCE INFORMATION

UPDATES ON NON-COMPLIANCES WITH THE RELEVANT LAWS, REGULATIONS, RULES AND REQUIREMENTS GOVERNING THE CONDUCT OF THE OPERATIONS OF MATERIAL SUBSIDIARIES OF OUR GROUP AS DISCLOSED AS AT 31 MAY 2024

	India	
	a) Daxen Agritech	
No.	Property Title/Description	Status Updates as at 31 May 2024
1.	Non-filing of Form Foreign Currency – Transfer of Shares (“FCTRS”) and non-payment of consideration amount for transfer of shares from an Indian resident shareholder to a non-Indian resident	• Post numerous follow-ups and meetings we have received the signed documents from Mr. Mathew in May 2024. However, since those were dated September, 2023, the related banking documents dated beyond eight (8) months have expired as per the bank officials. Hence, we are sending few additional documents to get the same signed on current date.
2.	Non-reporting of downstream investment in DXN Marketing India	• As this non-compliance can be regularised after regularisation of FCTRS and DPIIT, the reporting made to the RBI has been rejected on FCTRS of necessary documents which can only be furnished post regularisation of FCTRS and DPIIT.
	b) DXN Marketing India	
3.	Non-receipt of approval from Department for Promotion of Industry and Internal Trade (“DPIIT”) in relation to foreign investment exceeding 49% equity interest in DXN Marketing India	<div>• This stand approved by the DPIIT (Ministry of Finance) and we have been suggested to file the compounding application before RBI.</div> <div>• Compounding application was submitted to RBI Chennai and RBI Mumbai. However, the jurisdiction of the respective office for processing of the application is under internal discussion of RBI. We are regularly following up.</div>
	c) ESEN Lifesciences	
4.	FCTRS	• The documents have already been shared with them for signatures. However, no response from them. Considering the influential status of the sellers, the legal notice filed against them seeking the cooperation, has been withdrawn.
	China	
	Anxi Gande	
1.	Disposal of all shares in Florin Fujian	• DXN Corporation has entered into an agreement to dispose Florian Fujian (including Anxi Gande as it is a wholly owned subsidiary of Florin Fujian) on 17 May 2022.
		• DXN has extended the deadline for the buyer to complete the share transfer process and disposal agreement until 30 June 2023.
		• The Share Sales Agreement (“SSA”) had been terminated on 5 th of July, 2023 by both parties.
		• DXN has entered into a legal dispute with shareholders of Florin Fujian to regain control and ownership of Florin Fujian.
2.	Demolition of factory and guard booth	• Is yet to be rectified due to the ongoing litigation with shareholders of Florin Fujian.
3.	Two (2) plots of leased land that did not obtain 2/3 consent from Anxi Gande Huaidong village members	• Is yet to be rectified due to the ongoing litigation with shareholders of Florin Fujian.
4.	Anxi Gande Foluohua environmental appraisal	• Is yet to be rectified due to the ongoing litigation with shareholders of Florin Fujian.

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DIRECTORS' REPORT

for the year ended 29 February 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 29 February 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services whilst the principal activities and details of the subsidiaries are disclosed in Note 7 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to :		
- Owners of the Company	310,994	115,184
- Non-controlling interests	12,972	-
	323,966	115,184

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid by the Company were as follows :

- i) In respect of financial year ended 28 February 2023 as reported in the Directors' Report of that year :
 - a second interim dividend of approximately 8.31 sen per ordinary share totalling RM20,000,000 declared on 6 March 2023 and paid on 13 March 2023.
- ii) In respect of financial year ended 29 February 2024 :
 - a first interim dividend of 0.80 sen per ordinary share totalling RM39,880,000 declared on 28 July 2023 and paid on 30 August 2023;
 - a second interim dividend of 0.90 sen per ordinary share (excluding treasury shares) totalling RM44,852,000 declared on 25 October 2023 and paid on 30 November 2023;
 - a third interim dividend of 0.90 sen per ordinary share (excluding treasury shares) totalling RM44,852,000 declared on 24 January 2024 and paid on 8 March 2024; and
 - a fourth interim dividend of 1.00 sen per ordinary share (excluding treasury shares) totalling RM49,728,000 declared on 23 April 2024 and paid on 30 May 2024.

The Directors do not recommend any other dividends to be paid for the financial year ended 29 February 2024.

DIRECTORS’ REPORT
for the year ended 29 February 2024

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are :

Datuk Lim Siow Jin
Dato’ Lim Boon Yee
Vibhav Panandiker
Datuk Noripah Binti Kamso
Yang Mulia Tunku Afwida Binti Tunku A. Malek
Abraham Verghese A/L T V Abraham
Stefan Heitmann
Ong Huey Min
Teoh Hang Ching (Resigned on 1 June 2024)

DIRECTORS OF THE SUBSIDIARIES

The Directors who served on the boards of the Company’s subsidiaries (other than Directors of the Company) during the financial year until the date of this report are disclosed in Appendix I to the financial statements.

DIRECTORS’ INTERESTS IN SHARES

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses and/or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors’ Shareholdings are as follows :

	Number of ordinary shares					
	Balance at 1.3.2023	Bonus issue	Allotment	Bought	(Sold)	Balance at 29.2.2024
Interests in the Company						
<u>Direct interests</u>						
Datuk Lim Siow Jin	-	-	-	938,800	-	938,800
Teoh Hang Ching	-	-	830,000	-	-	830,000
Dato' Lim Boon Yee	-	-	5,000,000	715,000	(4,000,000)	1,715,000
Datuk Noripah Binti Kamso	-	-	200,000	-	-	200,000
<u>Deemed interests</u>						
Datuk Lim Siow Jin ^(a)	178,870,941	3,405,769,164	-	4,315,700	(194,175,000)	3,394,780,805
Teoh Hang Ching ^(b)	-	-	75,000	-	-	75,000
Ong Huey Min ^(b)	-	-	-	140,000	-	140,000
	Number of ordinary shares of Pakistan Rupee 10 each					
	Balance at 1.3.2023	Bonus issue	Allotment	Bought	(Sold)	Balance at 29.2.2024
Interest in a subsidiary						
– DXN International Pakistan (Private) Limited						
<u>Direct interest</u>						
Dato' Lim Boon Yee	1	-	-	-	-	1

DIRECTORS’ REPORT
for the year ended 29 February 2024

DIRECTORS’ INTERESTS IN SHARES (CONTINUED)

	Options over ordinary shares			
	Balance at			Balance at
	1.3.2023	Granted	(Exercised)	29.2.2024
Interests in the Company				
<u>Direct interests</u>				
Datuk Lim Siow Jin	-	3,000,000	-	3,000,000
Teoh Hang Ching	-	2,500,000	-	2,500,000
Dato' Lim Boon Yee	-	250,000	-	250,000
Datuk Noripah Binti Kamso	-	200,000	-	200,000
Yang Mulia Tunku Afwida Binti Tunku A. Malek	-	200,000	-	200,000
Stefan Heitmann	-	200,000	-	200,000
Ong Huey Min	-	200,000	-	200,000

Notes :

- (a) Deemed interested by virtue of his shareholding in LSJ Global Sdn. Bhd. (“LSJ Global”), pursuant to Section 8(4) of the Companies Act 2016, of which 14,140,105 (2023 : 705,581) ordinary shares and 1,254,500,000 (2023 : 62,598,640) ordinary shares in the Company are held on trust by LSJ Global for Datuk Lim Siow Jin and his spouse, Datin Leong Bee Ling, respectively.
- (b) Held in the name of the spouse/children and are regarded as interests of the Directors in accordance with the Companies Act 2016.

By virtue of his interests in the ordinary shares of the Company, Datuk Lim Siow Jin is also deemed to be interested in the shares of the Company’s subsidiaries to the extent that the Company has an interest.

Save for the above, none of the other Directors holding office at 29 February 2024 had any interest in the shares and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS’ BENEFITS

Since the end of the previous financial year, no Director has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors, companies in which certain Directors have a substantial financial interest and a foundation in which its patron and Directors are Directors of the Group which traded in the ordinary course of business, received donations from, sold insurance policies and rented premises to the Group.

The benefits paid to or receivable by Directors of the Company in respect of the financial year ended 29 February 2024 are as follows :

	From the Company	From subsidiaries
	RM’000	RM’000
Fees	393	-
Remuneration	3,931	389
Estimated monetary value of benefits-in-kind	22	-
Share-based payments	357	-
	4,703	389

DIRECTORS’ REPORT
for the year ended 29 February 2024

DIRECTORS’ BENEFITS (CONTINUED)

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the options granted pursuant to the Company’s Employees’ Share Option Scheme (“ESOS”) as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, 4,584,236,000 new ordinary shares were issued by the Company pursuant to a bonus issue exercise on the basis of approximately 19 new ordinary shares for every 1 existing share held. Thereafter, 160,000,000 new ordinary shares were issued to retail investors at RM0.70 per share pursuant to the Company’s Initial Public Offering.

Arising from the above, the issued and paid-up capital of the Company was increased from RM60.191 million to RM218.033 million, and the listing expenses arising from the issuance of new ordinary shares amounting to RM3.413 million were offset against share capital. The enlarged issued ordinary shares of the Company were listed on the Main Market of Bursa Malaysia Securities Berhad on 19 May 2023.

There were no other changes in the issued and paid-up capital of the Company and no debentures were issued during the financial year.

TREASURY SHARES

The shareholders of the Company, via an ordinary resolution passed in the Annual General Meeting held on 21 August 2023, approved for the Company to repurchase its own shares up to 10% of its issued and paid-up share capital.

During the financial year, the Company repurchased 12.239 million of its issued ordinary shares from the open market at an average price of RM0.64 per share. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

As at 29 February 2024, the number of treasury shares held 12.239 million (2023 : Nil) ordinary shares. Such treasury shares are held at the carrying amount of RM7.819 million (2023 : Nil) and further relevant details are disclosed in Note 19.2 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year other than the options granted pursuant to the Company's ESOS as disclosed in the financial statements.

EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”)

At the Extraordinary General Meeting held on 25 May 2022, the Company’s shareholders approved the establishment of the ESOS of up to 5% of the total number of issued shares of the Company (excluding treasury shares) to eligible Directors and employees of the Group (excluding subsidiaries which are dormant). The ESOS is administered by the ESOS Committee in accordance with the By-Laws of the ESOS and shall be in force for a period of 5 years from 18 May 2023.

	Number of options		Exercise price
	'000	Vesting period	RM/share
Tranche 1	6,000	18 May 2023 to 31 December 2023	0.70
Tranche 2	6,000	1 January 2024 to 31 December 2024	0.70
Tranche 3	6,000	1 January 2025 to 31 December 2025	0.70
Tranche 4	6,000	1 January 2026 to 31 December 2026	0.70
Tranche 5	6,000	1 January 2027 to 31 December 2027	0.70
	30,000		

DIRECTORS’ REPORT
for the year ended 29 February 2024

EMPLOYEES’ SHARE OPTION SCHEME ("ESOS") (CONTINUED)

The options offered to take up unissued ordinary shares of the Company are as follows :

Date of offer	Expiry date	Exercise price	Number of options over ordinary shares			
			At 1.3.2023	Granted	(Forfeited)	At 29.2.2024
		RM	'000	'000	'000	'000
18.5.2023	31.12.2027	0.70	-	30,000	(11,662)	18,338

The salient features of the ESOS are, *inter alia*, as follows :

- (a) The ESOS shall be in force for a duration of 5 years from 18 May 2023 (“ESOS Period”) and may be extended at the discretion of the Board upon the recommendation of the ESOS Committee provided that the ESOS Period shall not in aggregate exceed a duration of 10 years from 18 May 2023 or such longer period as may be allowed by the relevant authorities;
- (b) The total number of shares which may be issued and allocated under the ESOS scheme shall not in aggregate exceed 5% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the ESOS Period;
- (c) Eligible Persons are employees employed by and are on the payroll of any company in the Group (excluding subsidiaries which are dormant) and his/her employment has been confirmed by the Company, who is at least 18 years of age and is not undischarged bankrupt nor subject to any bankruptcy proceedings;
- (d) Not more than 10% of the aggregate number of shares to be issued under the ESOS shall be allocated to any individual Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any);
- (e) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of and not less than 100 shares;
- (f) The option price shall be determined based on the 5-days volume weighted average market price of the Company’s shares immediately preceding the date of offer with a discount of not more than 10%;
- (g) The new shares to be allotted and issued upon exercise of the ESOS options shall, upon allotment and issuance, rank equally in all respects with the then existing issued share capital of the Company, save and except that the new shares so allotted and issued will not be entitled to any rights, dividend, allotment and/or distribution which may be declared, made or paid to the shareholders of the Company the entitlement date of which is prior to the date of exercise of the ESOS options; and
- (h) The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

INDEMNITY AND INSURANCE COSTS

The total cost of insurance effected for the Directors and officers of the Group and of the Company is RM60,184 for a total sum insured of RM30,000,000.

There was no indemnity given to or insurance effected for the auditors of the Company during the financial year.

DIRECTORS’ REPORT
for the year ended 29 February 2024

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances :

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist :

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, and
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, other than those expenses incurred in relation to the Company’s Initial Public Offering and the impairment of investments in subsidiaries and amounts owing from subsidiaries as disclosed in Note 25, the financial performance of the Group and of the Company for the financial year ended 29 February 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIFFERENT FINANCIAL YEAR END OF SUBSIDIARIES

DXN Peru S.A.C. (“DXN Peru”) is a subsidiary of DXN International Holding Limited, which in turn, is a wholly-owned subsidiary of the Company. Due to local requirements, DXN Peru has adopted 31 December as its statutory financial year end, which do not coincide with that of the Company.

The Directors of the Company have been granted approval under Section 247(3) of the Companies Act 2016 by the Companies Commission of Malaysia (“CCM”) for DXN Peru to have a different financial year end from that of the Company for the financial year ended 29 February 2024.

The Directors have yet to obtain the approval from CCM for the remaining subsidiaries and sub-subsidiaries with positions similar to that of DXN Peru.

SIGNIFICANT EVENTS

The details of such events are disclosed in Note 36 to the financial statements.

DIRECTORS’ REPORT
for the year ended 29 February 2024

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The audit and non-audit remuneration of the Group and of the Company during the year are as follows :

	Group RM’000	Company RM’000
Audit fees		
- KPMG PLT and affiliates	1,625	100
- Other auditors	420	-
	2,045	100
Non-audit fees		
- KPMG PLT and affiliates	199	125
	2,244	225

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

Datuk Lim Siow Jin
Director

Dato’ Lim Boon Yee
Director

Date : 28 June 2024

STATEMENTS OF FINANCIAL POSITION

as at 29 February 2024

	Note	Group	28.2.2023	Company	28.2.2023
		29.2.2024		29.2.2024	
		RM'000	RM'000	RM'000	RM'000
Assets					
Property, plant and equipment	3	752,596	646,461	165,941	147,136
Right-of-use assets	4	45,747	32,775	13,851	-
Investment properties	5	6,758	6,855	-	-
Intangible assets	6	5,641	79	112	93
Investments in subsidiaries	7	-	-	260,039	239,246
Investment in an associate	8	-	-	-	-
Investment in a joint venture	9	-	-	-	-
Deferred tax assets	10	120,317	106,022	1,073	188
Prepayments	11	25,523	14,683	9,913	-
Other receivables	15	-	-	37,719	34,119
Total non-current assets		956,582	806,875	488,648	420,782
Biological assets	12	366	1,515	-	-
Inventories	13	334,061	323,127	-	-
Contract assets	14	935	643	-	-
Trade and other receivables	15	108,752	114,421	125,125	109,285
Current tax assets		56,212	9,943	17,911	-
Short term investments	16	77,769	44,378	37,410	28,248
Cash and cash equivalents	17	564,390	459,035	36,529	23,000
Total current assets		1,142,485	953,062	216,975	160,533
Total assets		2,099,067	1,759,937	705,623	581,315

STATEMENTS OF FINANCIAL POSITION

as at 29 February 2024

	Note	Group	28.2.2023	Company	28.2.2023
		29.2.2024		29.2.2024	
		RM'000	RM'000	RM'000	RM'000
Equity					
Share capital	18	214,620	60,191	214,620	60,191
Reserves	19	1,063,682	902,888	187,589	274,650
Equity attributable to owners of the Company		1,278,302	963,079	402,209	334,841
Non-controlling interests		79,961	62,052	-	-
Total equity		1,358,263	1,025,131	402,209	334,841
Liabilities					
Loans and borrowings	20	3,065	49,709	1,416	46,746
Employee benefits	21	6,727	5,266	-	-
Lease liabilities		12,313	12,454	-	-
Deferred tax liabilities	10	12,183	13,468	-	-
Total non-current liabilities		34,288	80,897	1,416	46,746
Loans and borrowings	20	162,357	187,861	159,738	185,714
Lease liabilities		7,935	8,891	-	-
Trade and other payables, including derivatives	22	501,689	396,819	142,260	11,853
Current tax liabilities		34,535	60,338	-	2,161
Total current liabilities		706,516	653,909	301,998	199,728
Total liabilities		740,804	734,806	303,414	246,474
Total equity and liabilities		2,099,067	1,759,937	705,623	581,315

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 29 February 2024

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Revenue	23	1,803,214	1,600,814	220,174	224,309
Other income		19,509	17,063	12,769	9,676
Changes in work-in-progress and manufactured inventories		16,859	57,253	-	-
Raw materials used and trading inventories sold		(307,983)	(286,838)	-	-
Depreciation and amortisation		(55,604)	(38,908)	(4,918)	(3,796)
Employee benefits expense	24	(171,833)	(151,340)	(26,914)	(19,432)
Net loss on impairment of financial assets	25	(1,145)	(161)	(27,889)	(13,256)
Other expenses		(821,474)	(740,408)	(64,109)	(30,610)
Results from operating activities	25	481,543	457,475	109,113	166,891
Interest income		10,825	3,872	6,481	4,183
Finance costs	26	(13,361)	(5,832)	(11,954)	(5,529)
Profit before tax		479,007	455,515	103,640	165,545
Tax expense	27	(155,041)	(166,188)	11,544	(11,316)
Profit for the year		323,966	289,327	115,184	154,229
Other comprehensive income/(expense), net of tax :					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		57,347	(5,811)	-	-
Total comprehensive income for the year		381,313	283,516	115,184	154,229
Profit attributable to :					
Owners of the Company		310,994	275,396	115,184	154,229
Non-controlling interests		12,972	13,931	-	-
Profit for the year		323,966	289,327	115,184	154,229
Total comprehensive income attributable to :					
Owners of the Company		363,039	272,340	115,184	154,229
Non-controlling interests		18,274	11,176	-	-
Total comprehensive income for the year		381,313	283,516	115,184	154,229
Basic earnings per ordinary share (sen)	28	6.28	5.71		
Diluted earnings per ordinary share (sen)	28	6.28	5.71		

The notes on pages 144 to 218 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 29 February 2024

	Attributable to owners of the Company							
	Non-distributable				Distributable			
	Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group								
At 1 March 2022	60,191	-	(2,309)	-	702,857	760,739	50,876	811,615
Profit for the year	-	-	-	-	275,396	275,396	13,931	289,327
Foreign currency translation differences for foreign operations representing other comprehensive expense for the year	-	-	(3,056)	-	-	(3,056)	(2,755)	(5,811)
Total comprehensive (expense)/income for the year	-	-	(3,056)	-	275,396	272,340	11,176	283,516
Dividends paid to owners of the Company (Note 29)	-	-	-	-	(70,000)	(70,000)	-	(70,000)
At 28 February 2023	60,191	-	(5,365)	-	908,253	963,079	62,052	1,025,131
	Note 18		Note 19		Note 19			

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 29 February 2024

Group	Attributable to owners of the Company							
	Non-distributable				Distributable			
	Share capital	Treasury shares	Translation reserve	Share option reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 March 2023	60,191	-	(5,365)	-	908,253	963,079	62,052	1,025,131
Profit for the year	-	-	-	-	310,994	310,994	12,972	323,966
Foreign currency translation differences for foreign operations representing other comprehensive income for the year	-	-	52,045	-	-	52,045	5,302	57,347
Total comprehensive income for the year	-	-	52,045	-	310,994	363,039	18,274	381,313
Shares issued pursuant to Initial Public Offering (“IPO”)	112,000	-	-	-	-	112,000	-	112,000
Shares issuance expenses	(3,413)	-	-	-	-	(3,413)	-	(3,413)
Bonus issue	45,842	-	-	-	(45,842)	-	-	-
Purchase of treasury shares	-	(7,819)	-	-	-	(7,819)	-	(7,819)
Share-based payment transactions	-	-	-	1,000	-	1,000	-	1,000
Dividends to owners of the Company (Note 29)	-	-	-	-	(149,584)	(149,584)	-	(149,584)
Total transactions with owners of the Company	154,429	(7,819)	-	1,000	(195,426)	(47,816)	-	(47,816)
Effect of a subsidiary struck off	-	-	-	-	-	-	(365)	(365)
At 29 February 2024	214,620	(7,819)	46,680	1,000	1,023,821	1,278,302	79,961	1,358,263
	Note 18	Note 19	Note 19	Note 19	Note 19			

STATEMENT OF CHANGES IN EQUITY

for the year ended 29 February 2024

Company	Non-distributable		Distributable		Total equity
	Share capital	Treasury shares	Share option reserve	Retained earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 March 2022	60,191	-	-	190,421	250,612
Profit for the year representing total comprehensive income for the year	-	-	-	154,229	154,229
Transaction with owners of the Company					
Dividends paid (Note 29)	-	-	-	(70,000)	(70,000)
At 28 February 2023/1 March 2023	60,191	-	-	274,650	334,841
Profit for the year representing total comprehensive income for the year	-	-	-	115,184	115,184
Shares issued pursuant to Initial Public Offering (“IPO”)	112,000	-	-	-	112,000
Shares issuance expenses	(3,413)	-	-	-	(3,413)
Bonus issue	45,842	-	-	(45,842)	-
Purchase of treasury shares	-	(7,819)	-	-	(7,819)
Share-based payment transactions	-	-	1,000	-	1,000
Dividends paid (Note 29)	-	-	-	(149,584)	(149,584)
Total transactions with owners of the Company	154,429	(7,819)	1,000	(195,426)	(47,816)
At 29 February 2024	214,620	(7,819)	1,000	194,408	402,209
	Note 18	Note 19	Note 19	Note 19	

The notes on pages 144 to 218 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
for the year ended 29 February 2024

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before tax		479,007	455,515	103,640	165,545
Adjustments for :					
Depreciation of :					
- Property, plant and equipment	3	44,111	29,105	4,834	3,759
- Right-of-use assets	4	11,174	9,524	53	-
- Investment properties	5	231	226	-	-
Amortisation of intangible assets	6	88	53	31	37
Fair value changes on biological assets	12	1,230	(813)	-	-
Gain on derecognition of right-of-use assets and lease liabilities		(40)	(69)	-	-
Retirement benefits expense	21	1,140	705	-	-
Property, plant and equipment written off		1,423	441	-	-
Net impairment loss on financial assets		1,145	161	27,889	13,256
Impairment loss on :					
- Property, plant and equipment	3	2,326	7,998	-	-
- Investments in subsidiaries		-	-	15,317	4,452
Share-based payments	24	1,000	-	1,000	-
Dividend income	23	-	-	(185,000)	(200,115)
Interest income		(10,825)	(3,872)	(6,481)	(4,183)
Loss/(Gain) on disposal of property, plant and equipment		69	(332)	(10)	(347)
Interest expense	26	13,361	5,832	11,954	5,529
Bargain purchase gain on business combination		-	(19)	-	-
Operating profit/(loss) before working capital changes		545,440	504,455	(26,773)	(12,067)
Changes in :					
Inventories		(8,944)	(101,701)	-	-
Biological assets		(26)	(606)	-	-
Trade and other receivables		(4,623)	(36,033)	(57,242)	(9,772)
Contract assets		(292)	(74)	-	-
Trade and other payables		61,262	65,390	85,555	(4,540)

STATEMENTS OF CASH FLOWS
for the year ended 29 February 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash generated from/(used in) operations		592,817	431,431	1,540	(26,379)
Tax paid		(232,076)	(183,825)	(9,413)	(8,901)
Retirement benefits paid	21	(140)	(548)	-	-
Dividends received		-	-	185,000	200,115
Net cash from operating activities		360,601	247,058	177,127	164,835
Cash flows from investing activities					
Increase in investments in subsidiaries		-	-	(23,590)	(43,618)
Purchase of :					
- Property, plant and equipment	B	(118,490)	(90,943)	(22,406)	(26,260)
- Right-of-use assets (leasehold land)		(14,206)	-	(13,904)	-
- Intangible assets (software)	6	(148)	(88)	(19)	(52)
Proceeds from disposal of property, plant and equipment		771	2,779	38	2,398
Cash outflow from acquisition of a subsidiary, net of cash and cash equivalents acquired	35	(11,244)	(5)	(12,520)	(92)
Interest received		10,825	3,872	6,481	4,183
Withdrawal/(Placement) of pledged short-term deposits		2,702	(19)	-	-
Placement of short-term investments		(33,391)	(10,586)	(9,162)	(24,591)
Net cash used in investing activities		(163,181)	(94,990)	(75,082)	(88,032)
Cash flows from financing activities					
Dividends paid to owners of the Company	D	(104,732)	(70,000)	(104,732)	(70,000)
Interest paid	26	(14,571)	(8,886)	(12,894)	(7,673)
Repayment of :					
- Lease liabilities	E	(11,420)	(9,160)	-	-
- Hire purchase liabilities	E	(1,255)	(1,291)	(480)	(565)
- Revolving credits	E	(25,509)	(27,933)	(15,037)	(22,690)
(Repayment)/Drawdown of term loans	E	(56,209)	14,742	(56,141)	16,502
Proceeds from issuance of shares		112,000	-	112,000	-
Shares issuance expenses		(3,413)	-	(3,413)	-
Purchase of treasury shares		(7,819)	-	(7,819)	-
Net cash used in financing activities		(112,928)	(102,528)	(88,516)	(84,426)
Net increase/(decrease) in cash and cash equivalents		84,492	49,540	13,529	(7,623)
Foreign currency translation differences		23,029	(291)	-	-
Cash and cash equivalents at beginning of the year		456,270	407,021	23,000	30,623
Cash and cash equivalents at end of the year	A	563,791	456,270	36,529	23,000

STATEMENTS OF CASH FLOWS

for the year ended 29 February 2024

Notes

A. Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts :

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents	17	564,390	459,035	36,529	23,000
Less : Pledged deposits		(63)	(2,765)	-	-
Less : Bank overdraft		(536)	-	-	-
		563,791	456,270	36,529	23,000

B. Purchase of property, plant and equipment

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Total additions	3	119,191	90,394	23,698	29,970
<i>(Less)/Add :</i>					
Amount financed through hire purchase	E	(1,056)	(2,747)	(352)	(1,566)
Changes in prepayment for purchase of plant and equipment		1,565	6,350	-	-
Interest expense capitalised	26	(1,210)	(3,054)	(940)	(2,144)
		118,490	90,943	22,406	26,260

C. Cash outflows for leases as a lessee

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Included in net cash from operating activities					
Payment relating to short-term leases	25	6,237	4,823	453	407
Payment relating to low-value assets	25	955	515	770	385
Interest paid in relation to lease liabilities	26	1,195	951	-	-
Included in net cash used in financing activities					
Payment of lease liabilities	E	11,420	9,160	-	-
Total cash outflows for leases		19,807	15,449	1,223	792

D. Dividends paid to owners of the Company

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Dividends declared during the year	29	149,584	70,000	149,584	70,000
Amount unpaid at end of year		(44,852)	-	(44,852)	-
		104,732	70,000	104,732	70,000

STATEMENTS OF CASH FLOWS

for the year ended 29 February 2024

Notes (continued) :

E. Reconciliation of movements of liabilities to cash flows arising from financing activities

Group								
	At	Acquisition		Net	Derecognised	Reclassified	Effect of	
	1.3.2022	of new hire	Remeasurement	changes	due to	to liabilities	movements	At
	RM'000	purchase/ lease	of existing lease	from financing cash flows	termination of lease	held for sale	in exchange rates	28.2.2023
								RM'000
Hire purchase liabilities	2,268	2,747	-	(1,291)	-	-	(1)	3,723
Term loans	42,254	-	-	14,742	-	-	1,589	58,585
Revolving credits	201,663	-	-	(27,933)	-	-	1,532	175,262
Lease liabilities	22,839	8,328	335	(9,160)	(858)	270	(409)	21,345
	269,024	11,075	335	(23,642)	(858)	270	2,711	258,915

Company

Hire purchase liabilities	889	1,566	-	(565)	-	-	-	1,890
Term loans	40,116	-	-	16,502	-	-	-	56,618
Revolving credits	196,642	-	-	(22,690)	-	-	-	173,952
	237,647	1,566	-	(6,753)	-	-	-	232,460

	At 1.3.2023 RM'000	Acquisition of new hire purchase/ lease RM'000	Acquisition of a subsidiary (Note 35) RM'000	Net changes from financing cash flows RM'000	Derecognised due to termination of lease RM'000	Effect of movements in exchange rates RM'000	At 29.2.2024 RM'000
Group							
Hire purchase liabilities	3,723	1,056	-	(1,255)	-	6	3,530
Term loans	58,585	-	-	(56,209)	-	(1,364)	1,012
Revolving credits	175,262	-	-	(25,509)	-	10,591	160,344
Lease liabilities	21,345	7,749	755	(11,420)	(718)	2,537	20,248
	258,915	8,805	755	(94,393)	(718)	11,770	185,134
Company							
Hire purchase liabilities	1,890	352	-	(480)	-	-	1,762
Term loans	56,618	-	-	(56,141)	-	-	477
Revolving credits	173,952	-	-	(15,037)	-	-	158,915
	232,460	352	-	(71,658)	-	-	161,154

The notes on pages 144 to 218 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

DXN Holdings Bhd. is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows :

Principal place of business	Registered office
Wisma DXN 213, Lebuhraya Sultan Abdul Halim 05400 Alor Setar Kedah Darul Aman	170-09-01, Livingston Tower Jalan Argyll 10050 George Town Penang

The consolidated financial statements of the Company as at and for the financial year ended 29 February 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in an associate and a joint venture. The financial statements of the Company as at and for the financial year ended 29 February 2024 do not include other entities.

The Company is principally engaged in investment holding activities and provision of management services whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 28 June 2024.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standard and amendments that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company :

Amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107 *Statement of Cash Flows and MFRS 7 Financial Instruments : Disclosures - Supplier Finance Arrangements*

Amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*

Amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standard and amendments, where applicable in the respective financial years when the abovementioned accounting standard, interpretations and amendments, become effective.

The initial application of above accounting standard and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below :

Items	Measurement bases
Biological assets	Fair value
Derivative financial instruments	Fair value
Net defined benefit liability	Fair value of plan assets less the present value of the defined benefit obligation

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes :

- Note 4.2 - Extension options and incremental borrowing rate in relation to leases
- Note 10 - Deferred tax assets/(liabilities)

2. CHANGES IN MATERIAL ACCOUNTING POLICIES

2.1 Material accounting policy information

The Group and the Company adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting policies* from 1 January 2023. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materially to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group entities’ accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Buildings	Farms	Plant and machinery	Furniture, fittings and office equipment	Motor vehicle and vessel	Aircrafts	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost									
At 1 March 2022	76,445	228,729	16,945	124,127	46,359	23,842	11,119	225,322	752,888
Additions	3,854	5,763	480	13,259	6,473	5,040	-	55,525	90,394
Acquisition of a subsidiary	-	-	-	-	15	-	-	-	15
Disposals	-	(79)	-	(111)	(68)	(799)	(7,900)	(9)	(8,966)
Written-off	-	(165)	(364)	(1,493)	(381)	(45)	-	(22)	(2,470)
Reclassification	-	76,311	117	12,214	16,048	-	-	(104,690)	-
Transfer from investment properties (Note 5)	-	44	-	-	-	-	-	-	44
Transfer to intangible assets (Note 6)	-	-	-	-	14	-	-	-	14
Transfer from assets classified as held for sale	-	17,423	-	4,886	706	145	-	1,589	24,749
Effect of movements in exchange rates	436	(5,666)	-	(1,635)	(1,302)	(45)	-	(5,085)	(13,297)
At 28 February 2023/ 1 March 2023	80,735	322,360	17,178	151,247	67,864	28,138	3,219	172,630	843,371
Additions	22,440	8,589	3,532	21,942	20,659	3,299	-	38,730	119,191
Acquisition of a subsidiary	-	-	-	1,917	3,909	209	-	250	6,285
Disposals	-	(306)	(17)	(1,206)	(223)	(1,192)	-	(94)	(3,038)
Written-off	-	(1,781)	(1,218)	(3,509)	(594)	(4)	-	(102)	(7,208)
Reclassification	575	145,894	388	14,519	22,897	31	3,593	(187,897)	-
Effect of movements in exchange rates	1,832	17,860	-	4,996	2,922	519	-	5,388	33,517
At 29 February 2024	105,582	492,616	19,863	189,906	117,434	31,000	6,812	28,905	992,118

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Buildings	Farms	Plant and machinery	Furniture, fittings and office equipment	Motor vehicle and vessel	Aircrafts	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Accumulated depreciation and impairment losses									
At 1 March 2022									
Accumulated depreciation	-	27,984	5,799	70,810	26,663	13,337	6,706	-	151,299
Accumulated impairment losses	10,723	-	-	888	1	-	1,457	3,593	16,662
	10,723	27,984	5,799	71,698	26,664	13,337	8,163	3,593	167,961
Depreciation for the year	-	9,531	1,430	7,657	6,223	3,191	1,073	-	29,105
Impairment loss for the year (Note 3.1)	-	3,585	894	2,474	177	-	-	868	7,998
Disposals	-	(2)	-	(48)	(68)	(384)	(6,017)	-	(6,519)
Written-off	-	(95)	(277)	(1,344)	(268)	(45)	-	-	(2,029)
Transfer from investment properties (Note 5)	-	5	-	-	-	-	-	-	5
Transfer from assets classified as held for sale	-	849	-	590	271	29	-	-	1,739
Effect of movements in exchange rates	-	(646)	-	(249)	(441)	(14)	-	-	(1,350)
At 28 February 2023									
Accumulated depreciation	-	37,626	6,952	77,416	32,380	16,114	3,219	-	173,707
Accumulated impairment losses	10,723	3,585	894	3,362	178	-	-	4,461	23,203
	10,723	41,211	7,846	80,778	32,558	16,114	3,219	4,461	196,910

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land	Buildings	Furniture, fittings and office equipment	Motor vehicle and vessel	Aircrafts	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company							
Cost							
At 1 March 2022	19,398	70,060	5,152	4,383	11,119	26,035	136,147
Additions	3,854	-	392	1,816	-	23,862	29,924
Transfer from subsidiaries	-	-	48	-	-	-	48
Transfer to subsidiaries	-	-	(3)	-	-	-	(3)
Written-off	-	-	(3)	-	-	-	(3)
Disposals	-	-	-	(299)	(7,900)	-	(8,199)
At 28 February 2023/ 1 March 2023	23,252	70,060	5,586	5,900	3,219	49,897	157,914
Additions	-	-	13,081	420	-	10,092	23,593
Transfer from subsidiaries	-	-	116	-	-	-	116
Transfer to subsidiaries	-	-	(28)	-	-	-	(28)
Disposals	-	-	-	(138)	-	-	(138)
Reclassification	-	41,255	12,716	-	-	(53,971)	-
Transfer to intangible assets (Note 6)	-	-	-	-	-	(31)	(31)
At 29 February 2024	23,252	111,315	31,471	6,182	3,219	5,987	181,426
Depreciation and impairment loss							
At 1 March 2022							
Accumulated depreciation	-	1,325	2,051	1,632	6,706	-	11,714
Accumulated impairment loss	-	-	-	-	1,457	-	1,457
	-	1,325	2,051	1,632	8,163	-	13,171
Depreciation for the year	-	1,401	534	751	1,073	-	3,759
Transfer from subsidiaries	-	-	2	-	-	-	2
Written-off	-	-	(3)	-	-	-	(3)
Disposals	-	-	-	(134)	(6,017)	-	(6,151)
At 28 February 2023							
- Accumulated depreciation	-	2,726	2,584	2,249	3,219	-	10,778

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land	Buildings	Furniture, fittings and office equipment	Motor vehicle and vessel	Aircrafts	Capital work-in- progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company							
Depreciation and impairment loss							
At 1 March 2023							
- Accumulated depreciation	-	2,726	2,584	2,249	3,219	-	10,778
Depreciation for the year	-	2,088	1,963	783	-	-	4,834
Transfer from subsidiaries	-	-	11	-	-	-	11
Disposals	-	-	-	(138)	-	-	(138)
At 29 February 2024							
- Accumulated depreciation	-	4,814	4,558	2,894	3,219	-	15,485
Carrying amounts							
At 1 March 2022	19,398	68,735	3,101	2,751	2,956	26,035	122,976
At 28 February 2023/ 1 March 2023	23,252	67,334	3,002	3,651	-	49,897	147,136
At 29 February 2024	23,252	106,501	26,913	3,288	-	5,987	165,941

3.1 Impairment loss - Group

- (a) During the current financial year, certain subsidiaries of the Group in the People's Republic of China temporarily ceased operations pending the resolution of the civil proceedings between the Company and an investor of the subsidiaries (see Note 38). As at 29 February 2024, the property, plant and equipment of the said subsidiaries amounting to RM20.6 million were idle. The property, plant and equipment were subjected to a valuation by an independent valuer using the comparison approach where the recoverable amount was noted to be lower than the carrying amount. Based on the market value determined, the Group had recognised an impairment loss of RM1,156,000 in relation to the property, plant and equipment of the said subsidiaries.

During the current financial year, the Group has also fully impaired the carrying amount relating to a virgin palm oil project which a subsidiary no longer intends to pursue of RM1,170,000 using the fair value less cost to sell method.

The impairment losses were recognised as other expenses in profit or loss.

- (b) During the financial year ended 28 February 2023, the Group recognised an impairment loss of RM7,998,000 collectively in relation to the cessation of operations by a subsidiary in Indonesia and certain building structures in Kedah, Malaysia to be demolished. The impairment loss was recognised as other expenses in profit or loss using the fair value less cost to sell method.

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.2 Security

The carrying amounts of properties charged as security for loans and borrowings granted to the Group and the Company as disclosed in Note 20.1 are as follows :

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Freehold land	40,792	38,970	11,453	11,453
Buildings	111,401	88,692	91,509	55,531
Capital work-in-progress	-	46,897	-	46,897
	152,193	174,559	102,962	113,881

3.3 Interest capitalisation

Included in additions of property, plant and equipment of the Group and the Company are capitalised borrowing costs of RM1,210,000 (2023 : RM3,054,000) and RM940,000 (2023 : RM2,144,000) respectively.

The capitalisation rate used to determine the amount of borrowing costs included in capital work-in-progress is 7.84% (2023 : 3.43%).

3.4 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The depreciation rates for the current and comparative periods based on their estimated useful lives are as follows :

	%
Buildings	2 - 20
Farms	2 - 20
Plant and machinery	6.7 - 25
Furniture, fittings and office equipment	3 - 50
Motor vehicle and vessel	10 - 25
Aircrafts	20

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

4. RIGHT-OF-USE ASSETS

	Leasehold land	Agriculture land	Buildings	Total
	RM'000	RM'000	RM'000	RM'000
Group				
At 1 March 2022	4,196	6,880	20,062	31,138
Additions	-	-	8,328	8,328
Remeasurement	-	-	335	335
Derecognition	-	-	(789)	(789)
Depreciation for the year	(222)	(382)	(8,920)	(9,524)
Effect of movements in exchange rates	(251)	(36)	(258)	(545)
Transfer from assets classified as held for sale	3,569	-	263	3,832
At 28 February 2023/1 March 2023	7,292	6,462	19,021	32,775
Additions	14,206	468	7,281	21,955
Acquisition of a subsidiary (Note 35)	-	-	827	827
Derecognition	-	-	(678)	(678)
Depreciation for the year	(278)	(312)	(10,584)	(11,174)
Effect of movements in exchange rates	366	-	1,676	2,042
At 29 February 2024	21,586	6,618	17,543	45,747

The Group leases a number of warehouses, offices, hostels for employees, factory buildings as well as leasehold and agriculture lands that run between 1 year and 92 years. Certain leases are with options to renew the lease after expiry of the initial lease periods.

	Leasehold land
	RM'000
Company	
At 1 March 2023	-
Additions	13,904
Depreciation for the year	(53)
At 29 February 2024	13,851

4.1 Variable lease payments based on future performance

The lease of an agriculture land with carrying amount of RM5,447,000 (2023 : RM5,558,000) contains variable lease payments that are based on the future performance of a subsidiary i.e. 20% of the profits from the sales of produce derived from the subsidiary’s plantation activities carried out on the leasehold land are to be shared by the lessor. The variable lease payments will be recognised in profit or loss in the period in which the performance occurs. No profit has yet to be derived from plantation activities on the said land to date.

4.2 Extension options

Certain leases of agriculture land, warehouses, laboratories and offices contain extension options up to 5 years exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility.

The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group will reassess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

NOTES TO THE FINANCIAL STATEMENTS

4. RIGHT-OF-USE ASSETS (CONTINUED)

4.2 Extension options (continued)

	2024	2023
	RM'000	RM'000
Lease liabilities recognised (discounted)		
Offices	5,840	2,034
Warehouses	1,945	1,261
Agriculture land	268	-
Laboratories	574	-
	8,627	3,295

4.3 Significant judgements and assumptions in relation to leases entered into during the year

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rates of the respective leases. The Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.4 Material accounting policy information

(a) Lease and non-lease component

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(b) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENT PROPERTIES

	Freehold land	Buildings	Total
	RM'000	RM'000	RM'000
Group			
Cost			
At 1 March 2022	2,431	7,640	10,071
Transfer to property, plant and equipment (Note 3)	-	(44)	(44)
Effect of movements in exchange rates	-	2	2
At 28 February 2023/1 March 2023	2,431	7,598	10,029
Effect of movements in exchange rates	70	133	203
At 29 February 2024	2,501	7,731	10,232
Accumulated depreciation			
At 1 March 2022	-	2,953	2,953
Transfer to property, plant and equipment (Note 3)	-	(5)	(5)
Depreciation for the year	-	226	226
At 28 February 2023/1 March 2023	-	3,174	3,174
Depreciation for the year	-	231	231
Effect of movements in exchange rates	-	69	69
At 29 February 2024	-	3,474	3,474
Carrying amounts			
At 1 March 2022	2,431	4,687	7,118
At 28 February 2023/1 March 2023	2,431	4,424	6,855
At 29 February 2024	2,501	4,257	6,758

Investment properties comprise freehold land, residential properties, shop lots and shop offices that are leased to external parties and/or held for capital appreciation.

5.1 Fair value information

The fair value of investment properties is based on the Directors' estimation using the latest available market information, recent experience and knowledge in the location and category of the property being valued. The fair value of the investment properties of the Group as at 29 February 2024 was determined to be approximately RM15.31 million (2023 : RM15.66 million). The fair values are classified as level 3 of the fair value hierarchy.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENT PROPERTIES (CONTINUED)

5.1 Fair value information (continued)

The Directors estimate the fair value of the Group's investment properties as follows :

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach : Sales price of comparable land and buildings in close proximity or similar properties in other comparable localities. The most significant input into this valuation approach is price per square foot.	Average price per square foot ranging from RM234.04 to RM1,140.68 (2023 : RM207.51 to RM952.20).	The estimated fair value would increase/ (decrease) if the price per square foot is higher/(lower).

Highest and best use

The Group's investment properties comprise a number of commercial properties and freehold lands. The Directors have determined the current uses of these investment properties as their highest and best use.

5.2 Income and expenses of investment properties

The following are recognised in profit or loss in respect of investment properties :

	Group	
	2024	2023
	RM'000	RM'000
Lease income	284	285
Direct operating expenses :		
- Income generating investment properties	50	45
- Non-income generating investment properties	18	37

The operating lease payments to be received are as follows :

	Group	
	2024	2023
	RM'000	RM'000
Less than one year	290	289
One to two years	210	74
Two to three years	210	-
Total undiscounted lease payments	710	363

5.3 Material accounting policy information

Investment properties are measured initially and subsequently at cost less any accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

6. INTANGIBLE ASSETS

	Software costs	Goodwill	Total
	RM'000	RM'000	RM'000
Group			
Cost			
At 1 March 2022	5,301	-	5,301
Additions	88	-	88
Transfer from assets classified as held for sale	5	-	5
Transfer to property, plant and equipment (Note 3)	(14)	-	(14)
Effect of movements in exchange rates	(9)	-	(9)
At 28 February 2023/1 March 2023	5,371	-	5,371
Additions	148	5,497	5,645
Effect of movements in exchange rates	39	-	39
At 29 February 2024	5,558	5,497	11,055
Accumulated amortisation			
At 1 March 2022	5,246	-	5,246
Amortisation for the year	53	-	53
Transfer from assets classified as held for sale	1	-	1
Effect of movements in exchange rates	(8)	-	(8)
At 28 February 2023/1 March 2023	5,292	-	5,292
Amortisation for the year	88	-	88
Effect of movements in exchange rates	34	-	34
At 29 February 2024	5,414	-	5,414
Carrying amounts			
At 1 March 2022	55	-	55
At 28 February 2023/1 March 2023	79	-	79
At 29 February 2024	144	5,497	5,641

NOTES TO THE FINANCIAL STATEMENTS

6. INTANGIBLE ASSETS (CONTINUED)

	Software costs
	RM'000
Company	
Cost	
At 1 March 2022	2,470
Additions	26
Transfer from subsidiaries	26
At 28 February 2023/1 March 2023	2,522
Additions	19
Transfer from property, plant and equipment (Note 3)	31
At 29 February 2024	2,572
Accumulated amortisation	
At 1 March 2022	2,392
Amortisation for the year	37
At 28 February 2023/1 March 2023	2,429
Amortisation for the year	31
At 29 February 2024	2,460
Carrying amounts	
At 1 March 2022	78
At 28 February 2023/1 March 2023	93
At 29 February 2024	112

6.1 Material accounting policy information

(a) Recognition and measurement

(i) Software costs

Software costs which have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Goodwill

Goodwill arising from business combination is not amortised and is measured at cost less any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

6. INTANGIBLE ASSETS (CONTINUED)

6.1 Material accounting policy information (continued)

(b) Amortisation

(i) Software costs

Software costs are amortised from the date that they are available for use based on the cost of the asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The depreciate rate for the current and comparative periods based on estimated useful life of software costs is at 20%.

(ii) Goodwill

Goodwill with indefinite useful life is not amortised but are tested for impairment annually and whenever there is an indication that it may be impaired.

6.2 Impairment testing for cash-generating unit (“CGU”) containing goodwill

The goodwill is recognised as a result of the acquisition of Daxen Middle East Food Manufacturing L.L.C. (“DMEFM”) during the year (see Note 35). For the purpose of impairment testing, goodwill is allocated to the Group’s health and wellness consumer products business undertaken by DMEFM in the Middle East region.

Management has assessed the recoverable amounts of the goodwill based on value-in-use (“VIU”) method, determined by discounting the future cash flows expected to be generated from the CGU covering a period of 5 years plus terminal value. The VIU calculation involved applying judgement on key assumptions (e.g. estimated selling price and sales growth) which represents management’s assessment of future trends of the CGU after considering both external and internal factors. The projected cash flows are therefore inherently uncertain, and changes in the future economic and market conditions could impact on the outcome of the projected cash flows.

A pre-tax discount rate of 10.7% was applied in determining the recoverable amount of the CGU.

The recoverable amount of the CGU was determined to be higher than its carrying amount and the Directors consider that it is not reasonably possible for the key assumptions to change so significantly that would have caused an impairment of the goodwill.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024	2023
	RM’000	RM’000
Investments, at cost	302,829	266,719
Less : Impairment loss	(42,790)	(27,473)
	260,039	239,246

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

During the financial year, the Company carried out assessments to estimate the recoverable amount of certain non-profitable subsidiaries. Based on the assessments performed, the carrying amount of the said subsidiaries were noted to be higher than the recoverable amount determined using fair value less costs to sell method. An impairment loss of RM15,317,000 (2023 : RM4,452,000) was therefore recognised and included as part of the Company’s other operating expenses in profit or loss.

Details of the subsidiaries are as follows :

Name of subsidiaries	Principal place of business/Country of incorporation	Effective ownership and voting interest		Principal activities
		2024	2023	
Direct subsidiaries of the Company				
DXN Marketing Sdn. Bhd.	Malaysia	100%	100%	Sales of health supplements and other products on direct sales basis
DXN Industries (M) Sdn. Bhd.	Malaysia	100%	100%	Manufacture and distribution of health food supplements and other products
DXN Pharmaceutical Sdn. Bhd.	Malaysia	100%	100%	Manufacture of health food supplements and other products
DXN Solutions Sdn. Bhd.	Malaysia	100%	100%	Information technology adviser and consultant and trading in computer hardware and software equipment
DXN Materials Sdn. Bhd.	Malaysia	100%	100%	Property holding
DXN Safari Eco Park Sdn. Bhd.	Malaysia	100%	100%	Plantation and cultivation of rubber trees and cash crops
DXN Cafe Sdn. Bhd.	Malaysia	100%	100%	Operating of a café
DXN Biotech Consultants Sdn. Bhd.	Malaysia	100%	100%	Research and development and experimental work in relation to biotechnology, bio-chemical and agricultural products and trading of agricultural products and manufacturing of food products
DXN Biofuels Sdn. Bhd.	Malaysia	100%	100%	Processing, manufacturing, selling, distributing, trading of biodiesel products and other related businesses
Bio Synergy Laboratories Sdn. Bhd.	Malaysia	100%	100%	Research and development, analytical lab tests, experimental work in relation to pharmaceutical and biological products

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued) :

Name of subsidiaries	Principal place of business/Country of incorporation	Effective ownership and voting interest		Principal activities
		2024	2023	
Direct subsidiaries of the Company (continued)				
DXN Mycotech Sdn. Bhd.	Malaysia	70%	70%	Property investment
DXN Agrotech Sdn. Bhd.	Malaysia	100%	100%	Operating a marine sanctuary and provision of tour activities. Discontinued its agricultural and forest plantation and processing of virgin palm oil activities during the year
DXN Food Tech Sdn. Bhd.	Malaysia	80%	80%	Confectionery and biscuits manufacturer
Amazing Discovery Sdn. Bhd.	Malaysia	100%	100%	Operating a glamping resort, namely Boulder Valley
DXN Biogreen Sdn. Bhd.	Malaysia	100%	100%	Inactive
DXN Agro Park Sdn. Bhd.	Malaysia	100%	100%	Inactive
DXN International Holding Limited ^(c)	British Virgin Islands	100%	100%	Investment holding and provision of management services
DXN Corporation (Ningxia) Co., Ltd. (“DXN Ningxia”) ^(a)	People’s Republic of China	100%	100%	Investment holding, research and development and experimental works in biotechnology. Processing and trading of food and beverages, food supplements and consumer products
DXN Korea Co., Ltd. ^(c)	Korea	100%	100%	Inactive
DXN Marketing Bangladesh Ltd. ^(a)	Bangladesh	100%	100%	Manufacturing, marketing, sales and distribution of health food, non-alcoholic drinks and associated products
DXN Bangladesh Industries Pvt. Ltd. ^(a)	Bangladesh	100%	100%	Manufacturing, marketing, sales and distribution of health food, non-alcoholic drinks and associated products
Dexin Manufacturing Nepal Private Limited ^(a)	Nepal	100%	100%	Manufacturing, sales and distribution of food and beverages and personal care products

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued) :

Name of subsidiaries	Principal place of business/Country of incorporation	Effective ownership and voting interest		Principal activities
		2024	2023	
Direct subsidiaries of the Company (continued)				
Esen Lifesciences Private Limited ^(a)	India	100%	100%	Commenced operation on 15 March 2023 in manufacturing of health food supplements, spirulina cereals and cordyceps cereal products
PT Daehsan Indonesia ^(a)	Indonesia	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
PT Daxen Agrotech Nusantara ^(c)	Indonesia	100%	100%	Inactive
PT Suryasoft Konsultama ^(c)	Indonesia	100%	100%	Provision of information technology (“IT”) services including IT systems, IT consultancy and customised software development systems
Daxen Logistic LLC. ^(c)	United States of America	100%	100%	Inactive
Daxen Middle East Food Manufacturing L.L.C. ^{(a) (e)}	Dubai	100%	-	Manufacturing of natural (organic) food, instant and liquid coffee and food supplements
DXN (Fujian) Group Co., Ltd. ^{(c) (f)}	People’s Republic of China	100%	-	Inactive
DEXIN Morocco S.A. ^{(c) (h)}	Morocco	99.9%	-	Inactive
Subsidiaries of DXN (Fujian Group) Co., Ltd.				
DXN (Fujian) Tourism Development Co., Ltd. ^{(c) (i)}	People’s Republic of China	100%	-	Inactive
Fujian DXN International Trade Co., Ltd. ^{(c) (i)}	People’s Republic of China	100%	-	Inactive
Subsidiary of DXN Biotech Consultants Sdn. Bhd.				
DXN Bio Oil Sdn. Bhd.	Malaysia	-	100%	Struck off on 2 March 2023

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued) :

Name of subsidiaries	Principal place of business/Country of incorporation	Effective ownership and voting interest		Principal activities
		2024	2023	
<u>Subsidiary of PT Daxen Agrotech Nusantara</u>				
PT Daxen Agri Pratama ^(c)	Indonesia	90%	90%	Inactive
<u>Subsidiaries of DXN International Holding Limited</u>				
DXN International (UK) Limited ^(c)	United Kingdom	100%	100%	Inactive
DXN International (Hong Kong) Limited ^(a)	Hong Kong	100%	100%	Direct selling of health care products
DXN (Singapore) Pte Ltd ^(a)	Singapore	100%	100%	Direct sales and trading in health products and provision of related services and investment holding
PT Daxen Indonesia ^(a)	Indonesia	99%	99%	Manufacturing of traditional medicine, cosmetics and beverages
DXN International (Australia) Pty. Ltd. ^(c)	Australia	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
DXN International Pakistan (Private) Limited ^(a)	Pakistan	99.99%	99.99%	Trading and distribution of food and beverages, food supplements and consumer products
DXN International Private Ltd. ^(a)	Labuan	100%	100%	Investment holding, trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
DXN International Peru S.A.C. ^(b)	Peru	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
Daehsan Europe Export-Import Korlátolt Felelősségű Társaság ^(a)	Hungary	100%	100%	Investment holding, trading and distribution of food and beverages, food supplements and consumer products
DXN International Chile S.p.A. ^(c)	Chile	100%	100%	Inactive
Daxen Mexico, S.A. DE C.V. ^(c)	Mexico	100%	100%	Inactive

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued) :

Name of subsidiaries	Principal place of business/Country of incorporation	Effective ownership and voting interest		Principal activities
		2024	2023	
Subsidiaries of DXN International Holding Limited (continued)				
DXN Mexico, S.A. DE C.V. ^(b)	Mexico	100%	100%	Manufacturing and distribution of food and beverages, food supplements and consumer products
DXN International (Thailand) Co., Ltd. (“DXN Thailand”) ^{(a)(d)}	Thailand	49%	49%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
DXN Bolivia S.R.L. ^(b)	Bolivia	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
Golden Health Trading Limited ^(a)	Hong Kong	100%	100%	Provision of marketing consultancy services and general trading
Daxen Agritech India Private Limited ^(a)	India	100%	100%	Manufacturing of health food, traditional medicine, all kinds of confectioneries and other food products and agro farming of mushrooms
DXN Colombia SAS ^(c)	Colombia	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
Daehsan Mexico Import & Export, S.A. de C.V. ^(c)	Mexico	100%	100%	Under liquidation
DXN Mauritania SARL ^(c)	Mauritania	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
DXN-Niger SA ^(c)	Niger	100%	100%	Inactive
Subsidiaries of DXN (Singapore) Pte Ltd				
DXN Argentina S.R.L. ^(c)	Argentina	100%	100%	Inactive

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued) :

Name of subsidiaries	Principal place of business/Country of incorporation	Effective ownership and voting interest		Principal activities
		2024	2023	
Subsidiaries of DXN (Singapore) Pte Ltd (continued)				
DXN Trading Ecuador CIA. LTDA. ^(a)	Ecuador	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
DXN International Panama S.A. ^(c)	Panama	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
DXN Marketing (Brasil) LTDA ^(c)	Brazil	100%	100%	Inactive
"DAXEN" LLC ^(a)	Mongolia	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products
DXN Europe Trading GmbH ^(c)	Germany	90%	90%	Deregistered on 28 March 2024
FE LLC “DAXEN UBZ” ^(c)	Uzbekistan	100%	100%	Importation and distribution of food and beverages, food supplements and consumer products
DXN RUS LLC ^(c)	Russia	100%	100%	Deregistered on 24 May 2024
DXN Kyrgyzstan LLC ^{(c) (k)}	Kyrgyzstan	99.9%	-	Inactive
Subsidiaries of DXN Corporation (Ningxia) Co., Ltd.				
Florin (Fujian) Integrated Agricultural Science and Technology Co., Ltd. (“Florin Fujian”) ^(c)	People’s Republic of China	82.82% ^(g)	82.82% ^(g)	Investment holding
DXN Biotechnology (Ningxia) Co., Ltd. ^(a)	People’s Republic of China	100%	100%	Inactive
DXN International Trading (Ningxia) Co., Ltd. ^(a)	People’s Republic of China	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued) :

Name of subsidiaries	Principal place of business/Country of incorporation	Effective ownership and voting interest		Principal activities
		2024	2023	
Subsidiaries of DXN Corporation (Ningxia) Co., Ltd. (continued)				
DXN Healthtech (Guangzhou) Co., Ltd. ^(c)	People's Republic of China	60%	60%	Inactive
DXN Agrotech (Ningxia) Co., Ltd. ^(a)	People's Republic of China	100%	100%	Research, cultivation, manufacture and trading of mushroom and spirulina
Subsidiary of DXN International Private Ltd.				
DXN Manufacturing (India) Private Limited ^(b)	India	100%	100%	Manufacturing of health food, traditional medicine, all kinds of confectioneries and food products
Subsidiaries of Daehsan Europe Export-Import Korlátolt Felelősségű Társaság				
Daxen Inc. ^(c)	United States of America	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
DXN International CZ s.r.o. ^(c)	Czech Republic	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
DXN Bulgaria Ltd. ^(c)	Bulgaria	100%	100%	Inactive
Daxen Slovakia s.r.o. ^(c)	Slovakia	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
DXN Greece EPE ^(c)	Greece	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
DXN International Poland Sp.z.o.o ^(c)	Poland	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
DXN Internacional Spain S.L. Unipersonal ^(c)	Spain	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued) :

Name of subsidiaries	Principal place of business/Country of incorporation	Effective ownership and voting interest		Principal activities
		2024	2023	
Subsidiaries of Daehsan Europe Export-Import Korlátolt Felelősségű Társaság (continued)				
DXN Italy SRL ^(c)	Italy	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
DXN Marketing Private ithalat Ve Pazarlama Limited Şirketi ^(c)	Turkey	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
Daxen Morocco LLC ^(a)	Morocco	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
Subsidiary of Daxen Agritech India Private Limited				
DXN Marketing India Private Limited (“DMIPL”) ^{(b)(d)}	India	50%	50%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
Subsidiary of PT Daxen Agri Pratama				
PT Daxen KJP Agro ^(c)	Indonesia	81%	81%	Inactive
Subsidiary of DXN Italy SRL				
DXN Global Marketing Nigeria Limited ^(a)	Nigeria	100%	100%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
Subsidiary of DXN Manufacturing (India) Private Limited				
DXN Clinics Private Limited ^(a)	India	99.99%	99.99%	Provision of consultation and treatment services using ganotherapy
Subsidiary of Florin (Fujian) Integrated Agricultural Science and Technology Co., Ltd.				
Anxi Gande Foluohua Integrated Agricultural Science and Technology Co., Ltd. ^(c)	People’s Republic of China	82.82% ^(a)	82.82% ^(a)	Tea plantation, processing, research & development, wholesale trading and retailing of tea, pre-packaged food and beverages and other products

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued) :

Notes

- ^(a) Not audited by KPMG PLT.
- ^(b) Audited by member firms of KPMG International.
- ^(c) The unaudited management accounts were consolidated in the Group’s financial statements as these subsidiaries were not required by their respective local legislations to have their financial statements audited.
- ^(d) The Company regards DXN Thailand and DMIPL as its subsidiaries by virtue of having board control and being the single largest shareholder in these companies. The remaining voting rights are held by individual investees and there is no indication that the other shareholders will exercise their votes collectively. The Group has the current ability to direct these entities’ activities that most significantly affect their returns. Consequently, they are regarded as subsidiaries of the Group.
- ^(e) On 7 August 2023, the Company acquired 100% of equity interest in Daxen Middle East Food Manufacturing L.L.C., with purchase consideration of RM12.52 million.
- ^(f) Incorporated on 22 August 2023.
- ^(g) The registered ownership is 80.0% pursuant to Florin Fujian’s Articles of Association and registration information.
- ^(h) Incorporated on 13 October 2023.
- ⁽ⁱ⁾ Incorporated on 1 September 2023.
- ^(j) Incorporated on 19 September 2023.
- ^(k) Incorporated on 15 January 2024.

7.1 Non-controlling interest in subsidiaries

The Group’s subsidiaries that have material non-controlling interests (“NCI”) are as follows :

	DMIPL RM’000	DXN Thailand RM’000	Other subsidiaries with immaterial NCI RM’000	Total RM’000
2024				
NCI percentage of ownership interest and voting interest	50%	51%		
Carrying amount of NCI	67,252	9,781	2,928	79,961
Profit/(Loss) allocated to NCI	13,530	235	(793)	12,972
Other comprehensive income allocated to NCI	4,659	348	295	5,302

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

7.1 Non-controlling interest in subsidiaries (continued)

The Group’s subsidiaries that have material non-controlling interests (“NCI”) are as follows (continued) :

	DMIPL	DXN Thailand
	RM’000	RM’000
2024		
Summarised financial information before intra-group elimination		
As 29 February 2024		
Non-current assets	8,434	13,124
Current assets	184,562	7,045
Non-current liabilities	(1,283)	-
Current liabilities	(57,209)	(990)
Net assets	134,504	19,179
Year ended 29 February 2024		
Revenue	214,426	11,825
Profit for the year	27,060	462
Total comprehensive income	36,378	1,144
Cash flows used in operating activities	(16,329)	(355)
Cash flows from investing activities	8,941	4
Cash flows used in financing activities	(747)	-
Net decrease in cash and cash equivalents	(8,135)	(351)

	DMIPL	DXN	Other	Total
	RM’000	Thailand	subsidiaries	RM’000
		RM’000	with	
			immaterial	
			NCI	
			RM’000	RM’000
2023				
NCI percentage of ownership interest and voting interest	50%	51%		
Carrying amount of NCI	49,063	9,198	3,791	62,052
Profit/(Loss) allocated to NCI	13,904	543	(516)	13,931
Other comprehensive expense allocated to NCI	(2,718)	(2)	(35)	(2,755)

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

7.1 Non-controlling interest in subsidiaries (continued)

The Group’s subsidiaries that have material non-controlling interests (“NCI”) are as follows (continued) :

	DMIPL	DXN Thailand
	RM’000	RM’000
Summarised financial information before intra-group elimination		
As at 28 February 2023		
Non-current assets	6,813	12,856
Current assets	166,001	8,462
Current liabilities	(74,688)	(3,283)
Net assets	98,126	18,035
Year ended 28 February 2023		
Revenue	171,921	14,788
Profit for the year	27,809	1,065
Total comprehensive income	22,374	1,061
Cash flows (used in)/from operating activities	(9,695)	1,182
Cash flows from/(used in) investing activities	10,709	(11)
Cash flows used in financing activities	(2,224)	-
Net (decrease)/increase in cash and cash equivalents	(1,210)	1,171

7.2 Significant restriction

The jurisdictions of India in which certain subsidiaries of the Company operate in prohibit those subsidiaries from providing advances or pay dividend to parties outside of India.

7.3 Material accounting policy information

Investments in subsidiaries are measured in the Company’s statement of financial position at cost less any impairment losses unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

8. INVESTMENT IN AN ASSOCIATE

	Group and Company	
	2024	2023
	RM’000	RM’000
Investment, at cost	1	1
Less : Impairment loss	(1)	(1)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN AN ASSOCIATE (CONTINUED)

Details of the associate are as follows :

Name of associate	Principal place of business/Country of incorporation	Effective ownership and voting interest		Nature of the relationship
		2024	2023	
Box Park Management Sdn. Bhd.	Malaysia	40%	40%	Venture into the business of management of real estate on a fee or contract basis

8.1 Material accounting policy information

Investment in the associate is measured in the Company's statement of financial position at cost less impairment losses.

9. INVESTMENT IN A JOINT VENTURE

	Group and Company	
	2024	2023
	RM'000	RM'000
Investment, at cost	1	1
Less : Impairment loss	(1)	(1)
	-	-

Details of the joint venture are as follows :

Name of joint venture	Principal place of business/Country of incorporation	Effective ownership and voting interest		Nature of the relationship
		2024	2023	
DNC Food Industries Sdn. Bhd.	Malaysia	50%	50%	Venture into the business of manufacture and trading of spices and curry powder

9.1 Material accounting policy information

Investment in the joint venture is measured in the Company's statement of financial position at cost less any impairment losses unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX ASSETS/(LIABILITIES)

10.1 Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following :

	Assets		Liabilities		Net	
	29.2.2024	28.2.2023	29.2.2024	28.2.2023	29.2.2024	28.2.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Property, plant and equipment and intangible assets						
- capital allowance	-	-	(6,727)	(7,911)	(6,727)	(7,911)
Inventories	78,668	72,838	(384)	(524)	78,284	72,314
Biological assets	-	-	(1)	(268)	(1)	(268)
Unabsorbed capital allowances	1,526	308	-	-	1,526	308
Tax losses carry-forward	104	190	-	-	104	190
Provisions	35,137	26,917	-	-	35,137	26,917
Right-of-use assets	-	-	(5,071)	(4,763)	(5,071)	(4,763)
Lease liabilities	4,470	5,153	-	-	4,470	5,153
Other items	412	616	-	-	412	616
	120,317	106,022	(12,183)	(13,466)	108,134	92,556
Transfer from assets held for sale	-	-	-	(2)	-	(2)
Net deferred tax assets/(liabilities)	120,317	106,022	(12,183)	(13,468)	108,134	92,554
Company						
Property, plant and equipment and intangible assets						
- capital allowance	-	-	(516)	(146)	(516)	(146)
Unabsorbed capital allowances	1,448	208	-	-	1,448	208
Provisions	141	126	-	-	141	126
	1,589	334	(516)	(146)	1,073	188
Set-off of tax	(516)	(146)	516	146	-	-
Net deferred tax assets/(liabilities)	1,073	188	-	-	1,073	188

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

10.2 Movements in temporary differences during the year

	At 1.3.2022	Recognised in profit or loss (Note 27)	Transfer from assets held for sale	Effect of movements in exchange rates	At 28.2.2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
Property, plant and equipment and intangible assets					
- capital allowance	(4,982)	(2,963)	-	34	(7,911)
Inventories	27,256	45,058	-	-	72,314
Biological assets	(23)	(245)	-	-	(268)
Unabsorbed capital allowances	-	308	-	-	308
Tax losses carry-forward	-	206	-	(16)	190
Provisions	19,805	6,398	-	714	26,917
Right-of-use assets	(5,113)	345	(2)	5	(4,765)
Lease liabilities	5,225	(72)	-	-	5,153
Other items	(919)	1,530	-	5	616
	41,249	50,565	(2)	742	92,554

	At 1.3.2023	Recognised in profit or loss (Note 27)	Reclassification	Effect of movements in exchange rates	At 29.2.2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
Property, plant and equipment and intangible assets					
- capital allowance	(7,911)	1,216	-	(32)	(6,727)
Inventories	72,314	(904)	-	6,874	78,284
Biological assets	(268)	267	-	-	(1)
Unabsorbed capital allowances	308	1,218	-	-	1,526
Tax losses carry-forward	190	(20)	-	(66)	104
Provisions	26,917	2,988	2,445	2,787	35,137
Right-of-use assets	(4,765)	(298)	-	(8)	(5,071)
Lease liabilities	5,153	(683)	-	-	4,470
Other items	616	1,432	-	(1,636)	412
	92,554	5,216	2,445	7,919	108,134

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

10.2 Movements in temporary differences during the year (continued)

	At 1.3.2022	Recognised in profit or loss (Note 27)	At 28.2.2023/ 1.3.2023	Recognised in profit or loss (Note 27)	At 29.2.2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Company					
Property, plant and equipment and intangible assets					
- capital allowance	(257)	111	(146)	(370)	(516)
Unabsorbed capital allowances	-	208	208	1,240	1,448
Provisions	97	29	126	15	141
	(160)	348	188	885	1,073

Deferred tax assets and liabilities are offset when there are legally enforceable rights to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the temporary differences can be utilised.

10.3 Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross) :

	2024 RM'000	2023 RM'000
Group		
Unabsorbed capital allowances	41,944	24,360
Tax losses carry-forward	87,938	65,815
	129,882	90,175

The unabsorbed capital allowances do not expire under current tax legislation. The tax losses carry-forward will expire in the following years of assessment based on the tax legislations in the countries which the group entities operate :

	2024 RM'000	2023 RM'000
Tax losses carry-forward :		
Expiring not more than 5 years	14,322	14,180
Expiring between 6 to 7 years	36,004	23,864
Expiring between 8 to 10 years	32,706	23,872
With no expiry period	4,906	3,899
	87,938	65,815

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

10.3 Unrecognised deferred tax assets (continued)

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

10.4 Material accounting policy information

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

11. PREPAYMENTS

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
<u>Non-current</u>					
Purchase of plant and equipment		16,248	14,683	638	-
Other prepayment	11.1	9,275	-	9,275	-
		25,523	14,683	9,913	-

11.1 Other prepayment

During the financial year, the Company entered into an agreement to invest in a corporation in the People's Republic of China for a total purchase consideration of Chinese Yuan ("RMB") 14.4 million (equivalent to RM9.275 million). The acquisition has yet to be completed as at the end of the financial year.

12. BIOLOGICAL ASSETS

	Group	
	2024	2023
	RM'000	RM'000
At 1 March 2023/2022	1,515	96
Additions	26	606
Fair value movement on remeasurement of biological assets and changes due to harvest	(1,230)	813
Effect of movements in exchange rate	55	-
At 29/28 February	366	1,515

Biological assets of the Group comprise agricultural produce i.e., reishi gano, ganocelium, tea leaves, spirulina, noni, black ginger and mango ginger.

12.1 Material accounting policy information

Growing crops are stated at fair value less the estimated costs necessary to make the sale. Gains or losses arising from the initial recognition of growing crops at fair value less estimated costs to sell and the subsequent changes in fair value less costs to sell at each reporting date are recognised in profit or loss in the period in which such gains or losses occur.

Fair value is determined by applying estimates of production volume with the estimated market price at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

13. INVENTORIES

	Group	
	2024	2023
	RM'000	RM'000
Raw materials	108,328	114,259
Work-in-progress	15,298	9,977
Manufactured inventories	210,358	198,820
Trading inventories	77	71
	334,061	323,127
Recognised in profit or loss :		
Inventories recognised as cost of sales	274,740	213,010
Inventories written off	1,998	752

13.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in, first-out method.

14. CONTRACT ASSETS

	Group	
	2024	2023
	RM'000	RM'000
Contract assets	935	643

Movements in the contract assets are as follows :

	Group	
	2024	2023
	RM'000	RM'000
At 1 March 2023/2022	643	569
Revenue recognised as a result of measure of progress	25,606	22,155
Decrease due to billings raised during the year	(25,314)	(22,081)
At 29/28 February	935	643

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date for its research and development, analytical lab testing and experiment works. Typically, the amount will be billed within 10 days and payment is expected based on the payment terms contracted with the customers. The contract assets will be transferred to trade receivables when the rights become unconditional.

NOTES TO THE FINANCIAL STATEMENTS

15. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Non-current					
Non-trade					
Amount due from a subsidiary	15.1	-	-	37,719	34,119
Current					
Trade					
Trade receivables		18,014	44,495	-	-
Non-trade					
Amount due from :					
- subsidiaries	15.1	-	-	113,582	104,136
- joint venture	15.2	1,560	2,260	1,560	2,260
Other receivables	15.3	40,957	39,723	1,761	2,265
Prepayments		28,100	22,836	6,230	-
Deposits		20,121	5,107	1,992	624
		90,738	69,926	125,125	109,285
		108,752	114,421	125,125	109,285
Total trade and other receivables		108,752	114,421	162,844	143,404

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Financial instruments :					
Trade and other receivables (excluding prepayments and indirect taxes)		61,291	73,984	156,614	143,404
Add : Short term investments	16	77,769	44,378	37,410	28,248
Cash and cash equivalents	17	564,390	459,035	36,529	23,000
Total financial assets measured at amortised cost		703,450	577,397	230,553	194,652

15.1 Amount due from subsidiaries

The non-current amount due from a subsidiary is unsecured, earns interest at rate 9.89% (2023 : 9.79%) per annum and is not expected to be repayable within the next 12 months.

The current non-trade amount due from subsidiaries is unsecured, interest-free and repayable on demand other than RM35,244,000 (2023 : RM27,185,000) which earns interest at rates ranging from 2.00% to 5.08% (2023 : 2.00% to 4.30%) per annum.

15.2 Amount due from joint venture company

The non-trade amount due from joint venture company is unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

15.3 Other receivables

Included in other receivables of the Group are :

- indirect taxes receivable of RM19,361,000 (2023 : RM17,601,000); and
- RM3,014,000 (2023 : RM5,404,000) which earns interest at rates ranging from 5.00% to 10.00% (2023 : 5.00% to 10.00%) per annum.

16. SHORT TERM INVESTMENTS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Fixed deposits	7,817	-	-	-
Short term investment funds	69,952	44,378	37,410	28,248
	77,769	44,378	37,410	28,248

16.1 Fixed deposits

Included in fixed deposits of the Group is an amount of RM3,786,000 (2023 : Nil) which is pledged for loans and borrowings granted to the Group as disclosed in Note 20.1.

17. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Cash and bank balances		484,648	420,713	36,529	23,000
Short term deposits	17.1	79,742	38,322	-	-
		564,390	459,035	36,529	23,000

17.1 Short term deposits

Included in short term deposits of the Group is an amount of RM63,000 (2023 : RM2,765,000) which is pledged for loans and borrowings and bank guarantees granted to the Group as disclosed in Note 20.1.

NOTES TO THE FINANCIAL STATEMENTS

18. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and paid-up ordinary shares with no par value classified as equity instruments :				
At 1 March	240,764	60,191	240,764	60,191
Bonus issue	4,584,236	45,842	-	-
Issued pursuant to Initial Public Offering ("IPO")	160,000	112,000	-	-
	4,985,000	218,033	240,764	60,191
Less : Share issue expenses for IPO	-	(3,413)	-	-
At 29/28 February	4,985,000	214,620	240,764	60,191

18.1 Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's treasury shares held by the Company (see Note 19.2), all rights are suspended until those shares are reissued.

19. RESERVES

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Non-distributable					
Translation reserve	19.1	46,680	(5,365)	-	-
Treasury shares	19.2	(7,819)	-	(7,819)	-
Share option reserve	19.3	1,000	-	1,000	-
		39,861	(5,365)	(6,819)	-
Distributable					
Retained earnings		1,023,821	908,253	194,408	274,650
		1,063,682	902,888	187,589	274,650

Movements in the reserves are shown in the Statements of changes in equity.

19.1 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations with functional currencies different from that of the presentation currency of the Group.

NOTES TO THE FINANCIAL STATEMENTS

19. RESERVES (CONTINUED)

19.2 Treasury shares

The shareholders of the Company, via an ordinary resolution passed in the Annual General Meeting held on 21 August 2023, approved for the Company to repurchase its own shares of up to 10% of the issued and paid-up share capital of the Company.

	No. of shares '000	Cost RM'000	Purchase price ^(N1)		
			Highest RM	Lowest RM	Average RM
2024					
At 1 March	-	-	-	-	-
Purchased during the financial year	12,239	7,819	0.68	0.63	0.64
At 29 February	12,239	7,819	0.68	0.63	0.64

^(N1) Cost includes stamp duty, brokerage fee, clearing fee and service tax.

The repurchase transactions were financed by internally generated funds. The repurchased ordinary shares of the Company were held as treasury shares and no shares were reissued during the year.

19.3 Share options reserve

The share options reserve represents the fair value of the share options granted to eligible Directors and employees of the Group and the Company as disclosed in Note 21.

20. LOANS AND BORROWINGS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Non-current				
Hire purchase liabilities	2,402	2,582	1,257	1,440
Term loans, secured	663	47,127	159	45,306
	3,065	49,709	1,416	46,746
Current				
Bank overdrafts, secured	536	-	-	-
Hire purchase liabilities	1,128	1,141	505	450
Term loans, secured	349	11,458	318	11,312
Revolving credits, secured	158,915	173,952	158,915	173,952
Revolving credits, unsecured	1,429	1,310	-	-
	162,357	187,861	159,738	185,714
Total loans and borrowings	165,422	237,570	161,154	232,460

20.1 Securities

The term loans, bank overdrafts and revolving credits are secured by way of legal charges over lands and buildings (see Note 3.2), fixed deposits (see Note 16.1) and short-term deposits (see Note 17.1) of the Group, and corporate guarantee issued by the Company.

NOTES TO THE FINANCIAL STATEMENTS

21. EMPLOYEE BENEFITS

21.1 Retirement benefits

	Group	
	2024	2023
	RM'000	RM'000
Non-current		
Net defined benefits liability	6,727	5,266
Movements in net defined benefits liability		
	Group	
	2024	2023
	RM'000	RM'000
Balance at 1 March 2023/2022	5,266	5,244
Included in profit or loss		
Current service cost	913	573
Past service credit	-	(186)
Interest cost	227	318
	1,140	705
Included in other comprehensive income/(expense)		
Effect of movements in exchange rates	461	(135)
Others		
Benefits paid	(140)	(548)
Balance at 29/28 February	6,727	5,266

Retirement benefits expense was recognised as part of employee benefits expense (Note 24) in the consolidated statement of profit or loss and other comprehensive income.

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period (expected as weighted averages) :

	Group	
	2024	2023
Discount rates	6.58% - 15.50%	6.58% - 10.0%
Future salary growth	3.00% - 13.50%	3.00% - 9.75%
Retirement age	55 - 65 years	55 - 65 years

As at 29 February 2024, the weighted-average duration of the defined benefits liability ranged from 7 to 20 years (2023 : 7 to 20 years).

NOTES TO THE FINANCIAL STATEMENTS

21. EMPLOYEE BENEFITS (CONTINUED)

21.1 Retirement benefits (continued)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefits liability by the amounts shown below.

	2024		2023	
	Increase	Decrease	Increase	Decrease
	RM'000	RM'000	RM'000	RM'000
Defined benefits liability				
Discount rate (1% movement)	(558)	642	(448)	504
Future salary growth (1% movement)	593	(520)	489	(430)

21.2 Share-based payments arrangement

During the Extraordinary General Meeting of the Company held on 25 May 2022, the shareholders approved for the Company to grant share options to eligible Directors and employees of the Group to purchase shares in the Company under an Employees' Share Option Scheme ("ESOS").

The ESOS shall be in force for a duration of 5 years from 18 May 2023.

The terms and conditions related to the share options are as follows :

	Number of options granted ('000)	Vesting period	Exercise price (RM/Share)
Granted on 18 May 2023			
- Tranche 1	6,000	18 May 2023 to 31 December 2023	0.70
- Tranche 2	6,000	1 January 2024 to 31 December 2024	0.70
- Tranche 3	6,000	1 January 2025 to 31 December 2025	0.70
- Tranche 4	6,000	1 January 2026 to 31 December 2026	0.70
- Tranche 5	6,000	1 January 2027 to 31 December 2027	0.70
	30,000		

The movements of the ESOS during the year are as follows :

	Weighted average exercise price RM	Number of options '000
Outstanding at 1 March 2023	-	-
Granted during the year	0.70	30,000
Forfeited during the year	0.70	(11,662)
Outstanding at 29 February 2024	0.70	18,338
Exercisable at 29 February 2024		3,668

NOTES TO THE FINANCIAL STATEMENTS

21. EMPLOYEE BENEFITS (CONTINUED)

21.2 Share-based payments arrangement (continued)

Fair value of share options and assumptions

The fair value of services received in return for the ESOS granted is based on the fair value of share options granted, measured using the Binomial Option Pricing Model, with the following inputs :

	2024 RM
Fair value at grant date	0.1256
Weighted average share price	0.70
Share price at grant date	0.66
Option life	5 years
Expected volatility	24.89%
Expected dividends	2.56%
Risk-free interest rate (based on Malaysian government bonds)	3.48%

Value of employee services received for issue of share options

	Group and Company 2024 RM'000
Share option reserve recognised and total expenses recognised as share-based payments in profit or loss	1,000

22. TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

	Note	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
Trade					
Trade payables		12,926	23,123	-	-
Non-trade					
Amount due to :					
- Directors	22.1	-	7,944	-	-
- subsidiaries	22.2	-	-	87,736	5,613
- company in which certain Directors have a substantial financial interest	22.3	206	80	206	80
Other payables	22.4	303,009	255,342	906	1,160
Accrued expenses		140,669	110,254	8,560	5,000
Dividend payable		44,852	-	44,852	-
Derivatives financial liabilities	22.5	27	76	-	-
		488,763	373,696	142,260	11,853
		501,689	396,819	142,260	11,853

NOTES TO THE FINANCIAL STATEMENTS

22. TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES (CONTINUED)

	Note	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
Financial instruments :					
Trade and other payables (excluding derivatives)		501,662	396,743	142,260	11,853
Loans and borrowings	20	165,422	237,570	161,154	232,460
Total financial liabilities measured at amortised cost		667,084	634,313	303,414	244,313

22.1 Amount due to Directors

The amount due to Directors was unsecured, interest-free and payable on demand.

22.2 Amount due to subsidiaries

The amount due to subsidiaries is unsecured, interest-free and payable on demand.

22.3 Amount due to a company in which certain Directors have a substantial financial interest

The amount due to a company in which certain Directors have a substantial financial interest is unsecured, interest-free and payable on demand.

22.4 Other payables

Included herein are members’ bonus and stockists’ commission of RM235,998,000 (2023 : RM198,500,000) incurred in the course of selling the Group’s products on direct sales basis and payable in accordance with the Group’s marketing plan.

22.5 Derivatives financial liabilities

	2024 Nominal value RM'000	Liabilities RM'000	2023 Nominal value RM'000	Liabilities RM'000
Group				
Derivatives at fair value through profit or loss				
- Forward exchange contracts	923	(27)	2,194	(76)

Forward exchange contracts are used to manage the foreign currency exposures arising from certain receivables and payables denominated in currencies other than the functional currencies of the Group entities. The forward exchange contracts have maturities of less than one year after the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

23. REVENUE

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers				
Recognised over time :				
Rendering of services	25,606	22,155	35,174	24,194
Recognised at point in time :				
Sales of goods	1,872,196	1,660,003	-	-
Less : Consideration due/paid to customers	(94,588)	(81,344)	-	-
	1,777,608	1,578,659	-	-
	1,803,214	1,600,814	35,174	24,194
Other revenue				
Dividend income from subsidiaries	-	-	185,000	200,115
	1,803,214	1,600,814	220,174	224,309

23.1 Disaggregation of revenue from contracts with customers

	2024	2023
	RM'000	RM'000
Major products and services :		
Group		
Fortified food and beverages	1,312,012	1,084,750
Health and dietary supplements	396,518	409,098
Personal care products	110,535	104,342
Lab testing services	25,606	22,155
Skin care and cosmetics	9,537	8,009
Starter kits	6,794	7,087
Other miscellaneous and promotion items	36,800	46,717
	1,897,802	1,682,158
Less : Consideration due/paid to customers	(94,588)	(81,344)
	1,803,214	1,600,814
Company		
Management services provided to subsidiaries	35,174	24,194

NOTES TO THE FINANCIAL STATEMENTS

23. REVENUE (CONTINUED)

23.1 Disaggregation of revenue from contracts with customers (continued)

	2024	2023
	RM'000	RM'000
Primary geographical markets :		
Group		
Latin America	1,097,944	881,829
Asia (excluding Malaysia)	378,096	343,768
Africa	130,616	160,997
Malaysia	111,539	117,696
Europe	99,160	85,294
Middle East	47,815	55,592
North America	28,954	32,996
Oceania	3,678	3,986
	1,897,802	1,682,158
Less : Consideration due/paid to customers	(94,588)	(81,344)
	1,803,214	1,600,814

No disaggregation of revenue by geographical market is presented for the Company as the management services are rendered solely in Malaysia.

23.2 Nature of goods and services

The following information reflects the typical transactions of the Group and the Company :

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Warranty
Sales of fortified food and beverages, health and dietary supplements, personal care products, skin care and cosmetics and other related products on direct sales basis	Revenue is recognised at point in time when the goods are delivered to and accepted by the customers.	Cash term.	The following performance bonus are provided by the Group i.e. group effort related performance bonus and personal effort related performance bonus. Personal effort related performance bonus is accounted as a reduction in transaction price, whilst group effort related performance bonus is a consideration paid or payable to customers for distinct services provided to the Group. The goods sold by the Group are allowed to be returned within 7 to 30 days after the date of purchase in accordance with the Group's distributorship policies and legal requirements in the jurisdictions in which certain subsidiaries operate.	Assurance warranty of 1 year is given for certain products which do not form a separate performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

23. REVENUE (CONTINUED)

23.2 Nature of goods and services (continued)

The following information reflects the typical transactions of the Group and the Company (continued) :

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Warranty
Sales of fortified food and beverages, health and dietary supplements, personal care products, skin care and cosmetics and other related products (other than on direct sales basis)	Revenue is recognised at point in time when the goods are delivered to the customers.	Cash term or credit period of 30 - 60 days from invoice date.	Discounts may be given to customers on a case-by-case basis. The goods sold by the Group are allowed to be returned within 30 days upon termination of the distributorship agreement.	Assurance warranty of 1 year is given for certain products which do not form a separate performance obligation.
Revenue from operating a café, glamping resort and tourism village complex	Revenue is recognised at point in time when the services are rendered.	Cash term or credit period of 30 days from invoice date if on account.	Not applicable.	Not applicable.
Research and development and analytical lab test services	Revenue is recognised over time when the services are rendered. These contracts would meet the no alternative use criteria and the Group has rights to payment for work performed.	Credit period of up to 90 days from invoice date.	Not applicable.	Not applicable.
Management services provided to subsidiaries	Revenue is recognised over time when the services are rendered. These contracts would meet the no alternative use criteria and the Company has rights to payment for work performed.	Cash term.	Not applicable.	Not applicable.

The Group applies the practical expedient for the exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or shorter.

NOTES TO THE FINANCIAL STATEMENTS

24. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Current :				
Fees (Current year)	393	195	393	195
Fees (Prior year)	-	14	-	14
Wages, salaries and others	4,136	3,867	3,775	3,529
Contributions to state plan	184	189	156	166
Share-based payments	357	-	357	-
	5,070	4,265	4,681	3,904
Past :				
Fees (Current year)	-	16	-	16
Fees (Prior year)	-	3	-	3
Wages, salaries and others	-	69	-	69
Contributions to state plan	-	8	-	8
	-	96	-	96
Other key management personnel				
Wages, salaries and others	2,446	2,104	1,335	1,230
Contributions to state plan	188	175	151	147
Share-based payments	191	-	191	-
	2,825	2,279	1,677	1,377
Total key management personnel compensation	7,895	6,640	6,358	5,377
Others				
Wages, salaries and others	151,440	134,429	18,016	12,595
Contributions to state plans	12,046	10,271	2,088	1,460
Share-based payments	452	-	452	-
	163,938	144,700	20,556	14,055
Total employee benefits expense	171,833	151,340	26,914	19,432

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company and certain senior management of the Group.

The estimated monetary value of benefits received or receivable by Directors and key management personnel otherwise than in cash amounted to RM22,300 (2023 : RM51,800) and RM49,900 (2023 : RM35,500) respectively, of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

25. RESULTS FROM OPERATING ACTIVITIES

Results from operating activities are arrived at after charging/(crediting) :

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration				
Audit fee :				
- KPMG PLT	506	506	100	100
- Overseas affiliates of KPMG PLT	1,119	627	-	-
- Other auditors	420	390	-	-
Non-audit fee :				
- KPMG PLT	120	2,215	120	2,215
- Local affiliate of KPMG PLT	71	50	5	5
- Overseas affiliates of KPMG PLT	8	1,574	-	-
Material expenses/(income)				
Impairment loss on :				
- Property, plant and equipment	2,326	7,998	-	-
- Investments in subsidiaries	-	-	15,317	4,452
Loss/(Gain) on disposal of property, plant and equipment	69	(332)	(10)	(347)
Written-off :				
- Property, plant and equipment	1,423	441	-	-
- Inventories	1,998	752	-	-
Initial public offering expenses (excluding non-audit fees)	10,218	8,257	10,218	8,257
Government grants	(179)	(176)	-	-
Proceeds from insurance claim	(1,263)	(102)	(18)	-
(Gain)/Loss on foreign exchange :				
- Realised	(6,609)	7,335	9,391	(2,760)
- Unrealised	1,225	9,038	1,297	473
Net loss on impairment of financial assets				
Impairment loss/(Reversal of impairment loss) on :				
- Trade and other receivables	(26)	(56)	-	-
- Amount owing from subsidiaries, associate and joint venture	1,074	133	27,870	13,208
Bad debts written off	201	84	19	48
Bad debts recovered	(104)	-	-	-
	1,145	161	27,889	13,256

NOTES TO THE FINANCIAL STATEMENTS

25. RESULTS FROM OPERATING ACTIVITIES (CONTINUED)

Results from operating activities are arrived at after charging/(crediting) (continued) :

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Expenses/(Income) arising from leases				
Expenses relating to short-term leases [#]	6,237	4,823	453	407
Expenses relating to leases of low-value assets [#]	955	515	770	385
Lease income	(284)	(290)	(1,130)	(1,036)

[#] The Group and the Company lease buildings and lab equipment. These leases are with contract terms of 1 year or shorter, or are leases of low-value items. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for these leases.

26. FINANCE COSTS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest expense on :				
Lease liabilities	1,195	951	-	-
Financial liabilities not measured at fair value through profit or loss	13,376	7,935	12,894	7,673
	14,571	8,886	12,894	7,673
Less : Capitalised to property, plant and equipment	(1,210)	(3,054)	(940)	(2,144)
	13,361	5,832	11,954	5,529

The rate used to determine the amount of borrowing costs eligible for capitalisation is 7.84% (2023 : 3.43%).

27. TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- Current year	166,298	215,767	526	11,648
- Prior year	(6,041)	986	(11,185)	16
	160,257	216,753	(10,659)	11,664
Deferred tax expense				
- Current year	(5,644)	(48,804)	(883)	(341)
- Prior year	428	(1,761)	(2)	(7)
	(5,216)	(50,565)	(885)	(348)
	155,041	166,188	(11,544)	11,316

NOTES TO THE FINANCIAL STATEMENTS

27. TAX EXPENSE (CONTINUED)

Reconciliation of tax expense

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit before tax	479,007	455,515	103,640	165,545
Income tax calculated using Malaysian tax rate of 24%	114,962	109,324	24,874	39,731
Effect of different tax rates in foreign jurisdictions	6,496	8,090	-	-
Tax incentives	-	(2,195)	-	-
Non-deductible expenses	27,494	29,083	21,283	10,033
Non-taxable income	(3,248)	(3,122)	(46,627)	(38,418)
Effect of deferred tax assets not recognised	9,530	9,034	-	-
Tax on foreign source income	5,420	16,749	-	-
Others	-	-	113	(39)
(Over)/Under provision in prior years	(5,613)	(775)	(11,187)	9
	155,041	166,188	(11,544)	11,316

27.1 During the financial year, the Company received approval from the Malaysian Ministry of Finance (“MOF”) to exempt foreign source income repatriated into Malaysia for a 5-year period commencing 1 January 2022 to 31 December 2026. As a result, the Company has recorded an over provision of RM11.2 million which represents income tax previously provided for foreign source dividends repatriated during the financial year ended 28 February 2023.

27.2 A subsidiary has been granted tax exemption on its statutory income under the P.U. (A) 112 Income Tax (Exemption) (No.11) Order 2006, Income Tax Act, 1967 for five years for the approved activities namely, laboratory testing of food and chemicals carried out by the subsidiary. The tax holiday expired on 11 December 2022.

28. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the profit attributable to ordinary shareholders and on the weighted average number of ordinary shares outstanding calculated as follows :

	Group	
	2024	2023
Profit for the year attributable to owners of the Company (RM'000)	310,994	275,396
Weighted average number of ordinary shares at 29/28 February ('000)	4,949,882	4,825,000
Basic earnings per ordinary share (sen)	6.28	5.71

NOTES TO THE FINANCIAL STATEMENTS

28. EARNINGS PER ORDINARY SHARE (CONTINUED)

Weighted average number of ordinary shares :

	2024	2023
	'000	'000
Issued ordinary shares at 1 March 2023/2022	240,764	240,764
Effect of bonus issue	4,584,236	4,584,236*
Effect of shares issued on Initial Public Offering	125,464	-
Effect of treasury shares repurchased	(582)	-
Weighted average number of ordinary shares at 29/28 February	4,949,882	4,825,000

* The weighted average number of shares for 2023 was based on the enlarged issued share capital after the completion of Bonus Issue subsequent to the year end.

Diluted earnings per ordinary share

The Group’s diluted earnings per ordinary share is assumed to be the same as basic earnings per ordinary share as the potential new ordinary shares from the exercise of ESOS are deemed to be anti-dilutive since the market share price is lower than the exercise price of the ESOS.

29. DIVIDENDS

Dividends recognised by the Company are as follows :

	Group and Company	
	2024	2023
	RM'000	RM'000
In respect of financial year ended 28 February 2022		
Third interim dividend of approximately 6.23 sen per ordinary share paid on 8 April 2022	-	15,000
Fourth interim dividend of approximately 6.23 sen per ordinary share paid on 15 July 2022	-	15,000
	-	30,000
In respect of financial year ended 28 February 2023		
First interim dividend of approximately 16.61 sen per ordinary share paid on 15 November 2022	-	40,000
Second interim dividend of approximately 8.31 sen per ordinary share paid on 13 March 2023	20,000	-
	20,000	40,000
In respect of financial year ended 29 February 2024		
First interim dividend of 0.80 sen per ordinary share paid on 30 August 2023	39,880	-
Second interim dividend of 0.90 sen per ordinary share paid on 30 November 2023	44,852	-
Third interim dividend of 0.90 sen per ordinary share paid on 8 March 2024	44,852	-
	129,584	-
	149,584	70,000

A fourth interim dividend of 1.00 sen per ordinary share (excluding treasury shares) in respect of the financial year ended 29 February 2024 totalling RM49,728,000 was declared on 23 April 2024 and paid on 30 May 2024. As the dividend was declared subsequent to the financial year, the dividend will be accounted for as an appropriation of retained earnings in the financial year ending 28 February 2025.

NOTES TO THE FINANCIAL STATEMENTS

30. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company as follows :

- i)Subsidiaries, associate and joint venture as disclosed in Note 7, 8 and 9.
- ii)Key management personnel of the Group and the Company defined in Note 24.
- iii)Other related parties

a)LSJ Global Sdn. Bhd. (“LSJ Global”) and its subsidiaries in which Datuk Lim Siow Jin and his spouse, Datin Leong Bee Ling are the substantial shareholders.

b)DXN Eco Lodge PLC, LSJ Biotech Private Limited (formerly known as Daehsan Biotech Private Limited), Bulgano Ltd., Zaman Biotech Sdn. Bhd. and Pusat Rawatan Komplementari LSJ Sdn. Bhd. in which Datuk Lim Siow Jin is the substantial shareholder.

c)Sunyatee International Foundation (“the Foundation”) in which Datuk Lim Siow Jin is a patron and a Director of a subsidiary and his spouse are Directors of the Foundation.

d)Stargate Land Sdn. Bhd. in which Dato’ Lim Boon Yee and his spouse, Datin Kee Yew Oi are the substantial shareholders.

e)DCT Tours Sdn. Bhd. in which Dato’ Lim Boon Yee is the substantial shareholder.

f)Tropical Paradise Sdn. Bhd. and LSJ Plantation Sdn. Bhd. (“LSJ Plantation”) in which Datin Wan Illiyyin Binti Wan Mohd Nazi, being the spouse of Datuk Lim Siow Jin is the substantial shareholder.

Significant related parties transactions

The significant related party transactions were entered in the normal course of business and have been established under negotiated terms.

The significant related party transactions of the Group and of the Company are shown below. The outstanding balances with related parties are shown in Notes 15 and 22.

	Group		Company	
	2024	2023	2024	2023
	RM’000	RM’000	RM’000	RM’000
Transactions with subsidiaries				
Management fee income	-	-	35,174	24,194
Dividend income	-	-	185,000	200,115
Interest income	-	-	4,248	3,686
Rental income (premises and motor vehicles)	-	-	1,130	1,036
Rental expense (premises)	-	-	-	150
Transactions with companies in which certain Directors have a substantial financial interest				
Purchase of trading goods	2,676	8,100	-	-
Purchase of raw materials	710	2,026	-	-
Rental expense (premises)	590	572	150	150
Purchase of air tickets	467	337	364	304
Purchase of property, plant and equipment	37	481	-	-
Sales of property, plant and equipment	198	15	-	-

NOTES TO THE FINANCIAL STATEMENTS

30. RELATED PARTIES (CONTINUED)

Significant related parties transactions (continued)

	Group	2023	Company	2023
	2024		2024	
	RM’000	RM’000	RM’000	RM’000
Transactions with Directors and persons connected to Directors				
Insurance premium expense	2,367	2,106	638	358
Rental expense (premises)	114	98	-	-
Sales of property, plant and equipment	-	281	-	-
Transaction with the Foundation				
Donation and Corporate Social Responsibility contributions paid	1,768	1,442	-	-

The key management personnel compensation are disclosed in Note 24.

31. OPERATING SEGMENTS

The Group has two reportable segments as described below. The segments offer different products or services, and are managed separately because they require different technology, operational and marketing strategies. For each of the segment, the Group’s Chief Executive Officer (the chief operating decision maker (“CODM”)) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments :

Health and wellness consumer products	Manufacture and sale of fortified food and beverages, health and dietary supplements, personal care products, skin care and cosmetics and other related products
Investment holding	Investment holding and provision of management services

Other non-reportable segments comprise the provision of lab test services, provision of consultation and treatment services with ganotherapy, operating of a café, glamping resort, tourism village complex, marine sanctuary and related tour activities, forest plantation and related forestry support services. None of these segments met the quantitative threshold for reporting segment in both financial years.

There are varying levels of integration between the segments such as rental of premises and shared administrative services. Inter-segment pricing is determined on negotiated basis.

Performance is measured based on segment profit before tax as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets (excluding deferred tax assets and current tax assets) of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total assets are used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liabilities.

NOTES TO THE FINANCIAL STATEMENTS

31. OPERATING SEGMENTS (CONTINUED)

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, right-of-use assets, investment properties and intangible assets other than goodwill.

	Manufacture and sale of health and wellness consumer products RM'000	Investment holding RM'000	Other non- reportable segments RM'000	Elimination RM'000	Consolidated RM'000
Group					
2024					
Revenue from external customers	1,775,483	-	27,731	-	1,803,214
Inter-segment revenue	235	302,161	154	(302,550)	-
Total revenue	1,775,718	302,161	27,885	(302,550)	1,803,214
Segment profit	479,468	222,550	1,850	(224,861)	479,007
Included in the measure of segment profit/ (loss) are :					
- Impairment loss on property, plant and equipment	(1,039)	-	(1,287)	-	(2,326)
- (Loss)/Gain on disposal of property, plant and equipment	(79)	10	-	-	(69)
- Property, plant and equipment written off	(261)	-	(1,162)	-	(1,423)
- Inventories written off	(1,998)	-	-	-	(1,998)
- Depreciation of property, plant and equipment	(36,674)	(1,412)	(6,025)	-	(44,111)
- Depreciation of right-of-use assets	(10,925)	-	(249)	-	(11,174)
- Depreciation of investment properties	(198)	-	(33)	-	(231)
- Amortisation of intangible assets	(48)	(31)	(9)	-	(88)
- Reversal/(Impairment loss) on trade and other receivables	27	(26,410)	-	25,335	(1,048)
- Bad debts written off, net	(88)	-	(9)	-	(97)
Segment assets	1,696,727	164,888	60,923	-	1,922,538
Included in the measure of segment assets are :					
- Additions to property, plant and equipment	107,940	5,816	5,435	-	119,191
- Additions and remeasurement of right- of-use assets	20,786	-	1,169	-	21,955
- Additions to intangible assets (software costs)	33	54	61	-	148

NOTES TO THE FINANCIAL STATEMENTS

31. OPERATING SEGMENTS (CONTINUED)

	Manufacture and sale of health and wellness consumer products RM'000	Investment holding RM'000	Other non- reportable segments RM'000	Elimination RM'000	Consolidated RM'000
Group					
2023					
Revenue from external customers	1,576,167	-	24,647	-	1,600,814
Inter-segment revenue	103	235,711	788	(236,602)	-
Total revenue	1,576,270	235,711	25,435	(236,602)	1,600,814
Segment profit/(loss)	454,601	213,096	(665)	(211,517)	455,515
Included in the measure of segment profit/ (loss) are :					
- Impairment loss on property, plant and equipment	(7,998)	-	-	-	(7,998)
- (Loss)/Gain on disposal of property, plant and equipment	(14)	346	-	-	332
- Property, plant and equipment written off	(300)	-	(141)	-	(441)
- Inventories written off	(752)	-	-	-	(752)
- Depreciation of property, plant and equipment	(19,248)	(3,839)	(6,018)	-	(29,105)
- Depreciation of right-of-use assets	(9,307)	-	(217)	-	(9,524)
- Depreciation of investment properties	(193)	-	(33)	-	(226)
- Amortisation of intangible assets	(9)	(37)	(7)	-	(53)
- Reversal/(Impairment loss) on trade and other receivables	56	(133)	-	-	(77)
- Bad debts written off	(36)	(48)	-	-	(84)
Segment assets	1,478,477	106,189	59,306	-	1,643,972
Included in the measure of segment assets are :					
- Additions to property, plant and equipment	76,463	6,105	7,826	-	90,394
- Additions and remeasurement of right- of-use assets	8,312	-	351	-	8,663
- Additions to intangible assets (software costs)	57	26	5	-	88

NOTES TO THE FINANCIAL STATEMENTS

31. OPERATING SEGMENTS (CONTINUED)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers as disclosed in Note 23.1. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Non-current assets RM'000
Geographical information	
Group	
2024	
Asia (excluding Malaysia)	378,503
Malaysia	372,486
Latin America	52,114
Middle East	21,619
Europe	7,947
Africa	2,066
Oceania	1,337
North America	193
	836,265
2023	
Asia (excluding Malaysia)	348,417
Malaysia	318,967
Latin America	26,666
Europe	4,364
Africa	879
Oceania	1,293
North America	267
	700,853

Major customers

There was no revenue derived from any individual customer who contributed to more than 10% of the Group's revenue during both financial years presented.

NOTES TO THE FINANCIAL STATEMENTS

32. CAPITAL COMMITMENTS

	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
Contracted but not provided for :				
Property, plant and equipment	32,392	33,572	2,775	9,825

33. FINANCIAL INSTRUMENTS

33.1 Categories of financial instruments

Trade and other receivables (excluding prepayments and indirect taxes), short term investments and cash and cash equivalents are categorised as financial assets at amortised cost (Note 15) while trade and other payables, loans and borrowings are categorised as financial liabilities measured at amortised cost (Note 22).

The Group's financial instruments categorised as fair value through profit or loss ("FVTPL") are as follows :

	2024 RM'000	2023 RM'000
Group		
Derivative financial liabilities	(27)	(76)

33.2 Net gains/(losses) arising from financial instruments

	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
Net gains/(losses) on :				
Financial assets measured at amortised cost	30,687	(1,013)	(15,490)	(2,699)
Financial asset/liabilities measured at fair value through profit or loss	49	(156)	-	-
Financial liabilities measured at amortised cost	(28,999)	(19,584)	(29,500)	(11,760)
	1,737	(20,753)	(44,990)	(14,459)

33.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group’s exposure to credit risk arises principally from its receivables from customers. The Company’s exposure to credit risk arises principally from advances to subsidiaries and joint venture and financial guarantees given for credit facilities granted to subsidiaries. There are no significant changes as compared to prior year.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The majority of the Group’s revenue from direct sales are transacted on cash term. Normally credit evaluations are performed on distributors and other customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to prior year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

Concentration of credit risk

The exposure to credit risk for trade receivables and contract assets as at the end of the reporting period by geographical region was :

	2024	2023
	RM’000	RM’000
Group		
Malaysia	4,820	4,399
Asia (excluding Malaysia)	8,043	8,168
Europe	3,630	2,218
Middle East	1,523	29,542
Others	933	811
	18,949	45,138

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses

The Group uses an allowance matrix to measure expected credit losses (“ECLs”) of trade receivables and contract assets for all segments. Consistent with the Group’s debt recovery process, invoices which are past due more than 90 days will be considered as credit impaired.

The Group will initiate appropriate debt recovery procedures on long past due balances (including but not limited to legal actions). Generally, trade receivables will pay within the credit period granted.

Loss rates are calculated using a ‘roll rate’ method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past five years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group’s view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount	Loss allowances	Net balance
	RM’000	RM’000	RM’000
Group			
2024			
Not past due	6,316	-	6,316
Past due 1 - 30 days	2,273	-	2,273
Past due 31 - 90 days	2,015	-	2,015
Past due more than 90 days	1,392	-	1,392
	11,996	-	11,996
Credit impaired			
Individually impaired	7,458	(505)	6,953
	19,454	(505)	18,949
Trade receivables	18,519	(505)	18,014
Contract assets	935	-	935
	19,454	(505)	18,949

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
Group			
2023			
Not past due	20,700	-	20,700
Past due 1 - 30 days	5,188	-	5,188
Past due 31 - 90 days	12,334	-	12,334
Past due more than 90 days	6,916	-	6,916
	45,138	-	45,138
Credit impaired			
Individually impaired	527	(527)	-
	45,665	(527)	45,138
Trade receivables	45,022	(527)	44,495
Contract assets	643	-	643
	45,665	(527)	45,138

There are past due trade receivables which the Group has not recognised any loss allowance as the trade receivables are supported by subsequent collection after the end of the reporting period and historical collection trend from these customers.

The movements in the allowance for impairment in respect of trade receivables and contract assets during the year are shown below.

	2024 RM'000	2023 RM'000
Group		
Balance at 1 March 2023/2022	527	585
Impairment loss	(26)	(56)
Effect of movements in exchange rates	4	(2)
Balance at 29/28 February	505	527

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Other receivables

Credit risk on other receivables is mainly arising from amounts owing from an associate and a joint venture, and advances to suppliers and a customer.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The movements in allowance for impairment in respect of other receivables during the year were as follows :

	2024 RM'000	2023 RM'000
Group		
Balance at 1 March 2023/2022	9,005	9,072
Impairment loss	1,074	133
Written off	-	(208)
Effect of movements in exchange rates	12	8
Balance at 29/28 February	10,091	9,005
Company		
Balance at 1 March 2023/2022	6,892	6,759
Impairment loss	1,074	133
Balance at 29/28 February	7,966	6,892

Cash and cash equivalents

The cash and cash equivalents are held with established banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the ability of the subsidiaries to repay their loans and borrowings.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounted to RM2,530,000 (2023 : RM3,739,000) representings the outstanding banking facilities utilised by the subsidiaries at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' borrowings.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Financial guarantees (continued)

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary’s financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when :

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders’ fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, there was no indication that any subsidiaries would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the Company’s statement of financial position.

The advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when the financial position of the subsidiary deteriorates significantly. As the Company is able to determine the timing of payments of the advances to subsidiaries, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers the advances to be credit impaired when :

- The subsidiary is unlikely to repay its loan or advances to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders’ fund.

The Company determines the probability of default for these advances individually using internal information available.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Inter-company balances (continued)

Recognition and measurement of impairment loss (continued)

The following table provides information about the exposure to credit risk and ECLs for subsidiaries’ advances.

	Gross carrying amount RM’000	Loss allowances RM’000	Net balance RM’000
Company			
2024			
Low credit risk	148,806	-	148,806
Credit impaired	57,817	(55,322)	2,495
	206,623	(55,322)	151,301
2023			
Low credit risk	134,994	-	134,994
Credit impaired	31,787	(28,526)	3,261
	166,781	(28,526)	138,255

The movements in allowance for impairment in respect of subsidiaries’ advances during the year were as follows :

	2024 RM’000	2023 RM’000
Balance as at 1 March 2023/2022	28,526	15,534
Impairment loss	26,796	13,075
Written off	-	(83)
Balance as at 29/28 February	55,322	28,526

33.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group’s exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and banking facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments :

	Carrying amount RM'000	Contractual interest rates/ discount rates/ per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000
Group						
2024						
Non-derivative financial liabilities						
Bank overdraft	536	22.40	536	536	-	-
Lease liabilities	20,248	3.13 - 9.00	22,153	8,895	10,693	2,565
Hire purchase liabilities	3,530	1.71 - 6.71	3,823	1,270	2,553	-
Term loans	1,012	4.34 - 5.23	1,204	390	381	433
Revolving credits	160,344	3.70 - 6.56	160,344	160,344	-	-
Trade and other payables	501,662		501,662	501,662	-	-
	687,332		689,722	673,097	13,627	2,998
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
Outflow	27	-	950	950	-	-
Inflow	-	-	(923)	(923)	-	-
	687,359		689,749	673,124	13,627	2,998

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest rates/ discount rates/ per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000
Group						
2023						
Non-derivative financial liabilities						
Lease liabilities	21,345	3.13 - 8.00	22,695	9,589	11,801	1,305
Hire purchase liabilities	3,723	1.71 - 6.71	4,054	1,286	2,768	-
Term loans	58,585	2.00 - 7.26	69,609	15,219	49,443	4,947
Revolving credits	175,262	3.20 - 5.70	175,262	175,262	-	-
Trade and other payables	396,743	-	396,743	396,743	-	-
	655,658		668,363	598,099	64,012	6,252
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
Outflow	76	-	2,270	2,270	-	-
Inflow	-	-	(2,194)	(2,194)	-	-
	655,734		668,439	598,175	64,012	6,252

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest rates per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000
Company						
<i>Non-derivative financial liabilities</i>						
2024						
Hire purchase liabilities	1,762	3.74 - 4.86	1,898	569	1,329	-
Term loans	477	4.34 - 5.23	497	336	161	-
Revolving credits	158,915	3.70 - 6.56	158,915	158,915	-	-
Other payables	142,260	-	142,260	142,260	-	-
Financial guarantee	-	-	2,530	2,530	-	-
	303,414		306,100	304,610	1,490	-
2023						
Hire purchase liabilities	1,890	3.74 - 4.86	2,061	520	1,541	-
Term loans	56,618	4.80 - 7.26	67,297	15,024	48,662	3,611
Revolving credits	173,952	3.20 - 5.66	173,952	173,952	-	-
Other payables	11,853	-	11,853	11,853	-	-
Financial guarantee	-	-	3,739	3,739	-	-
	244,313		258,902	205,088	50,203	3,611

33.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

33.6.1 Currency risk

The Group is exposed to foreign currency risk on its sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily US Dollar (“USD”) and Euro Dollar (“EUR”).

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.6 Market risk (continued)

33.6.1 Currency risk (continued)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was :

	Denominated in	
	USD RM'000	EUR RM'000
Group		
2024		
Trade and other receivables	4,149	2,371
Short term investments	7,437	-
Cash and cash equivalents	133,568	14,163
Trade and other payables	(12,981)	(2,084)
Loans and borrowings	(103,643)	(56,701)
Net exposure	28,530	(42,251)
2023		
Trade and other receivables	35,051	3,299
Short term investments	7,253	-
Cash and cash equivalents	91,273	22,113
Trade and other payables	(3,863)	(23)
Loans and borrowings	(176,413)	(54,673)
Net exposure	(46,699)	(29,284)
Company		
2024		
Short term investments	7,437	-
Cash and cash equivalents	12,046	2,241
Loans and borrowings	(102,214)	(56,701)
Net exposure	(82,731)	(54,460)
2023		
Short term investments	7,253	-
Cash and cash equivalents	11,133	6,472
Loans and borrowings	(175,105)	(54,673)
Net exposure	(156,719)	(48,201)

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.6 Market risk (continued)

33.6.1 Currency risk (continued)

Currency risk sensitivity analysis

A 10% (2023 : 10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

Group	Profit or loss	
	2024	2023
	RM'000	RM'000
USD	(2,168)	3,549
EUR	3,211	2,226
Company		
USD	6,288	11,911
EUR	4,139	3,663

A 10% (2023 : 10%) weakening of the RM against the above currencies at the end of the reporting period would have had equal but opposite effect to the amounts shown above, on the basis that all other variables remained constant.

33.6.2 Interest rate risk

The Group's significant interest-earning financial assets and interest-bearing financial liabilities are mainly its short-term deposits and its fixed and floating rate borrowings. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group's deposit placements as at the end of the reporting period are short term and therefore, exposure to the effects of future changes at prevailing level of interest rates is limited.

The Group's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

Risk management objectives, policies and processes for managing the risk

The Group and the Company manage their interest rate risk by having a combination of borrowings with fixed and floating rates.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.6 Market risk (continued)

33.6.2 Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-earning/(bearing) financial instruments, based on carrying amounts as at the end of the reporting period was :

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
Financial assets	633,415	287,361	110,373	91,874
Financial liabilities	(183,765)	(202,297)	(160,677)	(175,842)
	449,650	85,064	(50,304)	(83,968)
Floating rate instruments				
Financial liabilities	(1,905)	(56,618)	(477)	(56,618)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Group		Company	
	Profit or loss		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	RM'000	RM'000	RM'000	RM'000
2024				
Floating rate instruments	(14)	14	(4)	4
2023				
Floating rate instruments	(430)	430	(430)	430

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables, payables and borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

Group	Fair value of financial instruments carried at fair value					Fair value of financial instruments not carried at fair value					Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000			
2024												
Financial liabilities												
Forward exchange contracts	-	27	-	27		-	-	-	-		27	27
Hire purchase liabilities	-	-	-	-		-	-	3,530	3,530		3,530	3,530
Terms loans - variable rate	-	-	-	-		-	-	1,012	1,012		1,012	1,012
	-	27	-	27		-	-	4,542	4,542		4,569	4,569
2023												
Financial liabilities												
Forward exchange contracts	-	76	-	76		-	-	-	-		76	76
Hire purchase liabilities	-	-	-	-		-	-	3,723	3,723		3,723	3,723
Terms loans - variable rate	-	-	-	-		-	-	58,585	58,585		58,585	58,585
	-	76	-	76		-	-	62,308	62,308		62,384	62,384

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.7 Fair value information (continued)

Company	Fair value of financial instruments carried at fair value					Fair value of financial instruments not carried at fair value					Total fair value RM'000	Carrying amount RM'000
	carried at fair value					carried at fair value						
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000			
2024												
Financial asset												
Other receivables	-	-	-	-	-	-	-	-	37,719	37,719	37,719	37,719
Financial liabilities												
Hire purchase liabilities	-	-	-	-	-	-	-	-	1,762	1,762	1,762	1,762
Term loans	-	-	-	-	-	-	-	-	477	477	477	477
	-	-	-	-	-	-	-	-	2,239	2,239	2,239	2,239
2023												
Financial asset												
Other receivables	-	-	-	-	-	-	-	-	34,119	34,119	34,119	34,119
Financial liabilities												
Hire purchase liabilities	-	-	-	-	-	-	-	-	1,890	1,890	1,890	1,890
Term loans	-	-	-	-	-	-	-	-	56,618	56,618	56,618	56,618
	-	-	-	-	-	-	-	-	58,508	58,508	58,508	58,508

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.7 Fair value information (continued)

Transfers between fair value levels

There has been no transfer between the levels in fair value during the financial year (2023 : no transfer in either direction).

Level 2 fair value

Derivative financial liabilities

The fair value of the forward exchange contracts is estimated by reference to the market rate for similar contracts obtained from the banks which the Group contracted with.

Level 3 fair value

Non-derivative financial liabilities

The carrying amount of floating rate term loans approximates fair value as their effective interest rates change accordingly to movements in the market interest rate. The fair value of fixed rate financial liabilities (i.e. hire purchase liabilities and fixed rate term loans) is calculated using discounted cash flows where the market rate of interest is determined by reference to similar borrowing arrangements.

34. CAPITAL MANAGEMENT

The Group’s objectives when managing capital is to maintain a strong capital base and safeguard the Group’s ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group actively and regularly reviews and manages its capital and borrowing structure to ensure an optimal structure and shareholders’ returns, taking into consideration future capital requirements, capital efficiency as well as prevailing and projected investment opportunities. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies regulatory requirements.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders’ equity equal to or not less than 25 percent of the issued and paid-up capital and that such shareholders’ equity is not less than RM40 million. The Company has complied with this requirement.

There were no changes in the Group’s approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

35. ACQUISITION OF A SUBSIDIARY

35.1 Financial year ended 29 February 2024

On 7 August 2023, the Company completed the acquisition of 100% equity interest in Daxen Middle East Food Manufacturing L.L.C. (“Daxen Middle East”) for a total purchase consideration of United Arab Emirates Dirham 10.00 million (equivalent to RM12,520,000). With effect therefrom, Daxen Middle East became a wholly-owned subsidiary of the Company.

In the 7 months from acquisition date to 29 February 2024, the subsidiary contributed a loss for the period of RM1,878,000 to the Group. There is no material difference to the Group’s consolidated revenue and profit for the year had the acquisition occurred on 1 March 2023. In determining the fair value of the net assets acquired, the Company has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 March.

The following summarises the consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at acquisition date :

	Note	Group 2024 RM’000
Fair value of consideration transferred		
Consideration settled in cash and cash equivalents		12,520
Identifiable assets acquired and liabilities assumed		
Plant and equipment	3	6,285
Right-of-use assets	4	827
Inventories		1,990
Trade and other receivables		493
Cash and cash equivalents		1,276
Lease liabilities	E	(755)
Trade and other payables		(3,093)
Total identifiable net assets		7,023

The fair value of the identifiable net assets is represented by their carrying amounts on the date of the acquisition.

	Group 2024 RM’000
Net cash outflow arising from acquisition of subsidiary	
Purchase consideration settled in cash	(12,520)
Cash and cash equivalents acquired	1,276
	(11,244)

Goodwill recognised as a result of the acquisition is as follows :

	Group 2024 RM’000
Goodwill	
Total consideration transferred	12,520
Fair value of identifiable net assets	(7,023)
	5,497

NOTES TO THE FINANCIAL STATEMENTS

35. ACQUISITION OF A SUBSIDIARY (CONTINUED)

35.2 Financial year ended 28 February 2023

On 4 April 2022, the Company acquired the entire equity interests in PT Suryasoft Konsultama for a total purchase consideration of IDR313,196,695 (equivalent to RM92,247). The acquisition enables the Group to be more efficient in its global roll-out of information technology systems and applications. In the 11 months to 28 February 2023, the subsidiary contributed a loss for the period of RM1,385,000 to the Group. There is no material difference to the Group’s consolidated revenue and profit for the year had the acquisition occurred on 1 March 2022. The acquisition gave rise to a gain on bargain purchase of RM19,000 which was recognised immediately in profit or loss. In determining the fair value of the net assets acquired, the Company has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 March.

The following summarises the consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Note	Group 2023 RM’000
Fair value of consideration transferred		
Consideration settled in cash		92
Identifiable assets acquired and liabilities assumed		
Property, plant and equipment	3	15
Trade and other receivables		17
Cash and cash equivalents		87
Trade and other payables		(8)
Total identifiable net assets		111

The fair value of the identifiable net assets is represented by their carrying amounts on the date of the acquisitions.

	Group 2023 RM’000
Net cash outflow arising from acquisition of subsidiary	
Purchase consideration settled in cash	(92)
Cash and cash equivalents acquired	87
	(5)

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (i)

On 11 April 2023, 4,584,236,000 new ordinary shares were issued by the Company arising from a bonus issue exercise on the basis of approximately 19 new ordinary shares for every 1 existing share held.
- (ii)

On 19 May 2023, the Company was listed on the Main Market of Bursa Malaysia Securities Berhad with a public issue of 160,000,000 new ordinary shares in the Company at a price of RM0.70 per share.

NOTES TO THE FINANCIAL STATEMENTS

37. MATERIAL TAX MATTERS

- (i)

DXN International Peru SAC (“DXN Peru”), a wholly-owned subsidiary of the Company was audited by the National Superintendency of Customs and Tax Administration (“SUNAT”) in 2017. Arising from the tax audit which related to assessment year 2015, SUNAT had disallowed certain sales commission as a deductible expense. Additional taxes and penalties of Peruvian Nuevo Sol (“Pen S/”) 0.37 million (equivalent to RM0.38 million) were imposed and paid by DXN Peru for assessment year 2015.

DXN Peru has provided the additional income tax and estimated penalties relating to the sales commission that may be similarly disallowed by SUNAT for financial years 2016 till 2020 amounting to Pen S/5.01 million (equivalent to RM6.23 million) and ceased recognising sales commission as a deductible expense in its income tax return for YA 2021 and beyond.

DXN Peru submitted appeals on the matter and the Supreme Court of Justice of Lima had on 11 January 2022 issued a resolution of preliminary revision (“RPR”) denying DXN Peru’s appeal. The RPR concluded the judicial process.

During the financial year ended 29 February 2024, DXN Peru as advised by its tax consultant and solicitors, filed a revised computation for income and value-added taxes for fiscal year 2018 to SUNAT to claim tax deduction and tax credit for sales commission paid and supported by invoices from members, following a precedent of a similar nature where the SUNAT had allowed the tax deduction. The SUNAT has yet to respond to the revised tax computation.

- (ii)

DXN Mexico S.A. de C.V. (“DXN Mexico”), a wholly-owned subsidiary of the Company has an ongoing income tax dispute with the Tax Administration Service of Mexico (Servicio de Administración Tributaria) (“SAT”) in relation to certain expenses that were disallowed as tax deductions and omission of taxable income in respect of certain provisions reversed. The SAT had imposed additional income tax (including fines and surcharges) for a total amount of MXN6.79 million (equivalent to RM1.89 million) for financial year 2013 and denied DXN Mexico’s request for refunds of outstanding tax balances amounting to MXN2.32 million (equivalent to RM0.65 million) for financial year 2012 (“Mexico Income Tax 2013 Case”).

On 25 January 2016, DXN Mexico had filed an appeal for revocation against the amount imposed by the SAT.

Pending an outcome from the SAT, the potential amount payable (including inflation, surcharges and penalties) in relation to the Mexico Income Tax 2013 Case is estimated to be MXN17.16 million (equivalent to RM4.78 million).

Of the said amount, the legal counsel appointed by DXN Mexico is of the opinion that MXN11.86 million (equivalent to RM3.31 million) are with high probabilities while the remaining MXN5.30 million (equivalent to RM1.47 million) are with low probabilities of being regarded in favour of DXN Mexico. Based on the legal opinion, DXN Mexico has provided and recognised MXN5.30 million (equivalent to RM1.47 million) as tax expense in profit or loss.

DXN Mexico has previously filed a nullity proceeding before the Federal Court of Tax and Administrative Affairs (FCTAA). The outcome of the matter is currently pending.

- (iii)

DXN Marketing India Private Limited (“DXN Marketing India”), a 50% owned subsidiary of the Company received a letter of summon dated 9 June 2020 from the GST Intelligence in Belagavi, India (“GST Intelligence”) for incorrect GST rates being applied and paid for RG and GL powder capsules, spirulina powder capsules and Neeli hair oil imported from 1 July 2017 (“India GST Case”).

DXN Marketing India has attended several rounds of personal hearings with the GST Intelligence and has also submitted all records and clarifications as requested by the GST Intelligence.

The tax adviser of DXN Marketing India is of the opinion that there is a high probability of DXN Marketing India will be able to convince the GST Intelligence that the correct GST rates has been applied for spirulina powder capsules and Neeli hair oil. DXN Marketing India will only have a fair chance of convincing the GST Intelligence that the correct GST rates have been applied for RG and GL powder capsules.

Based on the opinion, DXN Marketing India has provided Indian Rupee (“INR”) 546.13 million (equivalent to RM31.37 million) for the potential additional GST payable, including interest and penalties for the RG and GL powder capsules imported.

NOTES TO THE FINANCIAL STATEMENTS

37. MATERIAL TAX MATTERS (CONTINUED)

- (iv) The Income Tax Department of India (“Indian Income Tax Department”) conducted a tax audit on Daxen Agritech India Private Limited (“Daxen Agritech”), a wholly-owned subsidiary of the Company and demanded for additional taxes amounting to INR170.07 million (equivalent to RM9.77 million) for the years of assessment (“YA”s) 2012 to 2019 (“Daxen Agritech Income Tax Case”).

Under Section 80-IC of the Income Tax Act, 1961 of India, manufacturing companies set up in certain states, such as Himachal Pradesh, between April 2003 to March 2010 are entitled for a tax deduction of 100% of the profits for the first 5 years and 30% for the subsequent 5 years (“Exemption Benefit”).

Daxen Agritech was established in 2009 and commenced manufacturing of RG and GL capsules using raw materials (i.e. RG and GL powder) imported from Malaysia. Daxen Agritech had claimed the Exemption Benefit but the Assistant Commissioner of Income Tax (“ACIT”) disallowed the Exemption Benefit on grounds that Daxen Agritech did not carry out manufacturing activities but was merely purchasing raw materials and filling them into capsules.

The Group has recognised a provision for the income tax demanded for YA2012 to YA2019 of INR170.07 million (equivalent to RM9.77 million) during the financial year ended 28 February 2019.

Daxen Agritech has filed appeals to the Commissioner of Income Tax (“CIT”). In filing the appeals, Daxen Agritech has paid INR34.50 million (equivalent to RM1.98 million) being 20% of the total amount demanded as deposit under protest to the Indian Income Tax Department and recognised the said amount in profit or loss.

Pending the CIT’s decision on the appeal, Daxen Agritech has provided for the potential additional income tax payable for YA2020 which amounted to INR22.28 million (equivalent to RM1.28 million) during the financial year ended 28 February 2021. The status of the appeal remains outstanding. There is no potential exposure beyond YA2020 as the Exemption Benefit is only applicable up to YA2020. The status of the appeal remains outstanding.

- (v) Daxen Agritech has an ongoing dispute with the Commissioner of Customs, New Delhi (“Indian Customs”) in relation to the customs duty paid for the import of RG and GL powder for the years 2012 to 2018.

The RG and GL powder imported from Malaysia were classified as “bulk drugs for captive consumption” under the “Ayurvedic Medicine” category. However, the Indian Customs claimed that those RG and GL powder imported should have been classified under the “Food” category which will then be subjected to a higher customs duty rate. Consequently, the Indian Customs had demanded for additional customs duty to be paid totalling INR103.43 million (equivalent to RM5.94 million) comprising :

- (a) INR19.19 million (equivalent to RM1.10 million) for year 2012 (“India 2012 Customs Case”); and
- (b) INR84.24 million (equivalent to RM4.84 million) for the years 2013-2018 (“India 2013-2018 Customs Case”).

On 14 June 2013, Daxen Agritech has filed an appeal to the Commissioner of Customs (“the Appeal”) and received an order in favour of Daxen Agritech. On 9 April 2024, the Indian Customs appealed before the Customs Excise and Service Tax Appellate Tribunal (“CESTAT”) and received an order in its favour.

Daxen Agritech subsequently filed an appeal to the Supreme Court of India on 9 July 2018 where the appeal is currently pending. The next hearing date has yet to be fixed. In filing the said appeal, Daxen Agritech has paid and recognised INR19.19 million (equivalent to RM1.10 million) for the India 2012 Customs Case in profit or loss. Daxen Agritech’s legal adviser is of the opinion that the subsidiary has an equal chance for its appeal to the Supreme Court.

For the India 2013-2018 Customs Case, the Group has provided for the additional customs duty demanded of INR84.24 million (equivalent to RM4.84 million) in profit or loss during the financial year ended 29 February 2020.

Daxen Agritech had on 2 September 2020 filed an appeal to the CESTAT. In filing the appeal, Daxen Agritech has paid INR6.32 million (equivalent to RM0.36 million) representing 7.5% of the total amount demanded under protest.

NOTES TO THE FINANCIAL STATEMENTS

37. MATERIAL TAX MATTERS (CONTINUED)

On 20 December 2023, CESTAT had issued an order in favour of Daxen Agritech to partially exempt the customs duty for the India 2013-2018 Customs Case amounting to INR45.54 million (equivalent to RM2.62 million). The status of the appeal on the remaining INR38.70 million (equivalent to RM2.22 million) remains outstanding.

Notwithstanding the outcome of the appeals, Daxen Agritech has commenced paying customs duty in accordance with the recommended tariff rate applicable to the “Food” category since June 2018.

- (vi) DXN Manufacturing (India) Private Limited (“DXN Manufacturing India”), a wholly-owned subsidiary of the Company has ongoing tax disputes with the Indian Income Tax Department for the years of assessment (“YA”) 2004 to 2012. The Indian Income Tax Department demanded for additional taxes and decided that DXN Manufacturing India is not eligible for a tax deduction on its profits under Section 80IB of the Income Tax Act, 1961 of India (“India ITA”) (“DXN India Tax Case”).

Under Section 80IB of the India ITA, manufacturing companies that commence activities in an underdeveloped industrial area between April 1993 to March 2004 are entitled for a tax deduction of 100% on profits for the first 5 years and thereafter 30% for the subsequent 5 years (“Exemption Benefit”).

DXN Manufacturing India was established in 2001 and commenced manufacturing of RG and GL capsules using raw materials (i.e. RG and GL powder) imported from Malaysia. DXN Manufacturing India had claimed the Exemption Benefit but the Indian Tax Department disallowed the Exemption Benefit on grounds that DXN Manufacturing India did not carry out manufacturing activities but was merely purchasing raw materials and filling them into capsules.

DXN Manufacturing India won the cases for year of assessment (“YA”) 2004 and YA2005 at the High Court of Chennai. The Indian Income Tax Department then appealed against the order of the High Court and the appeals are now pending before the Supreme Court. DXN Manufacturing India’s legal counsel is of the opinion that there is a high probability for the Supreme Court deciding in favour of DXN Manufacturing India.

For YA 2006, DXN Manufacturing India has filed an appeal before the Commissioner of Income Tax (Appeals) (“CITA”) and subsequently also before the Income Tax Appellate Tribunal. The Income Tax Appellate Tribunal on 18 September 2009 ordered CITA to re-examine the case and pass a fresh order after giving DXN Manufacturing India adequate opportunity of being heard. The CITA has yet to issue a fresh order to date.

DXN Manufacturing India has paid the full taxes demanded by the Indian Income Tax Department for YA2004 to YA2012 amounting to INR140.03 million (equivalent to RM8.04 million) under protest. Subsequently in 2019 and 2020, DXN Manufacturing India received refunds amounting to INR114.64 million (equivalent to RM6.59 million) for YA2007, YA2008, YA2009 and YA2010 that were ruled in its favour.

- (vii) DXN Manufacturing India has an ongoing dispute with the Customs Excise and Service Tax Appellate Tribunal (“CESTAT”) for additional excise duty imposed on RG and GL powder capsules manufactured and sold for the period from February 2002 to July 2002 amounting to INR20.30 million (equivalent to RM1.17 million).

The CESTAT is of the view that RG and GL powder capsules should have been categorised as health food supplements which are liable to a higher excise duty compared to ayurvedic proprietary medicine as categorised by DXN Manufacturing India. DXN Manufacturing India paid the above amount demanded and had on 5 March 2018 submitted an appeal before the Supreme Court of India. The hearing date for the appeal has yet to be determined.

Pending an outcome for the appeal, DXN Manufacturing India paid excise duty of INR321.88 million (equivalent to RM18.49 million) for all subsequent RG and GL powder capsules manufactured and sold up till June 2011 using the excise duty prescribed by the CESTAT. DXN Manufacturing India discontinued the manufacturing and sale of the said products after June 2011.

The counsel appointed by DXN Manufacturing India on the above matter is of the opinion that DXN Manufacturing India has a fair chance to obtain a favourable decision from the Supreme Court.

NOTES TO THE FINANCIAL STATEMENTS

37. MATERIAL TAX MATTERS (CONTINUED)

(viii) In November 2022, Daxen Morocco LLC (“Daxen Morocco”), a wholly-owned subsidiary of the Company was notified by the Morocco Custom Department (“MCD”) that an incorrect tariff code was used for the importation of spirulina tablets, mix powder, morinzhi and cocozhi which resulted in the under declaration of import duties and value added tax.

As at 29 February 2024, additional import duties (including estimated penalties and interest) of Moroccan Dirham (“DH”) 32.41 million (equivalent to RM15.28 million) were provided by the Group for the above products imported by Daxen Morocco since commencement of business up to October 2022.

Notwithstanding the outcome of the case, Daxen Morocco has paid the additional import duties for the period November 2022 to February 2024 amounting to DH23.27 million (equivalent to RM11.03 million) and recognised the said amount in profit or loss.

38. MATERIAL LITIGATION

DXN Corporation Ningxia Co., Ltd. (“DXN Ningxia”), a wholly-owned subsidiary of the Company had on 3 July 2023 terminated a Share Sale Agreement (“SSA”) entered on 17 May 2022 with Fujian Anxi Jinjiang Source Tea Technology Co., Ltd (“Fujian Jinjiang”) for the disposal of the entire equity interest in Florin (Fujian) Integrated Agricultural Science and Technology Co., Ltd. (“Florin Fujian”) and its subsidiary, Anxi Gande Foluohua Intergated Agricultural Science and Technology Co., Ltd, (“Anxi Gande”), for a total consideration of Chinese Yuan (“RMB”) 58.7 million (equivalent to RM38.8 million). Fujian Jinjiang paid a deposit of RMB10.0 million (equivalent to RM6.7 million) as the first instalment for the purchase.

Following the termination of the SSA on 5 July 2023, DXN Ningxia commenced civil proceedings against Fujian Jinjiang on 31 October 2023 to recoup the official seals and business licenses of Florin Fujian and Anxi Gande, and for Fujian Jinjiang to cooperate with the registration procedures for the change of legal representatives. DXN Ningxia also claimed several reliefs against Fujian Jinjiang including damages for breach of contract.

On 6 November 2023, Fujian Jinjiang commenced civil proceedings against DXN Ningxia to claim the sum of RMB10.0 million (equivalent to RM6.7 million) paid under the SSA.

The aforementioned civil proceedings were consolidated and heard together by the Anxi County People’s Court (“the Court”). On 3 June 2024, DXN Ningxia received a civil judgement from the Court. The details of the judgement are as follows :

- (1) Fujian Jinjiang shall pay DXN Ningxia an interest of RMB318,000 (equivalent to RM211,500) within 10 days from the date of judgement;
- (2) Fujian Jinjiang shall pay DXN Ningxia a penalty for the breach of SSA amounting to RMB564,000 (equivalent to RM375,250) within 10 days from the date of judgement;
- (3) DXN Ningxia shall refund the deposit received under the SSA of RMB10.0 million (equivalent to RM6.7 million) to Fujian Jinjiang within 1 month from the date of judgement; and
- (4) All other claims initiated by DXN Ningxia and Fujian Jinjiang were rejected by the Court.

DXN Ningxia has filed an appeal on the above judgement before the Quanzhou Intermediate People’s Court (“QIPC”) on 20 June 2024. The lawyer advising DXN Ningxia on this matter is of the opinion that DXN Ningxia has a fair chance of a favorable decision from the QIPC.

STATEMENT BY DIRECTORS

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 134 to 218 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 29 February 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

Datuk Lim Siow Jin
Director

Dato’ Lim Boon Yee
Director

Date : 28 June 2024

STATUTORY DECLARATION

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Lim Yew Lin**, the officer primarily responsible for the financial management of DXN Holdings Bhd., do solemnly and sincerely declare that the financial statements set out on pages 134 to 218 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **Lim Yew Lin**, NRIC : 670906-02-5160, MIA CA20906, at George Town in the State of Penang on 28 June 2024.

Lim Yew Lin
Chief Financial Officer

Before me :

Goh Suan Bee
(No: P125)
Commissioner for Oaths
Penang

INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF DXN HOLDINGS BHD.
(Registration No. 199501033918 (363120 - V))
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of DXN Holdings Bhd., which comprise the statements of financial position as at 29 February 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 134 to 218.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 29 February 2024, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our auditors’ report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Revenue from health and wellness consumer products segment - Group	
Refer to Note 23 - Revenue to the financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>The Group derives its revenue mainly from sales of a wide range of health and wellness consumer products on direct sales basis and through international distributors.</p> <p>The health and wellness consumer products segment contributes RM1.78 billion (2023: RM1.58 billion) equivalent to 98.4% (2023: 98.8%) of the Group’s revenue.</p> <p>Revenue is recognised when the goods ordered by members are being recorded in the Group’s financial system. We have identified revenue from the health and wellness consumer products segment as key audit matter because the Group’s revenue is transacted with a large volume of individuals and there is a risk that the goods ordered by the members towards year end were not delivered as at the year end, thereby causing revenue to be overstated.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none">Tested the general IT and operating effectiveness of application controls for the relevant layers of technology surrounding the Online Billing System (“OBS”) and revenue recognition process;Tested the design and implementation and the operating effectiveness of the Group’s controls over revenue derived from (i) direct sales basis and (ii) international distributors. These included among others, reconciliation of the Sales Summary Report to the OBS, master price list, cash bills, sales ledger and general ledger);Tested the admission of new members to member’s admission forms, personal identification documents, company registration forms, tenancy agreements for member’s business premises and bank account details;

INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF DXN HOLDINGS BHD.

(Registration No. 199501033918 (363120 - V))

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
	<div>Our audit procedures included, among others (continued) :</div> <div><div><div><div>•</div><div>Evaluated whether sales are recognised in the correct accounting period by testing selected sales transactions around the year end to cash bills and acknowledged delivery documents;</div></div><div><div>•</div><div>Tested material credit notes issued subsequent to the financial year end for items that would affect the current year’s revenue recognised;</div></div><div><div>•</div><div>Confirmed the year-to date sales and outstanding receivable balance as at financial year end directly with the Group’s members, and distributors on sample basis; and</div></div><div><div>•</div><div>Reviewed manual journal entries posted to revenue.</div></div></div></div>

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors’ report.

Information Other than the Financial Statements and Auditors’ Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors’ report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF DXN HOLDINGS BHD.

(Registration No. 199501033918 (363120 - V))

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

•

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

•

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

•

Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

•

Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

•

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
- From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors’ report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF DXN HOLDINGS BHD.

(Registration No. 199501033918 (363120 - V))

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Penang

Date : 28 June 2024

Raymond Chong Chee Mon
Approval Number : 03272/06/2026 J
Chartered Accountant

APPENDIX I

DIRECTORS OF THE SUBSIDIARIES

The Directors who served on the respective boards of the Company’s subsidiaries (other than those who are also Directors of the Company) during the financial year until the date of this report are as follow :

Datin Leong Bee Ling	Padinharu Valappil Asik Rehman
Alma Delia Zaragoza	Pamela Maria Johanson Bettocchi
Carlos Hector Alayza Bettocchi	Perla Magdalena Rodriguez Garza
Daisy Yuson	Prajith Pavithran
Eko Pramono	R.Danur Disyacitta Prabowo
Erick Omar Garcia Lopez	Rabique Khaja Moinudeen
Fanny Kurnia	Rafael Diaz Feliz
Feng ShuZhen	Rajaram Saravanan
Frank Li Rui Xue	Rajesh Sikka Savera
Giuseppe Girlando	Ripon Chandra Shil
Gomobeva Angelica Tsybikovna	Szabo Szabolcs
Hilmi Hasan	Teo Pei Shin
Jijith Nelliyote Kakkunnath	Teoh Thean Yong
Joan Nicolas Flores	Theresa Katherine Krystal Ortiz Arteaga
José María Allonca	Thipawan Saiyawongsa
Karol Lizeth Ortega Torres	Totok Dewanto
Key Kar Wai	Vijay Kumar
Kostina Doloksaribu	Datin Wan Illiyyin Binti Wan Mohd Nazi
Lim Yew Lin	Xiao XinXing
Liu FenPing	Saw Teck Ban (Appointed on 1 August 2023)
Lu Hong	Lim Guat Hong (Appointed on 22 August 2023)
Maria Siakola	Foo Wai Leong (Appointed on 13 October 2023)
Muhammad Luthfi Hidayat	Jong Sui Shia (Appointed on 26 January 2024)
Ng Lay Jiun	Zuyina Khan (Appointed on 21 May 2024)
Novita Kristin Djunaedi	Teoh Shi Kee (Appointed on 13 October 2023; Resigned on 2 February 2024)
Nur Cahyono	
Nurettin Yavuz	

LIST OF TOP 10 PROPERTIES

As at 29 February 2024, details of the top ten (10) properties owned by our Group are as follows:

No.	Registered owner/ Beneficial owner/ Title Lot no./ Postal address	Tenure	Description of property/ Existing use	Age of Building	Built-up area/ Land area (approximate) (square metres)	NBV as at 29 February 2024 (RM'000)
Malaysia						
1.	DXN Mycotech/ DXN Geran No. 337285 Lot 10084, Bandar Cyberjaya, Daerah Sepang, Negeri Selangor/ DXN Cyberville, Jalan Teknokrat 1, Cyberjaya, 63000 Cyberjaya, Selangor	Freehold	Three storey wellness and retreat centre; and 150 units of service suite known as DXN Cyberville	> 2 years	52,793/ 19,578	113,578
2.	DXN Pharma/ DXN Industries Geran Mukim 1065 Lot 1728, Mukim Malau, Daerah Kubang Pasu, Negeri Kedah/ Kg. Padang Panjang, Jalan Bukit Wang, 06000 Jitra, Kedah	Freehold	Single storey detached pharmaceutical factory, double storey detached coffee factory and double storey detached cosmetic factory with three storey office	Pharmaceutical factory > 21 years Coffee factory > 19 years Cosmetic factory > 16 years	Pharmaceutical factory 2,700 Coffee factory 3,337 Cosmetic factory 13,545/ 26,058	31,207
3.	Amazing Discovery/ Geran No. 49061 Lot 587, Geran No. 49067 Lot 671 and Geran Mukim 338 Lot 10048, all in Mukim1, Daerah Barat Daya, Negeri Pulau Pinang/ 8, Jalan Teluk Bahang, Teluk Bahang, 11050 Pulau Pinang	Freehold	Glamping site known as Boulder Valley consisting of 24 single storey camping sites, one block double storey support facility building, two blocks double storey employees' hostel, 10 single storey camping sites, 10 single storey "treehouse" camping sites and one block triple storey support facility building	> 5 years	3,009/ 97,861	21,466

LIST OF TOP 10 PROPERTIES

No.	Registered owner/ Beneficial owner/ Title Lot no./ Postal address	Tenure	Description of property/ Existing use	Age of Building	Built-up area/ Land area (approximate) (square metres)	NBV as at 29 February 2024 (RM'000)
Malaysia (continued)						
4.	DXN/ Geran No. 27339, Lot No. 935, Bandar Gelugor, Daerah Timor Laut, Pulau Pinang and Geran No. 27340, Lot No. 936, Bandar Gelugor, Daerah Timor Laut, Pulau Pinang/ No. 363-W, Jalan Sultan Azlan Shah, Mk. 13, Bandar Gelugor, 11700 Pulau Pinang	Freehold	Double storey bungalow/Office	> 7 years	743/ 1,256	14,633
China						
5.	DXN Corporation Ningxia/ No.11 Zi Qiang Road, Shizuishan High Tech Industry Development Zone, Dawukou District, Shizuishan City, Ningxia, 753000	Term of use of 50 years from 18 June 2010 to 17 June 2060	Industrial land as manufacturing facilities consisting of: a) Five-storey office building; b) two-storey canteen; c) three-storey residential building for workers' accommodation; d) three single-storey factory buildings; e) three-storey office attached to two-storey production factory; and f) double storey support facilities building	For land & buildings a), b) & c): > 5 years For building d): > 2 years For building e) & f): < 1 year	a) Office 4,272 b) Canteen 763 c) Dormitory 4,002 d) Factory buildings 5,903 e) Office attached factory building 13,031 f) Support facilities building 1,769/ 68,098	52,561
6.	DXN Agrotech Ningxia / North of Longma Road, east of Binhu Avenue, and south of Yushantan Street, Zaoxiang Village, Xinghai Town, Dawukou District, Ningxia 753000	Term of use of 20 years from 1 December 2020 to 30 November 2040	Two-storey factory building	> 1 year	5,521/ 8,001	45,381

LIST OF TOP 10 PROPERTIES

No.	Registered owner/ Beneficial owner/ Title Lot no./ Postal address	Tenure	Description of property/ Existing use	Age of Building	Built-up area/ Land area (approximate) (square metres)	NBV as at 29 February 2024 (RM'000)
China (continued)						
7.	Anxi Gande Foluohua/ No. 99, Fuxiyang, Huaidong Village, Gande Town, Anxi County, Quanzhou City, Fujian Province, China	Leasehold Term of use of 50 years from 27 April 2021 to 26 April 2071	Industrial land for tea processing facility consisting of: a) a five-storey building for dormitory, office and lab; and b) a four-storey building for industrial purpose	> 4 years	For building a): 2,465 For building b): 8,219/ 10,724	14,670
India						
8.	DXN Manufacturing India/ Telangana: UDL Land situated at Siddipet Industrial Park in Sy. No. 392 of Mandapally Village, Siddipet (Urban) Mandal and in Sy.No.206 of Rajagopalet Village of Nanganoor Mandal, Siddipet District, Telangana/ Survey No. 392 and 206, Siddipet Industrial Park, Rajagopalpet and Mandapally Village, Nangunoor Mandal, Siddipet Dist- 502267, Siddipet, Telangana-502267	Freehold	Manufacturing and cultivation facilities consisting of: a) three storey administrative building; b) cosmetic factory; c) coffee factory; d) single storey wet food factory; e) GMP factory; f) utility building; g) scrap yard; h) integrated warehouse; i) gateway structure; j) four spirulina ponds; k) toiletries factory; l) commercial lab; m) double storey canteen building; and n) two security cabins	> 2 years	107,504/ 189,919	127,156
Mexico						
9.	DXN Mexico/ A fraction of Lot C of property number 281 of kilometer 7.5 of route Mena-CIX-I, located in Ciudad Industrial Xicohtencatl I, Tetla de la Solidaridad, Tlaxcala, located in the ejido of N.C.P.E. Plan de Ayala	Civil Protection Programme dated 2 June 2022 <i>The Civil Protection Programme is renewed annually</i>	Manufacturing facility for the manufacture of coffee products, food supplements and beverages	< 2 years	9,725/ 44,542	22,910

LIST OF TOP 10 PROPERTIES

No.	Registered owner/ Beneficial owner/ Title Lot no./ Postal address	Tenure	Description of property/ Existing use	Age of Building	Built-up area/ Land area (approximate) (square metres)	NBV as at 29 February 2024 (RM'000)
Peru						
10.	DXN Peru/ Lot F4 and Lot F5, Lot F23 and Lot F24, Block ("Manzana") F, Second Stage, Urb. Parque Sector 62 - Chilca Industrial, province of Cañete department of Lima, Peru	Freehold	Vacant land	-	-/ 38,816	21,327

ANALYSIS OF SHAREHOLDINGS

SHAREHOLDING STATISTICS AS AT 31 MAY 2024

Issued Share Capital : 4,985,000,000 ordinary shares (including 12,238,500 treasury shares)
Class of Share : Ordinary Shares
No. of Shareholders : 5,416
Voting Rights : One vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares Held
LESS THAN 100	8	0.148	155	0.000
100 - 1,000	827	15.270	380,595	0.008
1,001 - 10,000	2,183	40.306	12,885,500	0.259
10,001 - 100,000	1,818	33.567	68,361,590	1.375
100,001 - 248,638,074*	578	10.672	1,138,808,660	22.901
248,638,075 - 4,972,761,500**	2	0.037	3,752,325,000	75.458
TOTAL:	5,416	100.00	4,972,761,500	100.00

* - Less than 5% of issued shares.
** - 5% and above of issued shares.

SUBSTANTIAL SHAREHOLDERS

No.	Name of Major Shareholders	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1.	LSJ Global Sdn. Bhd.	3,394,780,805	68.268	-	-
2.	Gano Global Supplements Pte. Ltd.	661,859,895	13.310	-	-
3.	Datin Leong Bee Ling	-	-	#3,395,719,605	#68.286
4.	Datuk Lim Siow Jin	938,800	0.019	^3,394,780,805	^68.268
5.	KV Asia Capital Fund I L.P.			*661,859,895	*13.310
6.	KV Asia Capital Master Fund I Pte. Ltd.			*661,859,895	*13.310

Deemed interested via LSJ Global Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 and via her spouse pursuant to Section 59(11)(c) of the Companies Act 2016.
^ Deemed interested via LSJ Global Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.
* Deemed interested via Gano Global Supplements Pte. Ltd.

ANALYSIS OF SHAREHOLDINGS

DIRECTOR'S INTEREST IN THE SHARE CAPITAL

No.	Name of Directors	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1.	Datuk Lim Siow Jin	938,800	0.019	^3,394,780,805	^68.268
2.	Teoh Hang Ching (resigned on 1 June 2024)	830,000	0.017	#75,000	#0.002
3.	Dato' Lim Boon Yee	1,715,000	0.034	-	-
4.	Vibhav Panandiker	-	-	-	-
6.	Datuk Noripah Binti Kamsu	200,000	0.004	-	-
6.	Tunku Afwida Binti Tunku A. Malek	-	-	-	-
7.	Stefan Heitmann	-	-	-	-
8.	Abraham Verghese A/L T V Abraham	-	-	-	-
9.	Ong Huey Min	-	-	*140,000	*0.003

^ Deemed interested via LSJ Global Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.
Indirect shares via children pursuant to Section 59(11)(c) of the Companies Act, 2016.
* Indirect shares via spouse and children pursuant to Section 59(11)(c) of the Companies Act, 2016.

By virtue of his interests of more than 20% in the shares of the Company, Datuk Lim Siow Jin is also deemed to have an interest in the shares of all the subsidiaries to the extent the Company has an interest.

LIST OF TOP 30 HOLDERS AS AT 31 MAY 2024

No.	Name	Holdings	%
1	LSJ GLOBAL SDN BHD	3,090,465,105	62.148
2	GANO GLOBAL SUPPLEMENTS PTE. LTD.	661,859,895	13.310
3	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD.		
	PLEDGED SECURITIES ACCO UNT FOR LSJ GLOBAL SDN. BHD.	170,000,000	3.419
4	LSJ GLOBAL SDN. BHD.	134,315,700	2.701
5	PHILLIP NOMINEES (TEMPATAN) SDN BHD		
	PLEDGED SECURITIES ACCOUNT FOR LIM CHEA LIN	76,632,900	1.541
6	AMSEC NOMINEES (TEMPATAN) SDN BHD		
	AMBANK (M) BERHAD	72,100,000	1.450
7	AZAAL TRADING SDN BHD	45,703,500	0.919
8	CITIGROUP NOMINEES (ASING) SDN BHD		
	CBNY FOR NORGES BANK (FI 17)	30,088,100	0.605
9	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD		
	DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	24,161,400	0.486
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD		
	EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	20,384,500	0.410
11	LIM CHEA LIN	20,101,800	0.404
12	CITIGROUP NOMINEES (ASING) SDN BHD		
	EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	18,635,300	0.375
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD		
	KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	15,266,800	0.307
14	CARTABAN NOMINEES (TEMPATAN) SDN BHD		
	PAMB FOR PRULINK EQUITY FOCUS FUND	14,557,200	0.293

ANALYSIS OF SHAREHOLDINGS

No.	Name	Holdings	%
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (AHAM AM 2)	11,866,400	0.239
16	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	11,703,200	0.235
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR DANA MAKMUR PHEIM (211901)	11,361,600	0.228
18	NAI JOO CHYI	11,000,000	0.221
19	NG SEM GUAN	10,615,000	0.213
20	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MATHEW PURACKAL KUNCHERIA	10,413,000	0.209
21	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR KAWAN FOOD MANUFACTURING SDN BHD (PB)	10,000,000	0.201
22	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSMY FOCUS FUND	9,922,300	0.200
23	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PERTUBUHAN KESELAMATAN SOSIAL (UOB AMM6939-406)	9,437,200	0.190
24	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	9,211,400	0.185
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BHD FOR AIIMAN TNB RBTF (EQ) (433139)	8,774,800	0.176
26	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB BANK BERHAD (EDP 2)	7,909,400	0.159
27	TEH CHAI PENG	7,648,200	0.154
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM UOBAM) (446560)	7,571,700	0.152
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ESPRING ABSR EQ)	6,848,500	0.138
30	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIVA KUMAR A/L M JEYAPALAN	6,128,500	0.123
Total:		4,544,683,400	91.392

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Eighth (28th) Annual General Meeting (“**AGM**”) of the shareholders of DXN HOLDINGS BHD. (“**DXN**” or “**the Company**”) will be convened and held at DXN Cyberville, Jalan Teknokrat 1, Cyberjaya, 63000 Cyberjaya, Selangor on **Monday, 12 August 2024** at 10:00 am or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions, with or without any modifications:-

AGENDA

Ordinary Business

1.

To receive the Audited Financial Statements for the financial year ended 29 February 2024 and the Reports of the Directors and Auditors thereon.
2.

To re-elect the following Directors retiring pursuant to Clause 188 of the Company’s Constitution and who, being eligible, offer themselves for re-election:

2.1

Dato’ Lim Boon Yee

Ordinary Resolution 1

2.2

Vibhav Panandiker

Ordinary Resolution 2

2.3

Ong Huey Min

Ordinary Resolution 3
3.

To approve the payment of Directors’ fees and benefits payable of up to RM1,000,000 for the period commencing one day after this AGM through to the next AGM of the Company in 2025.

Ordinary Resolution 4
4.

To re-appoint KPMG PLT as Auditors of the Company for the ensuing financial year and to authorise the Directors to fix their remuneration.

Ordinary Resolution 5

As Special Business

5.

AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES

“THAT subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the approvals of the relevant governmental or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company to such persons, at any time until the conclusion of the next Annual General Meeting (“**AGM**”) and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being.

Ordinary Resolution 6

THAT the Directors are also empowered to obtain the approval from the Bursa Securities for the listing and quotation for the additional shares to be issued and THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

THAT pursuant to Section 85(1) of the Act to be read together with Clause 37(a) of the Constitution of the Company, all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled (“**Pre-emptive Rights**”).

AND THAT should this resolution be passed by the shareholders, this resolution shall have the effect of the shareholders having agreed to irrevocably waive their Pre-emptive Rights pursuant to Section 85(1) of the Act and Clause 37(a) of the Constitution of the Company in respect of the new shares to be allotted and issued by the Company and the issuance of such new shares of the Company will result in a dilution to their shareholding percentage in the Company. Subsequent to the passing of this resolution, if this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

NOTICE OF ANNUAL GENERAL MEETING

6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS AND NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”)**
“THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries (“**DXN Group**” or “**the Group**”) to enter into recurrent related party transactions of a revenue or trading nature as set out in the Circular & Statement to Shareholders dated 28 June 2024 which transactions are necessary for the day-to-day operations in the ordinary course of business of DXN Group on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

AND THAT, such approval, shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“**the Act**”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

AND THAT, the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Shareholders’ Mandate.”

7. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (“PROPOSED SHARE BUY-BACK”)**
“THAT, subject to the Companies Act 2016 (“**the Act**”) (as may be amended, modified or re-enacted from time to time), the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and approvals of all relevant governmental and/or regulatory authorities, where applicable, the Company be and is hereby authorized to purchase and/or hold such amount of ordinary shares in the Company (Proposed Share Buy-Back) as may be determined by the Directors of the Company from time to time and upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of ordinary shares purchased and/or held pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company at any given point in time and an amount of funds not exceeding the total retained profits of the Company based on the latest audited financial statements for the financial year ended 29 February 2024 be utilized by the Company for the Proposed Share Buy-Back.

AND THAT, at the discretion of the Directors of the Company, the ordinary shares of the Company to be purchased may be cancelled; and/or retained as treasury shares and subsequently distributed as dividends or resold on Bursa Securities or transfer for the purpose of or under an employee share option scheme (“**ESOS**”) or as part of purchase consideration; or be cancelled.

AND THAT, the Directors of the Company be and are hereby empowered to take all such steps as necessary to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be required or imposed by the relevant authorities from time to time and to do all such acts and things as the Board may deem fit and expedient in the best interest of the company.

- (a) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company in 2025 at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

Ordinary Resolution 7

Ordinary Resolution 8

NOTICE OF ANNUAL GENERAL MEETING

whichever is earlier; but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid date and in any event, in accordance with the provisions in the guidelines issued by Bursa Securities and/or by any other relevant authorities.”

8. **PROPOSED GRATUITY PAYMENT OF RM1,000,000 TO TEOH HANG CHING, FORMER EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER OF DXN GROUP (“PROPOSED GRATUITY PAYMENT”)**
“THAT approval be and is hereby given for the Company to make a gratuity payment of RM1,000,000 to Teoh Hang Ching, former Executive Director and Chief Executive Officer of DXN Group, who stepped down as Executive Director and Chief Executive Officer on 1 June 2024, in recognition and appreciation of his long service and contribution to DXN Group.

AND THAT authority be and is hereby given to the Directors of the Company to take all such actions as they may consider necessary and/or desirable to give full effect to the Proposed Gratuity Payment.”

9. To transact any other business of which due notice shall have been given.

By Order of the Board

Tai Yit Chan, MAICSA 7009143 | SSM PC No. 202008001023
Ong Tze-En, MAICSA 7026537 | SSM PC No. 202008003397
Lim Yew Lin, MIA 20906 | SSM PC No. 202008001679
Joint Company Secretaries
Penang, 28 June 2024

Notes:

- A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead at the meeting, and that a proxy may but need not be a member. A proxy must be of full age. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**Omnibus Account**”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. Where an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy. An Exempt Authorised Nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under its Common Seal, or under the hand of an officer or attorney duly authorised. An instrument appointing a proxy to vote shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointer. Members not resident in Malaysia may appoint and revoke proxies by cable.
- For the proxy to be valid, the Proxy Form duly completed must be deposited at Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- Please ensure ALL the particulars as required in this Proxy Form are completed, signed and dated accordingly.
- In respect of deposited securities, only a depositor whose name appears on the Record of Depositors on 5 August 2024 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Ordinary Resolution 9

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1.
- The background of the Directors who are standing for re-election under item 2 of this agenda is set out under Profiles of the Board of Directors in the Annual Report 2024. Based on the recommendation of the Board Nomination & Remuneration Committee (“**BNRC**”), the Board of Directors (“**the Board**”) is satisfied with the performance and contributions of Dato’ Lim Boon Yee, Vibhav Panandiker and Ong Huey Min (collectively “**the retiring Directors**”) and supports their re-election based on the following justifications:

Re-election of Dato’ Lim Boon Yee, Non-Independent Non-Executive Director (“Non-INED”)

His extensive experience, proven leadership, and long-term commitment to DXN Group make him a valuable asset to the Board. His re-election would ensure the continued strategic oversight and stability of the Group’s management.

Re-election of Vibhav Panandiker, Non-INED

Vibhav Panandiker’s re-election brings a wealth of experience, strategic insight, and leadership to the board. His extensive background in finance, private equity, and international business makes him a valuable asset, contributing to the Group’s growth and success.

Re-election of Ong Huey Min, INED

Ong Huey Min has fulfilled the requirement of independence set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as the prescribed criteria under the Malaysian Code on Corporate Governance. She has demonstrated objectivity and commitment through proactive engagements at meetings of the Board and Board Committees (as defined) held during the financial year by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion. She has exercised her due care and carried out her professional duties proficiently during her tenure as an INED.

The retiring Directors do not have any conflict of interest with the Group (save as disclosed in the audited financial statements of the Company and the Group in respect of the financial year ended 29 February 2024) and had abstained from deliberation and decision-making on their own eligibility to stand for re-election at the meetings of the BNRC and/or the Board.

2.
- The proposed Ordinary Resolution 4, if passed, will facilitate the payment of fees and benefits to the INEDs for the period commencing one day after the 28th AGM through to the next AGM in 2025. Details of the fees and benefits paid to the Directors in respect of the financial year ended 29 February 2024 are tabulated under the Corporate Governance (“**CG**”) Overview Statement in the Annual Report 2024 and the CG Report.

The benefits payable is calculated based on the number of days scheduled for meetings of Board and Board Committees. Board Committees refer to, in a collective sense, the Board Audit Committee, BNRC and the Board Risk Committee. Fees comprised fees payable to Directors as members of the Board and Board Committees. The amount also includes a contingency sum to cater to unforeseen circumstances such as the appointment of additional Director(s), additional unscheduled meetings of the Board and Board Committees and/or for the formation of additional Board Committee(s).

3.
- The proposed Ordinary Resolution 6, if passed, is for the purpose of granting a renewed general mandate (“**General Mandate**”) empowering the Directors of the Company, pursuant to Sections 75 and 76 of the Act to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the next AGM of the Company.

The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment projects, working capital and/or acquisitions as well as to avoid any delay and cost in convening general meeting to specifically approve such an issuance of shares.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 37(a) of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make the needful announcements in respect thereof.

4.
- The proposed Ordinary Resolution 7, if passed, will obtain the Shareholders’ Mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature with its related parties as set out in Section 2.4 and Section 2.5 of the Circular & Statement to Shareholders dated 28 June 2024 (“**Circular & Statement**”) which are necessary for the Group’s day to day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders. Further information on the Proposed Shareholders’ Mandate is set out in the Circular & Statement.
5.
- The proposed Ordinary Resolution 8, if passed, will allow the Company to purchase its own shares. The total number of ordinary shares purchased shall not exceed ten per centum (10%) of the total number of issued share (excluding treasury shares) of the Company. This authority will, unless revoked or varied by the Company in general meeting, expire at the next AGM in 2025. For further information, please refer to Part B of the Circular & Statement.
6.
- The proposed Ordinary Resolution 9, if passed, will allow the Company to make a gratuity payment of RM1,000,000 to Teoh Hang Ching, the former Executive Director and Chief Executive Officer of DXN Group (“**Proposed Gratuity Payment**”). The Proposed Gratuity Payment is in recognition of Teoh Hang Ching’s commitment, dedication and contribution to DXN Group. It is also a gesture of appreciation for Teoh Hang Ching’s services and leadership in guiding the Group to its successful initial public offering.

STATEMENT ACCOMPANYING
NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Listing Requirements)

As at the date of this Notice, no individual is standing for election as Director at the forthcoming 28th AGM of the Company.

ADMINISTRATIVE GUIDE TO THE TWENTY-EIGHTH (28TH) ANNUAL GENERAL MEETING (“AGM”)

Administrative Guide for the Twenty-Eighth (28th) Annual General Meeting (“AGM”) of DXN Holdings Bhd. (‘the Company”)

Day & Date : Monday, 12 August 2024
Time : 10:00 a.m.
Venue : DXN Cyberville, Jalan Teknokrat 1, Cyberjaya, 63000 Cyberjaya, Selangor

Registration on the day of AGM

1. Registration will commence at 9:00 a.m. and will end at the time as may be determined by the Chairman of the Meeting.
2. Please present your original MyKad or Passport to the registration staff for verification. Please make sure your MyKad or Passport is returned to you after registration.

Entitlement to Participate and Appointment of Proxy

3. Only members whose name(s) appear on the Record of Depositors on **5 August 2024** (General Meeting Record of Depositors) shall be eligible to attend, participate, pose questions and vote in the meeting or appoint proxy(ies) to participate on his/her behalf.
4. The instrument appointing a proxy shall be deposited to Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor at least forty-eight (48) hours before the AGM meeting time or any adjournment thereof, which is latest by Saturday, 10 August 2024 at 10:00 am.

Revocation of Proxy

5. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our 28th AGM in person, please write in and be deposited at the Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor to revoke the earlier appointed proxy at least forty-eight (48) hours before the AGM meeting time or any adjournment thereof, which is latest by Saturday, 10 August 2024 at 10:00 am.

Enquiries

6. If you have enquiries prior to the AGM, please contact Boardroom Share Registrars Sdn. Bhd. (“BoardRoom”) during office hours on Mondays to Fridays from 8:30 am to 5:30 pm (except public holidays):

BoardRoom Help Desk
T: +603 7890 4700
E: bsr.helpdesk@boardroomlimited.com

Personal Data Privacy

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 28th Annual General Meeting of the Company and any adjournment thereof.

PROXY FORM



DXN HOLDINGS BHD.
Registration No.: 199501033918 (363120-V)
(Incorporated in Malaysia)

28th Annual General Meeting

CDS Account No.

No. of Shares Held

I*/We* _____
(Full name in Block Letters and NRIC/Company No.)

of _____ and _____
(Address) (Tel. No.)

being a member*/members* of DXN Holdings Bhd. hereby appoint

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding
Email Address			
Telephone No.			

* and/or (*delete if not applicable)

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding
Email Address			
Telephone No.			

or failing *him/her, THE CHAIRMAN OF THE MEETING as my*/our* proxy, to vote for me*/us* and on my*/our* behalf at the 28th Annual General Meeting of the Company to be convened and held at DXN Cyberville, Jalan Teknokrat 1, Cyberjaya, 63000 Cyberjaya, Selangor on Monday, 12 August 2024 at 10:00 am or at any adjournment thereof.

Ordinary Resolutions (“OR”)	OR 1	OR 2	OR 3	OR 4	OR 5	OR 6	OR 7	OR 8	OR 9
FOR									
AGAINST									

(Please indicate with an “x” in the appropriate space(s) provided above on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion)

Signed this _____ day of _____ 2024

Signature of Shareholder

Common Seal to be affixed here if Shareholder is a Corporation

Notes:

1. A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead at the meeting, and that a proxy may but need not be a member. A proxy must be of full age. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
3. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. Where an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy. An Exempt Authorised Nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under its Common Seal, or under the hand of an officer or attorney duly authorised. An instrument appointing a proxy to vote shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointer. Members not resident in Malaysia may appoint and revoke proxies by cable.
5. For the proxy to be valid, the Proxy Form duly completed must be deposited at Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
6. Please ensure ALL the particulars as required in this Proxy Form are completed, signed and dated accordingly.
7. In respect of deposited securities, only a depositor whose name appears on the Record of Depositors on 5 August 2024 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Personal Data Privacy

By submitting the duly executed Proxy Form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 28th Annual General Meeting of the Company and any adjournment thereof.

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Affix
Stamp

The Share Registrar

DXN HOLDINGS BHD.

Registration No.: 199501033918 (363120-V)
(Incorporated in Malaysia)

11th Floor, Menara Symphony, No. 5,
Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor

Then fold here

Fold this flap for sealing

DXN Cyberville,
Jalan Teknokrat 1, Cyberjaya,
63000 Cyberjaya,
Selangor

Tel : 603-7809 3388
Fax : 603-7809 3200
Email : ir@dxn2u.com



DXN Holdings Bhd.

Registration No.: 199501033918
(363120-V)

www.dxn2u.com