

SUSTAINABILITY STATEMENT

ONE MARKET

Our Commitment to Our Economic and Governance

SUSTAINABLE BUSINESS AND GOVERNANCE PRACTICE

Understanding the impact of our activities in the cultivation, manufacturing, and marketing of health food supplements, as well as our position as a prominent player in thirty-three (33) countries, we are committed to corporate governance throughout our operations and supply chain. 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



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BUSINESS PERFORMANCE

GRI 3-3, GRI 201-1



The sustainable economic model is our crucial approach to strengthening our market both in local and international arenas. It serves as a foundation for revenue growth, profitability, and the creation of value for our stakeholders. We adopt a different approach to maximise business growth within our Group.



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 via R&D
- Expansion of product line via our 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 targets extend into a worldwide range of boundaries to strengthen our market presence. We are networking with a total of 82 sales branches and 19 million registered members to achieve excellent business performance. These members contributed to marketing all of our products as well as generating their income. We are proud to announce our Group's performance for FY2025:

Business Performance			
	FY2023 (RM'000)	FY2024 (RM'000)	FY2025 (RM'000)
Economic Value Generated			
Net operating income	630,660	689,471	753,739
Other income	20,935	30,334	27,813
Economic Value Distributed			
Employees in salary and other personnel costs	151,340	171,833	198,351
Governments (in Taxation)	166,188	155,041	188,488
Capital providers (Dividends, non-controlling interest, and finance cost)	109,763	205,645	200,226
Retained for future investment and growth	224,304	187,286	194,487

Our full business performance can be retrieved in our Group Financial Statements (Annual Report 2025), pages 153 to 265.

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SUSTAINABLE SUPPLY CHAIN

GRI 3-3, GRI 204-1, GRI 308-1, GRI 414-1

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

At DXN Group, our supply chain strategy is designed to drive sustainability across all aspects of our operations, from upstream to downstream including our operation facilities, suppliers, logistics, and product distributions. By embedding sustainable practices at each stage, we aim to promote resource efficiency and support long-term value creation.

PROCUREMENT MANAGEMENT

Our procurement practices are embedded into two (2) categories:

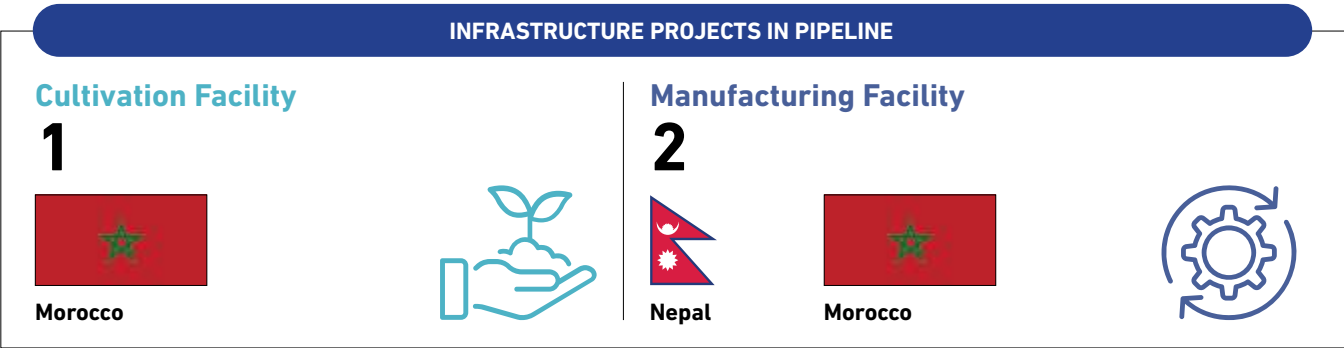
(i) Internal Procurement

Within our internal procurement framework, we currently have three (3) main activities which are cultivation, manufacturing, and research facilities. These facilities are playing a major role in the quality and expansion of our product line while ensuring effective quality assurance measures are in place.



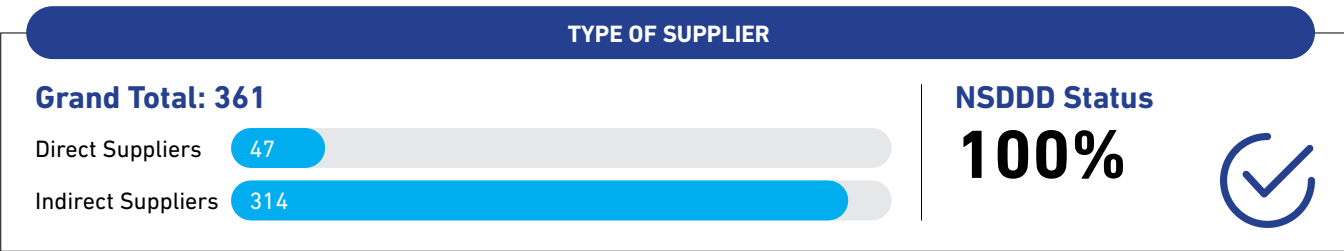
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We believe that expanding our operation facilities will optimise our production in international markets and with our sustainable procurement practices, we commit to ensuring all new operations are fully equipped with international sustainable standards. As of FY2025, we have several new pipeline projects:

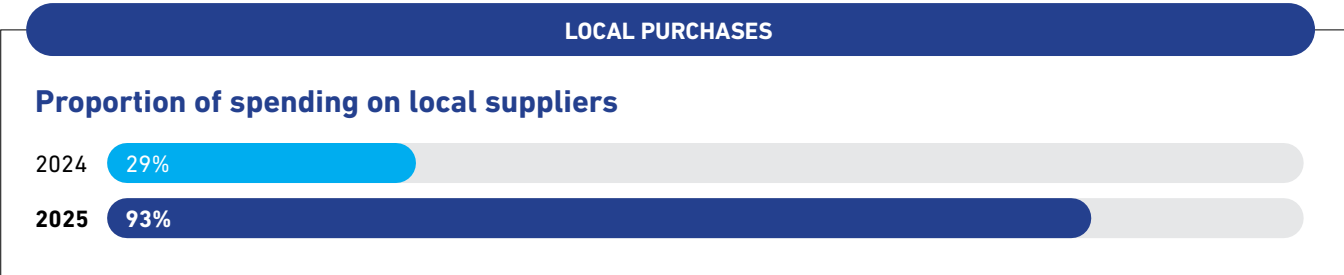


(ii) External Procurement

At DXN Group, our procurement strategy is critical to our sustainability efforts. We are committed to sourcing materials and services in ways that promote environmental stewardship, social responsibility, and long-term economic viability. By integrating sustainability criteria into our procurement processes, we ensure that both direct and indirect materials align with our broader internal policies and standards. Our procurement processes is strictly aligned with our ABC Policy, Code of Conduct & Ethics, OSH Policy, Environmental & Energy Policy, and Human Rights Policy. Our procurement team continuously monitors our suppliers’ environmental and social performance via New Supplier Due Diligence & Declaration (“NSDDD”). As of FY2025, 361 new suppliers and 100% of them have undergone due diligence. We are proud to announce that no non-compliance was detected during the process. Due diligence evaluations of current suppliers are also conducted on an annual basis to maintain ethical and operational standards.



Our performance:



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SUPPLIER ENGAGEMENT

In FY2025, we organised a Supplier Engagement Day in Cyberjaya as part of our ongoing commitment to fostering responsible and sustainable supply chain practices. The event brought together key local suppliers to strengthen collaboration, communicate our sustainability expectations, and foster alignment of shared goals. Key topics covered included our Supplier Code of Conduct, ethical sourcing, NSDDD, GHG emission, ESG reporting, and ABC awareness.



LOGISTIC MANAGEMENT

To enhance operational efficiency, cost-effectiveness, and sustainability, we adopted practices that focus on maximising resource utilisation, optimising logistics, and minimising delivery time and resource waste. Our approach emphasises sustainable shipping solutions, such as consolidating weekly international deliveries with courier vendors and utilising fuel-efficient trucks for domestic and short-distance transportation. The warehouse follows an environmentally conscious shipping schedule based on product requisition forms submitted by the international business team. Fleet schedules are strategically managed to optimise vehicle capacity, reducing the frequency of trips and lowering our overall carbon footprint.

DISTRIBUTION CHANNEL

At DXN Group, we leverage a variety of distribution channels to deliver our products efficiently while promoting economic inclusivity and empowering local communities. These channels include a network of distributors and independent representatives. In FY2025, we expanded our operations to 33 countries which enables us to reinforce further our commitment to sustainable growth and accessibility. The table outlines the categories of distribution channels and the number of distributors, reflecting our dedication to fostering a resilient and inclusive global supply chain.

DISTRIBUTION CHANNEL



Sales Branches in FY2025

82

FY2023: 79
FY2024: 78



External Distribution Agencies in FY2025

12

FY2023: 12
FY2024: 12



Stockists in FY2025

1,885

FY2023: 1,808
FY2024: 1,838



Registered Members in FY2025

19,395,980

FY2023: 14,975,185
FY2024: 17,084,450



Active Members in FY2025

3,557,553

FY2023: 3,666,979
FY2024: 3,559,955

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ANTI-CORRUPTION

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



The Group upholds a zero-tolerance policy against bribery and corruption, ensuring all business operations align with the ethical standards outlined in the Malaysia Direct Selling Act 1993 and the Direct Selling Association of Malaysia (“DSAM”) Code of Conduct. To reinforce this commitment, we adopted our ABC Policy at the Group level, supported by the Whistleblowing Policy and the Code of Conduct & Ethics. Our policies align and underscore compliance with Section 17A of the Malaysian Anti-Corruption Commission (“MACC”) Act. We take legal and reputational risks seriously and have in place systems and processes to mitigate these risks through promoting an ethical, transparent, and equitable business environment.

We are committed to promoting sustainable and ethical practices by raising awareness about bribery and anti-corruption to both our internal and external stakeholders, including employees, suppliers, and business associates. To achieve this, we have implemented several initiatives that enhance knowledge and encourage long-term commitment to integrity, transparency, and ethical conduct with all stakeholders who we engage with.

Key initiatives include:

Internal Key Stakeholders:

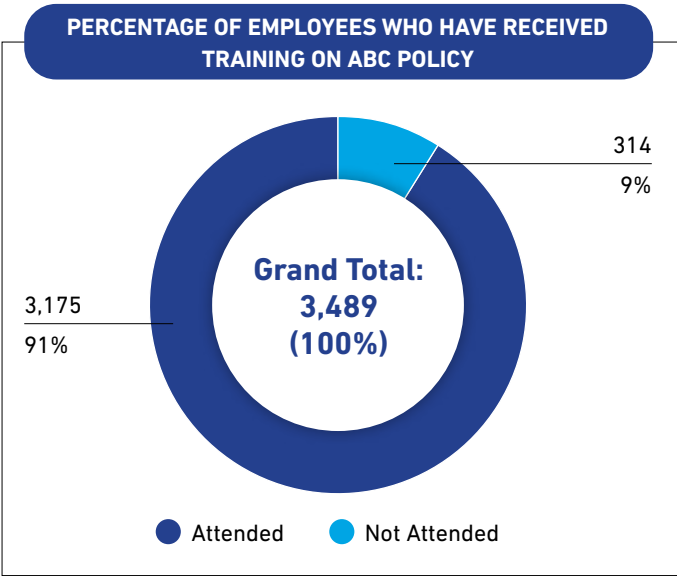
- Directors, new and existing employees, within the Group are required to formally acknowledge and sign the Conflict-of-Interest Declaration Form and Acknowledgment of ABC Policy, thereby committing to adhere to the provisions outlined in the ABC Policy, Whistleblowing Policy, and Code of Conduct & Ethics. This process ensures that all employees are fully aligned with the Group’s commitment to upholding the highest standards of integrity, transparency, and ethical conduct from the commencement of their employment.

- Continuous training and briefings on anti-bribery and anti-corruption for employees, designed to enhance awareness, provide clear guidance on ethical conduct, and reaffirm our commitment to upholding a corruption-free and ethically sound work environment.

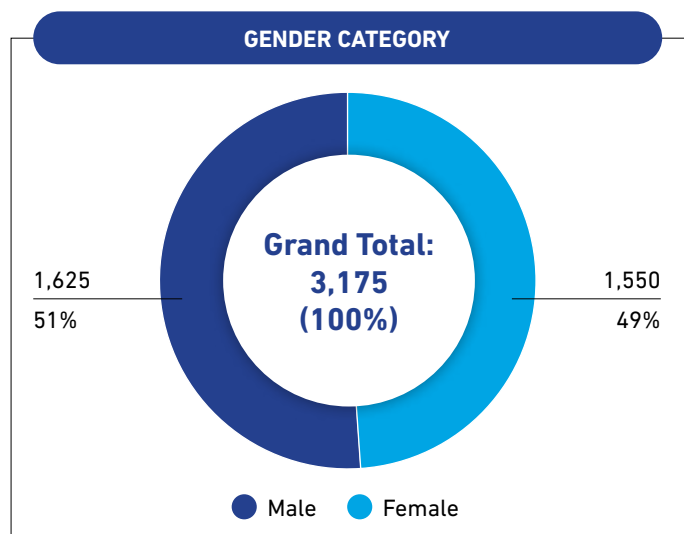
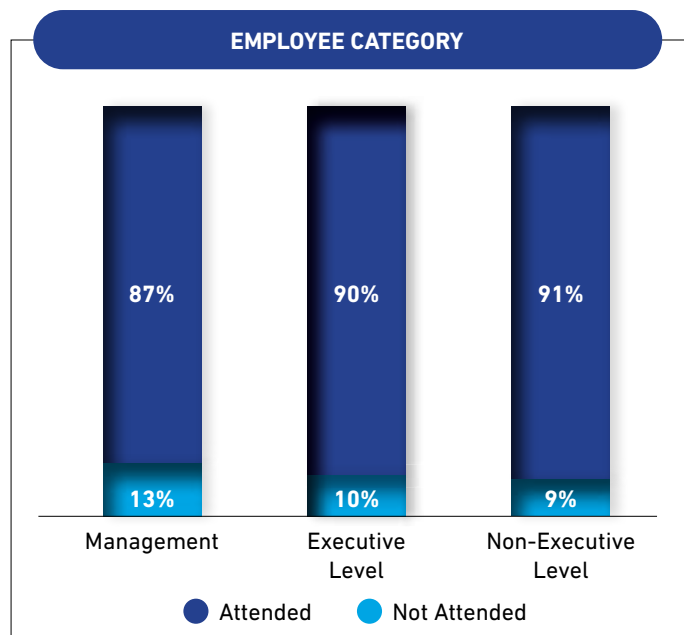
External Key Stakeholders:

- Business associates, especially suppliers, are required to undergo a due diligence evaluation process, which includes acknowledging DXN Group’s ABC Policy. They are required to submit a Supplier Conflict of Interest Declaration form. This process ensures that our suppliers are fully aligned with our ethical standards and have implemented appropriate measures to prevent bribery and corruption, reinforcing our commitment to responsible and transparent business practices.

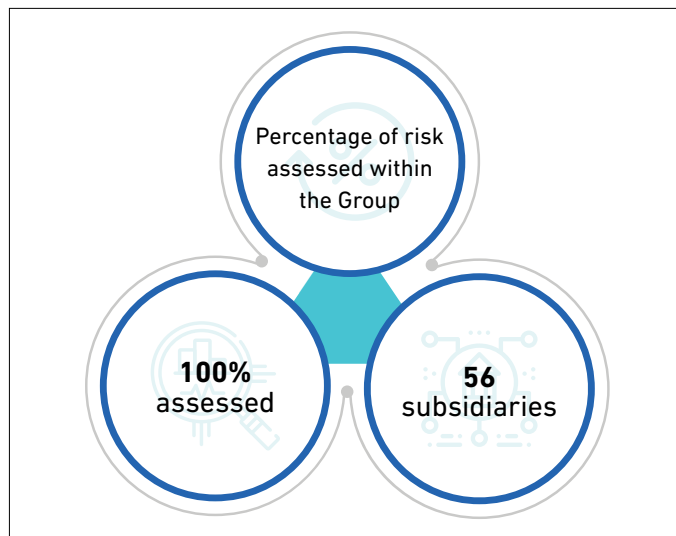
Our performance in FY2025 for ABC training by employee category:



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As part of our risk mitigation strategy, the Group's Governance & Risk Management ("GGRM") Department conducts comprehensive bribery and corruption risk assessments across the organisation. The ABC Committee oversees the internal monitoring framework to ensure that the commitments outlined in the ABC Policy are consistently upheld across all operations. Any identified issues are deliberated during management meetings.



In addition, we have implemented trackable due diligence procedures before engaging with new suppliers, partners, or associates. The due diligence process includes requiring compliance with the Group's ABC Policy, evaluating conduct in alignment with the policy, formal acknowledgment of DXN Group's ABC Policy, and submission of a Supplier Conflict of Interest Declaration Form.

WHISTLEBLOWING CHANNEL

DXN Group has implemented the Group's Whistleblowing Policy, which provides a formal mechanism for stakeholders to report concerns, suspicions and/or instances of misconduct, wrongdoing, unlawful acts, corruption, fraud, and non-compliance with the Group's policies. This policy offers a confidential or anonymous channel for stakeholders to raise issues while ensuring protection against reprisals and safeguarding the confidentiality of the reporting individuals. The Whistleblowing Committee ("WBC") is responsible for investigating and taking appropriate action on any concerns or allegations of misconduct.

This year, we introduced an online Whistleblowing Channel, allowing stakeholders to submit their concerns conveniently. The Whistleblowing Channel is accessible via the following link:

<https://www.dxn2u.com/whistleblowing/>.

Note:

For more information on the ABC and Whistleblowing Policy can be accessed at <https://www.dxn2u.com/investor-relations/>.

In FY2025, DXN Group successfully resolved one (1) confirmed incident through its whistleblowing channel, demonstrating the effectiveness and integrity of our grievance-handling procedures. The Company remains committed to ensuring all concerns are addressed through fair, transparent, and timely resolution processes.

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SUSTAINABLE PRODUCT STEWARDSHIP

At DXN Group, sustainable product stewardship is at the core of our commitment to delivering high-quality, safe, and responsibly labelled products while ensuring data security and embracing innovation. We uphold stringent quality and safety standards that ensures compliance with regulations and transparent labelling to empower and inform our consumers to make educated choices. Our strong focus on information security ensures the protection of sensitive data through reliable cybersecurity and responsible data management. Additionally, we continuously invest in innovation and digital transformation. Through these efforts, we strive to uphold the highest ethical and sustainability standards, driving long-term value for our stakeholders. In this chapter, we detail our approach:

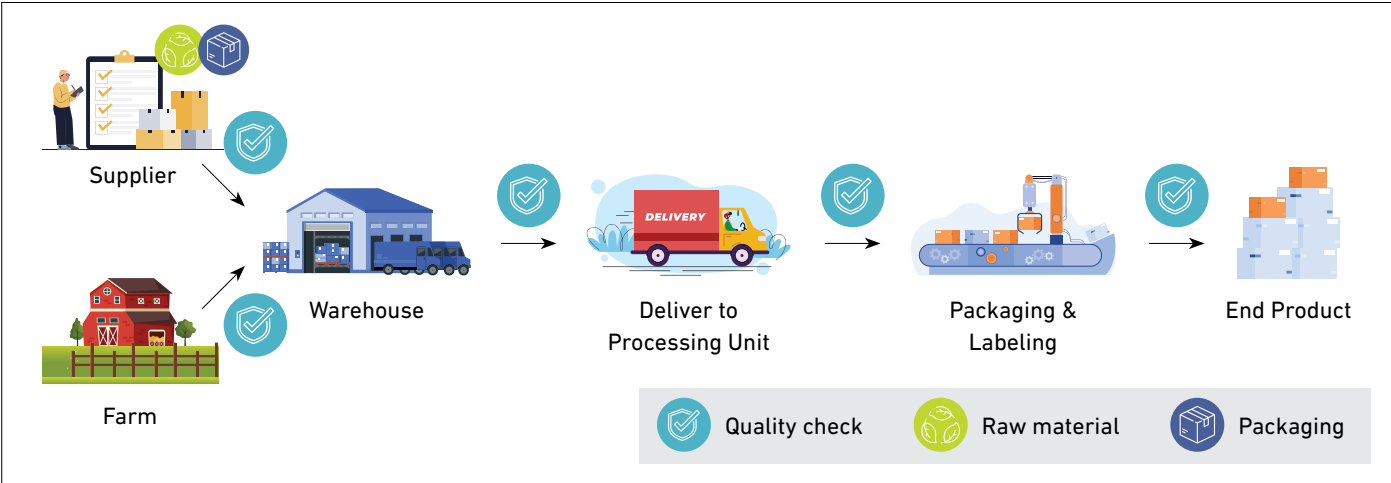
 Product Quality, Safety, and Labeling

 Information Security

 Innovation and Digital Transformation

PRODUCT QUALITY, SAFETY, AND LABELLING

Ensuring product quality, safety, and proper labeling is a cornerstone of DXN Group's commitment to sustainability. As a company specialising in health and wellness products, we strive to uphold the highest standards in product integrity. We meet regulatory requirements while building consumer trust by implementing strict quality control measures and transparent labelling. Our approach is guided by stringent internal quality control measures, regulatory compliance, and internationally recognised standards to safeguard consumer health and trust.



We integrate sustainability practices into our upstream and downstream processes to produce sustainable and responsible products that benefit our consumers, economic, social, and environment.

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Sustainable seed bank and organic farming practices

We prioritise quality from the initial phase, beginning with the selection of seeds for our products. The Group manages its own seed bank and conducts rigorous quality testing to ensure the highest standards. Additionally, we use organic fertilisers and refrain from harmful pesticides to support natural growth.



Responsible raw material sourcing and efficient delivery

We optimise the production process by leveraging an integrated IT system to monitor raw material demand. Harvesting is scheduled accordingly to maintain a consistent supply. To ensure maximum freshness, ingredients such as fruits, rhizomes, and leaves are delivered to production facilities using the Just-In-Time method.



Enhancement of quality products and continuous improvement

Our R&D initiatives are dedicated to retaining the highest nutrient levels in natural raw materials such as Ganoderma, spirulina, mushrooms, and fruits while improving their solubility and absorption. This is achieved through advanced techniques, including nano-fermentation, cold-dehydration, centrifuge filtration, and micro-powderisation. These processes enhance both the quality of our products and their health benefits.

To maintain 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 are performed and that the packaging has accurate printing according to our Standard Operating Procedure ("SOP"). This ensures consistency and reliability in our products. We are pleased to report zero instances of non-compliance for our products, and we continue to uphold the highest quality standards.

FOOD SAFETY AND MANAGEMENT SYSTEM CERTIFICATIONS

Among these achievements, we hold various certifications and accreditations that ensure the quality and safety of our products. These certifications demonstrate our unwavering commitment to meeting and also exceeding international standards and regulations.

 <p>ISO 9001:2015</p>	 <p>ISO 14001:2015</p>	 <p>ISO 22716:2007</p>	 <p>MS ISO/IEC 17025:2017</p>	 <p>Hazard Analysis and Critical Control Points ("HACCP")</p>
 <p>Good Manufacturing Practices ("GMP")</p>	 <p>Halal</p>	 <p>myOrganic</p>	 <p>EU Organic</p>	 <p>USDA-NOP</p>

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COMPLIANCE

We remain fully committed to product quality and safety, striving to meet all regulatory requirements to protect our customers' demands, well-being, and satisfaction. In FY2025, we recorded zero cases of non-compliance leading to death, illness or adverse health effects from our products. This achievement underscores our dedication to delivering safe, healthy, and reliable products. Moving forward, we will continue prioritising product safety and maintaining our track record of zero side effects. This is fundamental to the trust factor in DXN's product range. It underpins our brand reliability.

CUSTOMER'S FEEDBACK AND SATISFACTION

We encourage members and customers to share their feedback through multiple channels. Our eWorld online portal, accessible via our website, provides a platform for users to express their experiences and feedback. Additionally, members can complete the Members Feedback Form to rate key product attributes such as taste, smell, price, texture, and packaging. This valuable input helps us assess consumer satisfaction and enhance our quality management processes.

Customer satisfaction remains our priority, and we have established clear policies and SOPs to effectively manage complaints and concerns. Customers and distributors can reach out to us regarding product-related issues through our Feedback System. This is to ensure prompt attention and resolution. Our Customers Satisfaction Survey is conducted based on the critical criteria that influence our customers.



OUR PERFORMANCE DATA



INFORMATION SECURITY

As part of our ongoing digital transformation journey, we continuously integrate advanced technologies and innovative practices into our business. Recognising the cybersecurity risks that accompany digitalisation, we are committed to maintaining a reliable cybersecurity framework to safeguard our data and ensure effective threat detection and response time across all business locations. To protect customer privacy, we have adopted stringent cybersecurity measures and we strictly adhere to relevant data protection regulations in all jurisdictions we operate. Our zero-tolerance policy for non-compliance reinforces our commitment, with unflinching disciplinary action taken against any infringement of customer privacy. At the Group level, we have established IT policies and implemented related internal controls, including performing basic Vulnerability Assessment and Penetration Testing ("VAPT") exercises to identify and mitigate potential cybersecurity risks.

In FY2025, we recorded zero substantiated complaints regarding breaches of customer privacy and data loss across all operating countries. This is the third consecutive year DXN Group reported no incidents, underscoring our strong commitment to cybersecurity and data protection.

INNOVATION AND DIGITAL TRANSFORMATION

We continuously integrate smart technologies and innovative solutions across our business functions. This approach not only enhances efficiency and transparency but also aligns with our sustainability goals and long-term vision.

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MEMBER SUPPORT TOOLS



The DXN Portal is a one-stop online platform where DXN members can easily place orders or make bookings across various systems. A key feature is the Product Pre-Order, which lets members create their own pre-orders for DXN products. This system is linked to the DXN Online Billing System ("OBS"), also used at branch sales counters, ensuring smooth and consistent order processing.



Allows members to manage activities related to purchasing, earnings, access marketing content, and track and redeem their ePoints.



Allows members to engage, recruit, and sell to end-customers online by setting up a personal website hosted on DXN Group regional websites.

INTERNAL MANAGEMENT TOOLS

Online Billing System ("OBS")

Track recruitment, sales, and place purchase orders from manufacturing facilities.

Enterprise Resource Planning ("ERP")

Track any purchase orders, production output/statuses, create consolidated packing lists for shopping, and generate invoice.

BioSynergy Laboratories ("BSL") Credit Approval System

Allows BSL to manage the new and increase credit limit and credit term application as well as the approval.

Human Resource Management System ("HRMS")

Allows Group Human Resources Department to manage the human capital processes.

Accounting Information System ("ACIS")

Allows the Group to track sales data, generate financial reports, monitor key financial metrics, and maintain accounting ledgers.

Centralised Processing System ("CPS")

To manage sales and members' data across the Group that calculates member qualification status, tiers, and bonus earnings.

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Risk, Compliance, & Sustainability System ("RCS")

- Risk Module enables the continuous process of identifying, analysing, evaluating, and addressing exposures by monitoring risk controls and action plans to mitigate the adverse effects of potential consequences.
- The Compliance module is used to manage adherence to relevant rules and regulations for the DXN Group of Companies. The module consists of the Compliance Register section, the Non-Compliance Monitoring section, and the Annual Compliance Declaration. The Compliance module is also linked to the ABC e-learning platform, which provides an automated analysis of employee participation within the DXN Group of Companies.
- Sustainability Module is used to manage the effectiveness and efficiency of data collections and analytics of EES (or ESG) factors to secure the long-term future and success of business and society.

Property Management System ("PMS")

System for managing reservation, daily operation of Hotel/Property.

Budget and Payment System ("BPA")

To enables users or PIC to request for payment approval related to marketing, operational, bonus, and salary.

DXN Point of Sales ("POS")

To manage and create a retail sales transaction.

Workflow Management System ("WMS")

To create, manage, and monitor workflow progress e.g task, project, document or proposal and approval tracking.

Through our digital transformation journey, DXN Group reaffirms its commitment to sustainability by embedding innovation into the heart of our business. These initiatives have optimised productivity and enhanced stakeholder experience. It has also reduced our environmental impact and build a resilient, future-ready organisation.



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ONE MIND

Our Commitment to Our People

WELL-BEING OF SOCIETY

As part of our commitment to sustainability, we prioritise the well-being of society through responsible business practices that promote positive social outcomes. Our approach focuses on enhancing the quality of life for the communities where we operate by fostering equitable opportunities, improving access to essential services, and creating an inclusive environment for all. We contribute to the social fabric of the regions we serve by empowering our workforce, fair labour practices, health and safety standards, and community engagement.

These efforts are aligned with global sustainable development goals, ensuring that we drive economic growth and advance social well-being in an ethical, responsible, and inclusive manner. In this chapter, we detail our approach to sustainable business and governance practices across the following sections:

EMPOWER OUR PEOPLE



Workforce Diversity
and Labour Rights



Training and
Development



Occupational Safety
and Health

SUSTAINABILITY STATEMENT

WORKFORCE DIVERSITY AND LABOUR RIGHTS

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

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

WORKFORCE DIVERSITY

At DXN Group, we are committed to promoting workforce diversity and upholding labour rights as fundamental pillars of our business. Our newly adopted Human Rights Policy reinforces our dedication to ensuring that all employees are treated with dignity and respect, regardless of their race, gender, age, disability, religion, or socio-economic background. We are focused on creating an inclusive environment where every individual can thrive and contribute to our shared success.

In alignment with our sustainability strategy, DXN Group commits to strong employee welfare. We ensure that all our workplaces are

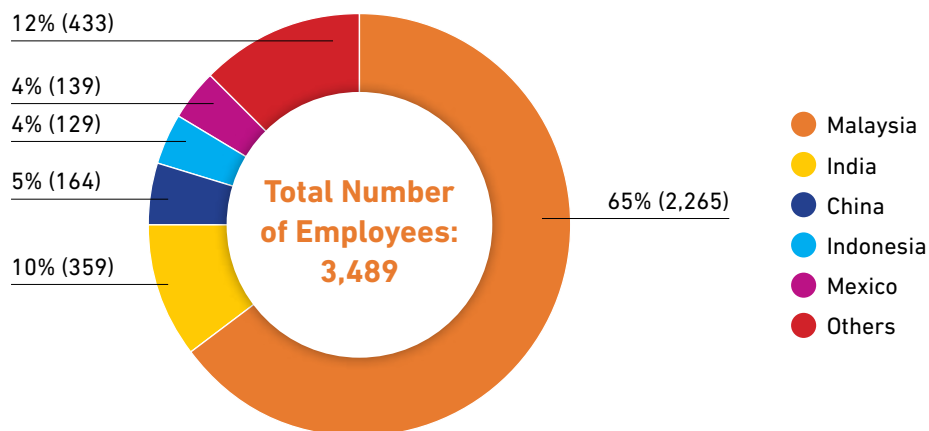
free from discrimination, harassment, and unfair labour practices. Our policies uphold international labour standards, guaranteeing fair wages, safe working conditions, and the right to freedom of association. We protect the rights of every staff member, from our local employees to those within our global supply chain.

By embedding these values into our daily operations, DXN Group remains focused on fostering a culture of respect, inclusivity, and fairness, recognising that the well-being of our workforce is essential to sustaining our business success and contributing to a more equitable world. In FY2025, DXN Group reported a total of 3,489 employees, globally.

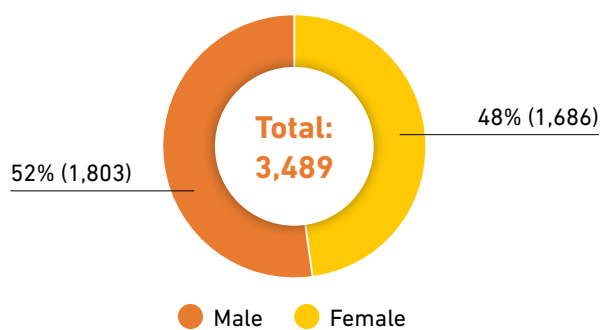


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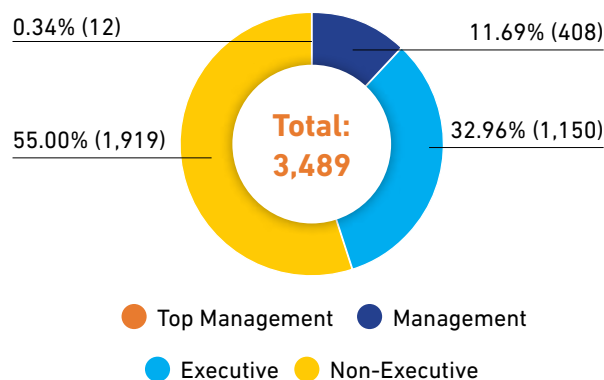
OUR PERFORMANCE IN FY2025



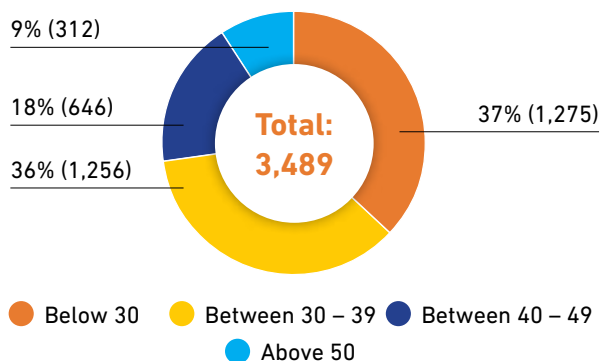
GENDER



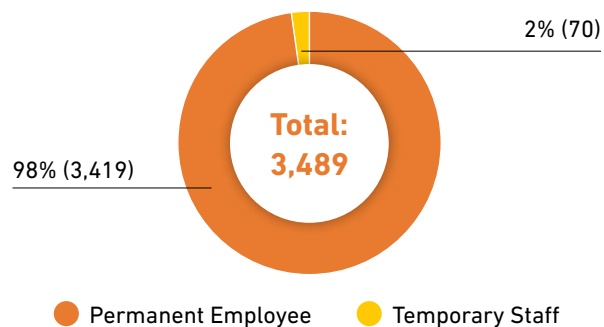
TOTAL EMPLOYEE BY MANAGEMENT LEVEL



TOTAL EMPLOYEES BY AGE PROFILE



TOTAL EMPLOYEES BY PERMANENT/TEMPORARY



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WOMEN IN LEADERSHIP

We remain committed to fostering a diverse and inclusive workplace that supports equal opportunities for all. To further advance women's career development within the Group, we continue to implement our Gender Diversity Policy, alongside structured succession planning and mentorship programmes designed to empower women across various levels of the organisation. These initiatives are aligned with our commitment to the UN SDGs, particularly SDG 5: Gender Equality and SDG 8: Decent Work and Economic Growth.

In FY2025, women constitute 48% of our global workforce, reflecting our commitment to gender balance across all levels of the organisation. Additionally, 44% of our management team are women, demonstrating our progress in promoting without gender discrimination leadership.

Percentage of Women in the
Global Workforce

48%

Women's Representation
on the Board

37.5%

Women's Representation at the
Management Level

44%

As of the reporting period, 37.5% of our Board members are women, a representation that exceeds the 30% target recommended by the Malaysian Code on Corporate Governance ("MCCG") 2021. This achievement reflects our continued efforts to promote gender balance at the highest level of decision-making and this underscores our commitment to embedding gender equality within our corporate governance framework. Looking ahead, the Group will continue to strengthen gender diversity initiatives to ensure equitable representation and inclusive leadership across all business functions.

NEW HIRE AND TURNOVER

At DXN Group, we recognise that our strength lies in the diversity of our people. We are steadfast in building an inclusive workplace that values and respects individuals from all backgrounds, experiences, and perspectives. We believe embracing diversity enhances our ability to innovate, adapt, and thrive in a rapidly changing global environment. By fostering a diverse and inclusive workforce, we are upholding our core values and strengthening our capacity to drive sustainable business outcomes that benefit our employees, customers, and the communities we serve.

Our performance in FY2025:

New Employment	Total Pax	Percentage (%)
Male	392	54
Female	336	46
Below 30	368	51
Between 30 – 39	229	31
Between 40 – 49	88	12
Above 50	43	6
Top Management	N/A	N/A
Management	79	11
Executive	315	43
Non-Executive	334	46

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Our performance in FY2025:

Turnover	Total Pax	Percentage (%)
Male	269	57
Female	202	43
Below 30	200	42
Between 30 – 39	160	34
Between 40 – 49	80	17
Above 50	31	7
Top Management	1	0.2
Management	57	12
Executive	161	34
Non-Executive	252	54



Turnover Rate:

13.71%

COMPENSATION AND EMPLOYEE BENEFITS

We recognise the significance of prioritising employee well-being through employee benefits. Investing in our employees' health, security, and personal growth will foster a positive work environment and also drive the long-term success and sustainability of our Company. By prioritising employee benefits, we ensure that our people feel valued and motivated to excel in their roles while maintaining a healthy work-life balance. DXN Group is committed to providing fair compensation that aligns with the minimum wage requirements in every country we operate, while also upholding the right to collective bargaining.

DXN Group received the following benefits:

LEAVES Annual Leave, Marriage Leave, Parental Leave, Compassionate Leave, Sick Leave	ALLOWANCE Traveling Allowance, Clothing Allowance, Phone Allowance	MEDICAL Medical Attention	INSURANCE Group Personal Accident Insurance, Group Hospitalisation & Surgical Insurance	OTHERS Long Service Award
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PARENTAL LEAVE

At DXN, we support our employees in balancing their work and family life. We offer parental leave to ensure that new parents have the time they need to care for their growing families.

Parental Leave	Paternity	Maternity
Number of employees that took Parental Leave	71	76
Number of employees that returned after Parental Leave	71	76
Number of days taken	465	5,833

Note:

The data is only covered in Malaysian subsidiary companies and reported as recommended by GRI standards.

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HUMAN RIGHTS AND LABOUR STANDARDS

DXN Group is proud to announce the adoption of our Human Rights Policy across the entire Group. This policy formalises our long-standing commitment to respecting and upholding human rights in all areas of our operations. We believe our Human Rights Policy supports and aligns with international standards such as the International Labour Organisation’s (“ILO”) Convention on Labour Standards, the ILO’s Declaration of Fundamental Principles and Rights at Work, and the United Nations (“UN”) Universal Declaration of Human Rights. By integrating this policy into our core business practices, we ensure that our employees, partners, and suppliers adhere to the highest standards of fairness, dignity, and equality. This milestone reflects our ongoing dedication to fostering an ethical and responsible business that prioritises the well-being and rights of all individuals connected to our activities.

Our Human Rights Policy is built upon key principles that guide our commitment to protecting and promoting human rights across our business operations. The core components include:

HUMAN RIGHTS POLICY

1

Forced Labour & Modern Slavery

2

Diversity & Equal Opportunity

3

Anti-Bribery & Corruption

4

Child Labour

5

Freedom of Association & Collective Bargaining

6

Occupational Health and Safety

7

Workplace Security & Conducive Working Environment

8

Compensation & Working Hours

9

Privacy and Data Protection

At DXN Group, we are committed to maintaining transparency and accountability in addressing human rights violations. In FY2025, we recorded zero instances of human rights violations within our direct operations. This result reflects our proactive measures, including regular assessment, employee training, and supplier assessments, aimed at preventing such occurrences. While we continue to work diligently to uphold these standards, we remain vigilant in identifying and addressing any risks, ensuring that human rights are fully respected throughout our global operations.

Our performance:



Our Whistleblowing Policy provides a secure and confidential channel for all internal staff and key stakeholders to report any concerns or complaints, including those related to human rights violations, through our online Whistleblowing Channel. The reporting process is aligned with our Human Rights Policy, ensuring that all complaints are addressed transparently, fairly, and in accordance with established procedures to uphold ethical and responsible business practices.

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



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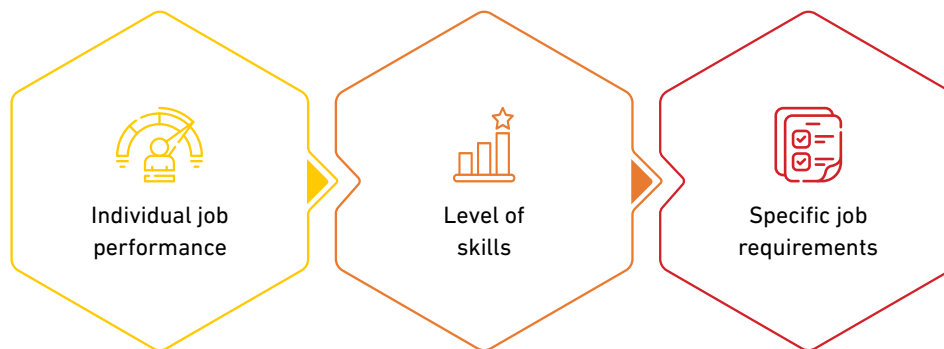
TRAINING AND DEVELOPMENT

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



At DXN Group, we are committed to fostering a culture of continuous learning and professional growth through comprehensive training and development programmes. Our initiatives are designed to equip employees with the skills, knowledge, and competencies they need to excel in their roles and advance their careers. By investing in our employees' development, we not only enhance individual performance but also drive organisational success, innovation, and sustainability.

The Group has established training procedures across its business units to ensure that training needs are systematically identified and aligned with the objective of enhancing employee competencies. Training requirements are assessed based on several key factors, including:



This structured approach enables the Group to support continuous learning and capability development, fostering a competitive and high-performing workforce.

Our performance in FY2025:

Indicator	FY2023	FY2024	FY2025
Investment in employee training and development (RM)	263,774	-	791,350
Total training hours	-	91,350	40,355
Total average hour/employee/year	-	27.07	11.56

Indicator	Total training hours	Total average hours
Top Management	201	13
Management	7,056	17
Executive	13,719	12
Non-Executive	19,379	10

Total average training hour per employee.

SUSTAINABILITY STATEMENT



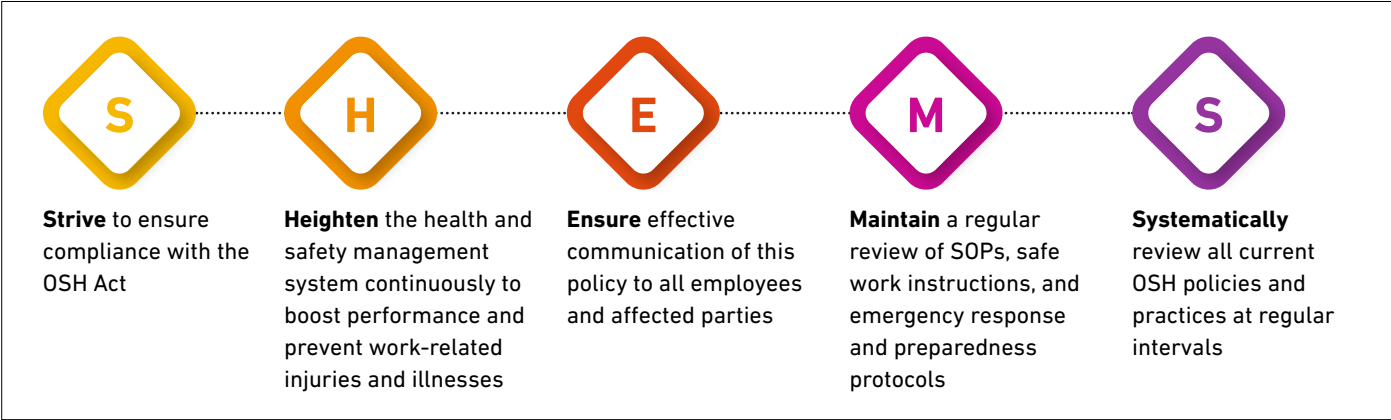
OCCUPATIONAL HEALTH AND SAFETY

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

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

At DXN Group, we place high priority to the health and safety of our employees, an integral part of our sustainability commitment. We are pleased to announce the adoption of our new OSH Policy at the Group level, reinforcing our dedication to creating a safe and healthy work environment not only for our employees but also for our external stakeholders such as contractors, suppliers, vendors, and distributors across our operations.



Our OSH Policy outlines our preventive, mitigating, and proactive approach to identifying and mitigating workplace hazards, ensuring compliance with relevant regulations and promoting a safety culture. We are committed to providing regular training, resources, and support to empower our employees to take an active role in maintaining their safety and that of their colleagues.

By implementing this policy, we aim to enhance employee well-being, reduce workplace incidents, and foster a culture where safety is a shared responsibility. By prioritising OSH, we are not only protecting our workforce but also contributing to the overall sustainability and success of our business. We are proud to announce we recorded zero fatality cases in our direct operations for three consecutive years. We continue to maintain and target a high level of safety and health approach to minimise the risk in all operations.

SUSTAINABILITY STATEMENT

Our performance in FY2025:

Category	FY2023	FY2024	FY2025
Total hours worked	No data	No data	7,878,906
Number of work-related fatalities	0	0	0
Number of work-related injuries	37	35	33
Number of work-related illnesses	0	0	0
Lost Time Injury Rate ("LTIR")	No data	No data	0.84

Note:

LTIR is calculated based on the GRI recommendations.

OSH TRAINING AND PROGRAMMES

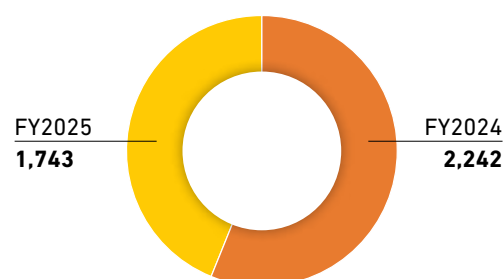
Our safety and health training and awareness programmes are attended by over 1,743 employees. These training sessions focused on our main operations in Malaysia, India, China, and Indonesia provide awareness and enhance safety precautions, especially for the main operations in processing units and farms. Topics covered in FY2025 included:

OUR PERFORMANCE

Modules Topic

- | | |
|--|--|
| 1. Ergonomic & Manual Handling | 9. Safety, Health, and Environment ("SHE") Induction |
| 2. Safety Chemical Handling Programme | 10. Emergency Response Team ("ERT") Awareness Training & Fire Drill |
| 3. OSH Compliance | 11. Fire Fighting Training |
| 4. Personal Protective Equipment ("PPE") Training | 12. First Aider Training |
| 5. Hearing Conservation Programme | 13. Basic Occupational First Aid, Cardiopulmonary Resuscitation ("CPR"), & Automated External Defibrillator ("AED") Training |
| 6. Safe Handling of Reach Truck Operation | |
| 7. Occupational Safety and Health Workplace Assessment ("OSHA") Training | |
| 8. Scheduled Waste Training | |

Number of employees trained on health and safety standards:



BASIC OCCUPATIONAL FIRST AID, CPR, & AED TRAINING

DXN Group organised a Basic Occupational First Aid, CPR, & AED Training at Cyberville, Cyberjaya. A total of 28 DXN staff members participated in this training, which equip employees with essential life-saving skills and enhance workplace safety. This initiative aligns with our commitment to occupational health and safety, ensuring our workforce is prepared to respond effectively to medical emergencies.



Training was conducted on 25 to 26 November 2024.

SUSTAINABILITY STATEMENT

FIRE FIGHTING, EMERGENCY RESPONSE, & FIRE DRILL TRAINING

DXN Group conducted a Fire Fighting and Emergency Response Training on 16 and 17 December 2024 at Cyberville, Cyberjaya, involving the ERT. This training aimed to enhance emergency preparedness and fire safety awareness among key personnel. Additionally, a Fire Drill Training was held on 12 and 13 February 2025, involving both ERT and DXN staff at Cyberville. This drill provided hands-on experience in fire evacuation procedures, reinforcing our commitment to workplace safety and emergency readiness.



ERGONOMIC & MANUAL HANDLING PROGRAMME - KEDAH

DXN Group conducted an Ergonomic and Manual Handling Training on 2 and 3 March 2024 at the Farm Factory, Jitra Kedah, facilitated by the SHE Department. The training targeted selected staff across various departments including production, warehouse, cultivation (mushroom), shipping, and administrative staff. This initiative aimed to increase awareness of ergonomic principles, reduce the risk of musculoskeletal disorders ("MSDs"), and ensure compliance with the OSH Act (Amendment) 2022. This training is part of an ongoing initiative and is intended to be conducted for all DXN farm and factory staff. It reflects DXN's continued commitment to workplace safety, employee well-being, and legal compliance.

SAFE CHEMICAL HANDLING PROGRAMME

DXN Group conducted a Chemical Handling and Safety Training on 20 until 21 May 2024 at Farm Factory, Jitra Kedah. The training involved selected staff from departments that handle or are exposed to chemicals during operations. This training aimed to enhance awareness on safe chemical handling practices and ensure compliance with the OSH (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 ("USECHH"). It also emphasised the importance of chemical labeling, Safety Data Sheets interpretation, and emergency response measures. This initiative is part of DXN's proactive measures to safeguard workers' health and prevent chemical-related incidents in the workplace, aligning with our continuous commitment to legal compliance and occupational safety.

54TH NATIONAL SAFETY WEEK IN INDIA

DXN Group, in collaboration with the National Safety Council India, organised the 54th National Safety Week in DXN Manufacturing India Pvt. Ltd. The programme was conducted from 4 to 10 March 2024 to emphasise workplace safety through various awareness programmes and practical training sessions. The event commenced with a flag-hoisting ceremony and a safety pledge to reaffirm employees' dedication to maintaining a safe work environment. Throughout the week, safety awareness sessions were held, covering critical topics such as hazard identification, PPE compliance, emergency preparedness, machine, and electrical safety and first aid.



SUSTAINABILITY STATEMENT

A Fire Mock Drill was conducted at the Main Gate on 6 March 2024, attended by key safety officials. Employees actively participated in emergency response training, including the use of fire extinguishers, hose reels, and first-aid kits. Additionally, a Medical Camp was organised on 8 March 2024, offering free health checkups to employees by a team of 52 medical professionals from various specialties.



The event concluded with a closing ceremony on 10 March 2024, featuring award recognition for employees who demonstrated excellence in workplace safety, emergency response, and safety awareness.



SUSTAINABILITY STATEMENT

SOCIAL CONTRIBUTION

Our regional operations extend their impact beyond our consumers, playing a vital role in the broader community. As an integral part of our stakeholder network, the community significantly influences our business outcomes. We are committed to fostering meaningful relationships with local communities, bridging cultural differences, and promoting social inclusiveness.



COMMUNITY ENGAGEMENT

GRI 3-3, GRI 413-1

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

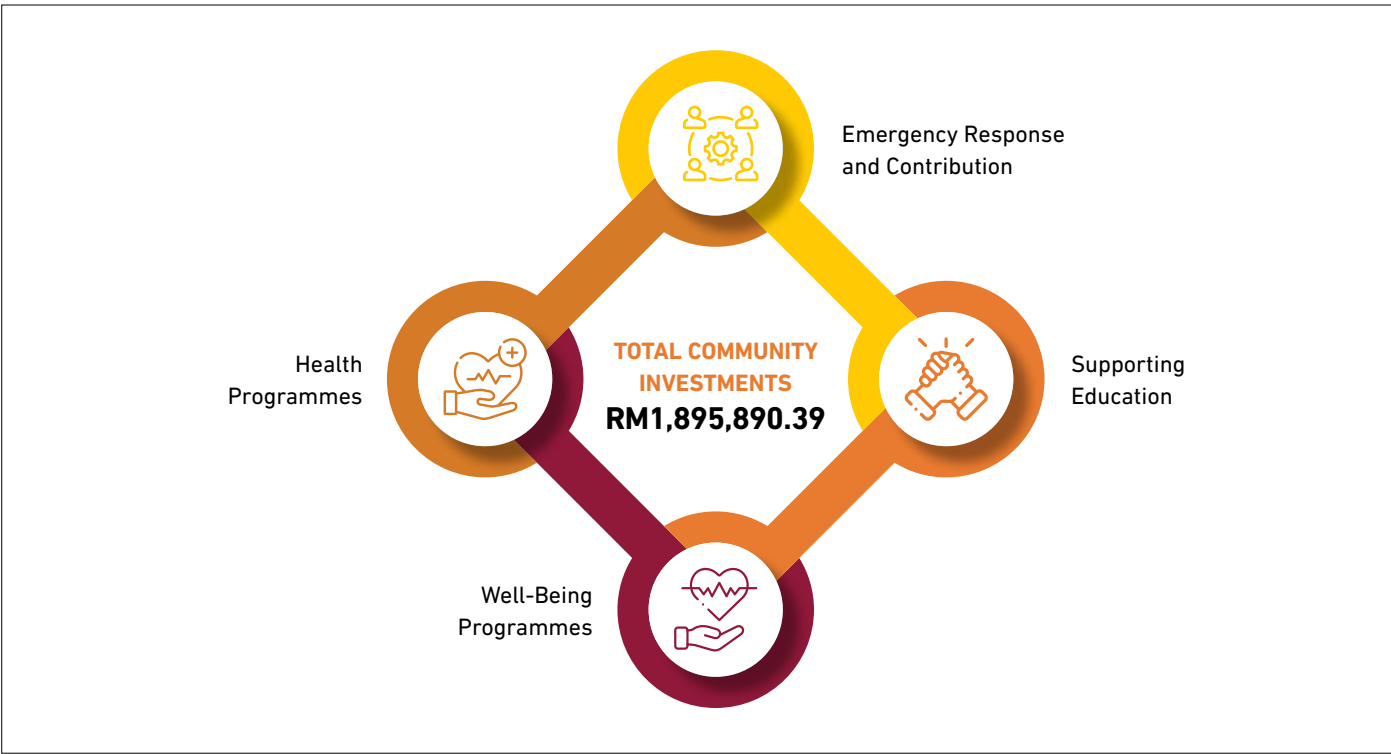
8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

At DXN Group, we continuously foster positive social impact through active community engagement. Our initiatives focus on empowering communities through supporting programmes that enhance well-being, education, and economic development.

Through donations, sponsorships, and CSR programmes, we collaborate with organisations to provide meaningful contributions to those in need. In FY2025, we contributed a total of RM1,895,890.39 reflecting a significant investment in local and international community welfare. This funding was allocated to various initiatives, including disaster relief, healthcare, and sustainable livelihoods, ensuring long-term benefits for society for 37 beneficiaries.



SUSTAINABILITY STATEMENT

Our performance in FY2025:

No.	Type of Donations/Sponsorships	Total Investment (RM)
Supporting Education and Health Programmes		
1.	Contribution to the school's equipment and activities	31,852.00
2.	Elderly welfare (PEWARIS)	55,000.00
Emergency Response and Contribution		
1.	Donation for flood victims in Kedah	14,990.00
2.	Donation to support 2,500 families in Gaza	45,035.00
3.	Donation for earthquake victims in Türkiye	90,630.40
4.	Donation to emergency services and disaster	215,000.00
Well-Being Programmes		
1.	Strategic partnership MIHAS at Dubai	250,000.00
2.	Tabung Amanah Tanggungjawab Sosial Korporat JWP	1,000,000.00
3.	Sponsoring dinners & events	186,343.00
4.	Other well-being programmes	7,039.99
Grand Total (RM)		1,895,890.39

Note:

The total investment is reported to external beneficiaries as per Bursa recommendation.

We believe that by investing in communities, we contribute to a more inclusive and sustainable future. Our commitment extends beyond financial support, as we actively engage employees and stakeholders in volunteerism and outreach efforts that drive real change.

SUPPORTING EDUCATION, HEALTH, AND WELL-BEING PROGRAMMES

In FY2025, DXN Group had the privilege of hosting guests from Koperasi Repah Agrofarm Berhad, an organisation actively involved in agriculture, livestock farming, and fisheries in Malaysia. They visited our DXN Mushroom Shedhouse at Semenyih, in the state of Selangor. Through this engagement, DXN Group has provided a platform for knowledge exchange, particularly in mushroom cultivation, an area of expertise for DXN.

By facilitating this learning opportunity, DXN Group not only contributed to capacity building in sustainable agriculture but was able to nurture community ties. This initiative aligns with our commitment to sustainable development and our ongoing mission to empower local communities through education and skills development.



SUSTAINABILITY STATEMENT



Further strengthening our commitment to social welfare, DXN Group actively supports Persatuan Kebajikan Warga Emas Langkasuka ("PEWARIS") in Kubang Pasu, an organisation dedicated to elderly care. DXN Group contributed towards the purchase of land for the construction of a hostel for the elderly, providing them with a safe and comfortable living environment. Additionally, DXN Group makes monthly contributions to support PEWARIS' activities, which include community engagement programmes such as *gotong-royong* (mutual cooperation) with DXN staff and daily Islamic classes for the community to encourage continuous learning and meaningful engagement among the elderly residents.



DXN'S COMMITMENT TO COMMUNITY WELL-BEING THROUGH MYGROCER@WILAYAH

As part of our CSR initiatives, DXN Group has proudly sponsored the MyGrocer@Wilayah programme, a mobile market concept that brings affordable essential goods and food items directly to residents of *Projek Perumahan Rakyat* ("PPR"), *Perumahan Awam* ("PA") (public housing), and flats across the Federal Territory.

Through this initiative, MyGrocer@Wilayah offers combination sets of daily necessities such as chicken, rice, eggs, condensed milk, cooking oil, and other essential items at discounted prices. The programme operates under a "Low and Zero Margin" pricing model, ensuring that residents can purchase goods at reduced costs. Corporate contributions, including DXN's RM1 million sponsorship, subsidised these discounts, making basic necessities more accessible to lower-income communities.

By bringing affordable goods directly to housing areas, this initiative helps alleviate financial burdens, enhances purchasing power among local communities, and reduces the need for residents to travel to distant supermarkets or public markets.

SUSTAINABILITY STATEMENT



As part of DXN Group's commitment to strengthening community ties, we actively support local events that foster unity and engagement. In conjunction with Malaysia's 67th National Day celebrations, DXN sponsored JPKK Felda Bukit Rokan.

This sponsorship underscores our dedication to community engagement while enhancing DXN Group's brand presence among local audiences. This initiative not only promotes national unity but also creates opportunities to contribute to brand awareness and drive business growth.



EMERGENCY RESPONSE AND CONTRIBUTION

STRATEGIC PARTNERSHIP WITH MALAYSIA INTERNATIONAL HALAL SHOWCASE ("MIHAS") AT THE MIDDLE EAST NATURAL PRODUCT AND ORGANIC EXPO, DUBAI 2024

In line with our commitment to expanding DXN's global presence in the Halal and wellness industries, DXN Holdings Berhad is proud to be a strategic partner at the MIHAS 2024, held in conjunction with the Middle East Natural Product and Organic Expo in Dubai, UAE, from 18 until 20 November 2024.

Recognised as the largest international Halal industry exhibition, MIHAS plays a pivotal role in strengthening Malaysia's halal ecosystem and promoting the globalisation of Malaysian halal products and services. DXN's participation underscores our dedication to innovation, sustainability, and excellence in delivering high-quality, halal-certified health and wellness products to international markets.

This strategic partnership reinforces our market expansion efforts in the Middle East region, further enhancing our brand positioning and fostering valuable collaborations within the global halal industry. Through our engagement at MIHAS, we continue to champion sustainable growth and ethical business practices, in alignment with our long-term vision of delivering holistic wellness solutions worldwide.



FLOOD RELIEF EFFORTS IN KEDAH

DXN Group remains steadfast in supporting communities affected by unforeseen challenges. In 2024, Kedah experienced one of its worst floods, significantly impacting lives and livelihoods. In response, DXN Group swiftly extended aid to affected communities, providing essential assistance to alleviate hardships in the surrounding areas. Additionally, financial support was offered to affected employees to ensure they received the necessary help during this difficult time.

As part of our relief efforts, DXN Group provided vital supplies to Kampung Padang Panjang, including DXN products such as Ganoodle, Spirudle, and DXN Mushroom Soup, as well as essential food items like rice, cooking oil, flour, and condensed milk. Our commitment to community welfare remains unwavering, especially in times of crisis.

SUSTAINABILITY STATEMENT

HUMANITARIAN SUPPORT FOR GAZA

Beyond local initiatives, DXN Group is also dedicated to global humanitarian efforts, providing critical assistance to communities in need. In response to the ongoing crisis in Gaza, DXN Group in collaboration with the Nuriwa Foundation, contributed RM45,035 to support 2,500 vulnerable families facing severe hardship. This contribution is part of a campaign to distribute essential food parcels each containing staple items such as rice, flour, sugar, canned goods, cooking oil, and other basic necessities.

These food parcels are designed to sustain displaced families living in temporary shelters and camps, providing much-needed relief. DXN Group is also pleased to ensure that all food items are sourced from local suppliers, further supporting economic resilience in the region.

BLOOD DONATION PROGRAMME

DXN Group also successfully organised a Blood Donation Programme on 15 November 2024 at the DXN Stargate Function Hall. The initiative aimed to support life-saving efforts and promote a culture of voluntary blood donation. The event received an encouraging response, with 58 participants and 34 successful donors, contributing to the noble cause of saving lives.



DXN'S 31ST ANNIVERSARY CELEBRATION

In 2025, DXN Group proudly celebrated its 31st anniversary—a significant milestone that reflects our enduring commitment to sustainable growth, ethical business practices, and global well-being. Over three decades, DXN has evolved from a visionary health and wellness company into a global brand with a presence in over 180 countries, underpinned by responsible business operations and a deep respect for people and the planet.

This anniversary marks more than just the passage of time; it reflects our unwavering commitment to our mission: “One Dragon, One World One Market, One Mind”. Over the past three decades, DXN has championed holistic health through our Ganoderma cultivation and manufacturing practices and an empowering business model that has transformed millions of lives worldwide.

One of the key highlights of the year was the Group's 31st Anniversary Celebration at DXN Cyberville, Cyberjaya, which brought together our Executive Chairman, Crown Ambassadors (“CA”), and DXN distributors from around the world. This grand gathering was a testament to the strong bonds within our DXN community, as we celebrated the achievements and successes of our dedicated members who have contributed to the Company's growth.



BURSA ESG PERFORMANCE DATA

Indicator	Measurement Unit	2024	2025
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management Level	Percentage	85.00 *	87
Executive Level	Percentage		90
Non-Executive Level	Percentage		91
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	No Data Provided	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	1
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	11,907,750.36	1,895,890.39
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	35	37
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 *	0.00
Top Management Between 30 - 39	Percentage	34.59 *	13.00
Top Management Between 40 - 49	Percentage	41.35 *	47.00
Top Management Above 50	Percentage	19.80 *	40.00
Management Level Under 30	Percentage		5.00
Management Level Between 30 - 39	Percentage		39.00
Management Level Between 40 - 49	Percentage		39.00
Management Level Above 50	Percentage		18.00
Executive Level Under 30	Percentage	31.88 *	31.00
Executive Level Between 30 - 39	Percentage	44.00 *	42.00
Executive Level Between 40 - 49	Percentage	18.67 *	19.00
Executive Level Above 50	Percentage	5.45 *	8.00
Non-Executive Level Under 30	Percentage	48.64 *	47.00
Non-Executive Level Between 30 - 39	Percentage	30.39 *	32.00
Non-Executive Level Between 40 - 49	Percentage	13.61 *	14.00
Non-Executive Level Above 50	Percentage	7.36 *	8.00
Gender Group by Employee Category			
Top Management Male	Percentage	53.63 *	58.00
Top Management Female	Percentage	46.37 *	42.00
Management Level Male	Percentage		56.00
Management Level Female	Percentage		44.00

Internal assurance

External assurance

No assurance

(*)Restated

BURSA ESG PERFORMANCE DATA

Indicator	Measurement Unit	2024	2025
Executive Level Male	Percentage	45.81 *	48.00
Executive Level Female	Percentage	54.19 *	52.00
Non-Executive Level Male	Percentage	53.48 *	53.00
Non-Executive Level Female	Percentage	46.52 *	47.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	62.50	62.50
Female	Percentage	37.50	37.50
Under 30	Percentage	0.00	0.00
Between 30 - 39	Percentage	0.00	0.00
Between 40 - 49	Percentage	0.00	0.00
Above 50	Percentage	100.00	100.00
Percentage of women in the global workforce	Percentage	48.72	48.00
Number of Board Directors	Number	8	8
Number of independent Directors on the board	Number	5	5
Number of women on the board	Number	3	3
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Top Management	Hours		201
Management Level	Hours	91,350	7,056
Executive Level	Hours		13,719
Non-Executive Level	Hours		19,379
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	No Data Provided	2.00
Bursa C6(c) Total number of employee turnover by employee category			
Top Management	Number	0	1
Management Level	Number	60 *	57
Executive Level	Number	220 *	161
Non-Executive Level	Number	639 *	252
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	25,291.94 *	47,623.89
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	No Data Provided	0.84
Bursa C5(c) Number of employees trained on health and safety standards	Number	2,242 *	1,743
Number of work-related employee fatalities, over last 3 years	Number	0	0

Internal assurance

External assurance

No assurance

(*)Restated

BURSA ESG PERFORMANCE DATA

Indicator	Measurement Unit	2024	2025
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	29.00	93.00
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	286.78	313.82
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	2,292.00	1,910.51
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	163.98
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	1,746.53
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	2,906.31	3,678.18
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	8,881.00	13,195.25
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	6,731.00	5,522.60

Internal assurance

External assurance

No assurance

(*)Restated

LIMITED ASSURANCE STATEMENT

Internal



INDEPENDENT ASSURANCE OPINION STATEMENT

To the Directors of DXN Holdings Bhd

Holds Statement No: SRA 827043

The British Standards Institution (**BSI**) has conducted a limited assurance engagement on the sustainability information (described in the "Scope") in the Sustainability Statement 2025 of DXN Holdings Bhd.

Scope

The scope of engagement agreed upon with DXN Holdings Bhd includes the following:

The assurance covers the information of the following subject matters in the DXN Holdings Bhd's Sustainability Statement 2025:

- 1) Total amount invested in the community where the target beneficiaries are external to the listed issuer.
- 2) Total number of beneficiaries of the investment in communities.
- 3) Percentage of Directors by gender and age group.

The selected information is reported in accordance with ISAE 3000 (Revised) and Bursa Malaysia Sustainability Reporting Guide (3rd edition).

Opinion Statement

We have conducted a limited assurance engagement on the sustainability information described in the "Scope" above. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Information is not prepared, in all material respects, in accordance with ISAE 3000 (Revised) and Bursa Malaysia Sustainability Reporting Guide (3rd edition).

Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised) and Bursa Malaysia Sustainability Reporting Guide (3rd edition). Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top-level review of issues raised by external parties that could be relevant DXN Holdings Bhd policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staff on DXN Holdings Bhd approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- document review of relevant systems, policies, and procedures where available.

LIMITED ASSURANCE STATEMENT

Internal

- review of supporting evidence for claims made in the reports.
- visit of the headquarter office to confirm the data collection processes, record management and practices.

Responsibility

DXN Holdings Bhd is responsible for the preparation and fair presentation of the sustainability information and report in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Independence, Quality Control and Competence

BSI is independent to DXN Holdings Bhd and has no financial interest in the operation of DXN Holdings Bhd other than for the assurance of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of DXN Holdings Bhd only for the purposes of verifying its statements relating to the Scope above.

This independent assurance opinion statement is prepared on the basis of review by BSI of information presented to it by DXN Holdings Bhd. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by DXN Holdings Bhd is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team has extensive experience in conducting verification over environmental, social and governance (ESG), and management systems and processes.

LIMITED ASSURANCE STATEMENT

Internal

Issue Date: 12 May 2025

For and on behalf of BSI:



Salmiah Hasbullah, Lead Assurer



Evelyn Chye, Managing Director BSI Malaysia

BSI Malaysia Suite 29.01, Level 29, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

Appendix A: Summary of Subject Matters Data for FY2025 – DXN Holdings Bhd

Subject Matters	FY2025	Units
1) Total amount invested in the community where the target beneficiaries are external to the listed issuer	1,895,890.39	RM
2) Total number of beneficiaries of the investment in communities	37	No
3) Percentage of Directors by gender and age group:		
• Male	62.5	%
• Female	37.5	%
• Above 50	100	%

GRI

CONTENT INDEX

Statement of use	DXN has reported the information cited in this Global Reporting Initiative ("GRI") content index for the period of 1 March 2024 to 28 February 2025 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 Organizational details	Introduction, Page 2
	2-2 Entities included in the organization's sustainability reporting	Reporting standards, scope, and boundary, Page 33
	2-3 Reporting period, frequency and contact point	Reporting standards, scope, and boundary, Page 33 Point of Contact, Page 35
	2-4 Restatements of information	GHG Emission, Page 53 Enhancement of EF led a 34% increase in Scope 2 emissions.
	2-5 External assurance	External assurance, Pages 33, 98
	2-6 Activities, value chain and other business relationships	Management Discussion and Analysis section in the Annual Report, Page 20
	2-7 Employees	Employment and diversity, Page 79
	2-9 Governance structure and composition	Sustainability Governance, Page 38 Corporate Governance Overview Statement section in the Annual Report, Page 117
	2-10 Nomination and selection of the highest governance body	Corporate Governance Overview Statement section in the Annual Report, Page 117
	2-11 Chair of the highest governance body	Corporate Governance Overview Statement section in the Annual Report, Page 117
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance, Page 38 Corporate Governance Overview Statement section in the Annual Report, Page 117
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Overview Statement section in the Annual Report, Page 117
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance, Page 38
	2-15 Conflicts of interest	Corporate Governance Overview Statement section in the Annual Report, Page 117
	2-16 Communication of critical concerns	Anti-Corruption, page 72 Corporate Governance Overview Statement section in the Annual Report, Page 117
	2-17 Collective knowledge of the highest governance body	Corporate Governance Overview Statement section in the Annual Report, Page 117
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement section in the Annual Report, Page 117

GRI

CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
	2-19 Remuneration policies	Corporate Governance Overview Statement section in the Annual Report, Page 117
	2-20 Process to determine remuneration	Corporate Governance Overview Statement section in the Annual Report, Page 117
	2-21 Annual total compensation ratio	Corporate Governance Overview Statement section in the Annual Report, Page 117
	2-22 Statement on sustainable development strategy	Sustainability Framework, Page 47
	2-23 Policy commitments	Corporate Governance Overview Statement section in the Annual Report, Page 117
	2-24 Embedding policy commitments	Corporate Governance Overview Statement section in the Annual Report, Page 117
	2-25 Processes to remediate negative impacts	Anti-Corruption, Page 72
	2-26 Mechanisms for seeking advice and raising concerns	Anti-Corruption, Page 72
	2-27 Compliance with laws and regulations	Sustainability policy, Page 39
	2-28 Membership associations	Awards and Certifications, Page 75
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, Page 43
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Sustainability Matters, Page 41
	3-2 List of material topics	Material Sustainability Matters, Page 41
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Performance, Page 67
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Business Performance, Page 67
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change, Page 53
Procurement Practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Supply Chain, Page 69
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainable Supply Chain, Page 69
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	Anti-Corruption, Page 72
	205-1 Operations assessed for risks related to corruption	Anti-Corruption, Page 72
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Corruption, Page 72
	205-3 Confirmed incidents of corruption and actions taken	Anti-Corruption, Page 72

GRI

CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy, Page 60
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy consumption outside of the organisation is provided, Page 60
	302-3 Energy intensity	Energy Management, Page 60
	302-4 Reduction of energy consumption	Reduction of energy consumption through energy efficiency is stated, Page 60
Water and Effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	Water Stewardship, Page 62
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Stewardship, Page 62
	303-3 Water withdrawal	Water Stewardship, Page 62
	303-4 Water discharge	Water Effluent, Page 62
	303-5 Water consumption	Water Stewardship, Page 62
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate Change, Page 53
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change, Page 53
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change, Page 53
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change, Page 53
	305-4 GHG emissions intensity	Climate Change, Page 53
	305-5 Reduction of GHG emissions	Climate Change, Page 53
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste Management, Page 66
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Waste Management, Page 66
	306-3 Waste generated	Waste Management, Page 66
	306-4 Waste diverted from disposal	Waste Management, Page 66
	306-5 Waste directed to disposal	Waste Management, Page 66
New Supplier Due Diligence & Declaration ("NSDDD")		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain, Page 69
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain, Page 69

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Workforce Diversity and Labour Rights, Page 79
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Workforce Diversity and Labour Rights, Page 79
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Workforce Diversity and Labour Rights, Page 79
	401-3 Parental leave	Workforce Diversity and Labour Rights, Page 79
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety, Page 86
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, Page 86
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, Page 86
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, Page 86
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, Page 86
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, Page 86
	403-9 Work-related injuries	Occupational Health and Safety, Page 86
	403-10 Work-related ill health	Occupational Health and Safety, Page 86
Training and Education		
GRI 3: Material Topics 2021	3-3 Management of material topics	Training and development, Page 85
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training and development, Page 85
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and development, Page 85
Diversity and Equal Opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Employment and diversity, Page 82
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employment and diversity, Page 82
Non-discrimination		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employment and diversity, Page 84 There were zero incidents of non-discrimination in FY2025.

GRI

CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
Child Labour		
GRI 408: Child Labour	408-1 Operations and suppliers at significant risk for incidents of child labour	There were zero incidents of child labour in FY2025.
Forced or Compulsory Labour		
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents or forced or compulsory labour	Employment and diversity, Page 84 There were zero incidents of forced or compulsory labour in FY2025.
Local Communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Community Engagement, Page 90
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Engagement, Page 90
New Supplier Due Diligence & Declaration ("NSDDD")		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain, Page 70
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain, Page 70
Customer Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Product Stewardship, Page 74
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Food Safety and Management System Certifications, Page 74
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Compliance, Page 76
Marketing and Labeling		
GRI 3: Material Topics 2021	3-3 Management of material topics	Product Quality, Safety, and Labeling, Page 74
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labelling	Product Quality, Safety, and Labeling, Page 74
	417-2 Incidents of non-compliance concerning product and service information and labeling	Compliance, Page 76
Customer Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Information security, Page 76
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information security, Page 76

PROFILE OF BOARD OF DIRECTORS



DATUK LIM SIOW JIN

Non-Independent Executive Chairman



MEMBERSHIP OF BOARD COMMITTEES:

Member, Board Executive Committee

QUALIFICATIONS:

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

WORKING EXPERIENCE:

Datuk Lim Siow Jin serves as the Non-Independent 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 both Executive Chairman and Chief Executive Officer, a role he held until stepping down as CEO in May 2022.

From 1984 to 1994, he served as an Engineer with the Muda Agricultural Development Authority in Kedah under the Ministry of Agriculture and Food Industries of Malaysia. In this role, he was responsible for improving and managing economic development projects in the Muda region and overseeing agricultural development initiatives assigned by the state governments of Kedah and Perlis.

In 1995, he founded DXN, bringing over 30 years of experience in the direct selling industry and the Group's business operations.

During his tenure as CEO, Datuk Lim played a pivotal role in leading the Group's business operations, with active involvement in operational management, marketing strategies, and the Group's expansion efforts.

As Executive Chairman, he continues to provide strategic leadership by overseeing the Group's business direction, marketing initiatives, and research and development efforts— key components driving the Group's ongoing growth and success.

He is the brother of Dato' Lim Boon Yee, the Non-Independent Non-Executive Director and Ms. Lim Yew Lin, the Joint Company Secretary. He is the spouse of Datin Leong Bee Ling, one of the major shareholders of DXN. He is deemed a major shareholder by virtue of his interest in LSJ Global Sdn. Bhd. ("LSJ Global") and his beneficial ownership in DXN, held in trust by LSJ Global.

Datuk Lim has no conflict of interest with the Company and the Group save as disclosed in Part A of the Circular & Statement of the Company dated 30 June 2025. 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 year ended 28 February 2025 ("FY2025").

PROFILE OF BOARD OF DIRECTORS



DATO' LIM BOON YEE

Non-Independent Non-Executive Director

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M



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 a Non-Independent Executive Director on 22 November 1998 and was 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 its 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 the brother of Datuk Lim Siow Jin, the Executive Chairman and Ms. Lim Yew Lin, the Joint Company Secretary.

He has no conflict of interest with the Company and the Group save as disclosed in Part A of the Circular & Statement of the Company dated 30 June 2025. 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 FY2025.

PROFILE OF BOARD OF DIRECTORS



VIBHAV PANANDIKER

Non-Independent Non-Executive Director



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 cofound 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 conflict of interest or potential conflict of interest 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 FY2025.

PROFILE OF BOARD OF DIRECTORS



DATUK NORIPAH BINTI KAMSO

Senior Independent Non-Executive Director

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F



MEMBERSHIP OF BOARD COMMITTEES:

Member, Board Nomination and Remuneration Committee

WORKING EXPERIENCE:

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

Datuk Noripah was a banker for over 30 years. She became part of CIMB Group in 1983, where she took on several significant roles, such as the General Manager ("GM") of Corporate Banking, CEO of CIMB Futures Sdn. Bhd., CEO of CIMB Principal Asset Management Berhad, Founding CEO of CIMB Principal Islamic Asset Management Sdn. Bhd., and Advisor for CIMB Islamic Wholesale Banking until 2014.

Datuk Noripah was the chairman of Bank Kerjasama Rakyat Malaysia in 2018 and Yayasan Bank Rakyat. She previously served as president of the Malaysian Futures Brokers Association. Her directorships include Top Glove Corporation Berhad, Malaysian Derivatives Clearing House, Malaysia Debt Ventures Berhad, BIMB Investment

Management Berhad, and the Federation of Investment Managers Malaysia. Additionally, she held roles in the Bursa Malaysia Market Participants Committee, the Securities Industry Dispute Resolution Centre, the Islamic Finance Industry Council, and the International Council of Islamic Finance Educators.

In 2015, Datuk Noripah was a Global Practitioner in Residence at Drake University, Iowa, USA, under the purview of the Principal Financial Group Centre for Global Citizenship, USA. For seven (7) years since 2014, she lectured on Fundamentals of Islamic Finance Contracts at St. Joseph University in Beirut, Lebanon. During the academic year 2016 to 2017, she served as a Visiting Fellow in Islamic Finance at the Oxford Centre for Islamic Studies ("OCIS"), an independent college of The University of Oxford, United Kingdom.

Datuk Noripah was also an adjunct professor at the School of Economics, Finance and Banking, Universiti Utara Malaysia ("UUM") and the Faculty of Business and Management, UiTM.

In 2019, Datuk Noripah was recognised as the "Most Influential Woman in Islamic Business

and Finance" by Cambridge International Financial Advisory. She was also awarded the "Top 50 of the World's Most Prominent and Influential Personalities in Islamic Finance & Economy" by ISLAMICA 500 in 2018. Datuk Noripah also authored a globally acclaimed book, "Investing in Islamic Funds: A Practitioner's Perspective."

Presently, Datuk Noripah is the Chairman (Designate) of Arabesque Malaysia, Independent Board member of Swift Haulage Bhd, Chairman of KHPT Holdings Berhad and Founder Advisor of Pantas Climate Solutions. She also sits on the boards of international organisations, including the Northern Illinois University Alumni Association in the USA, the Global Advisory Board Member of Islamic Finance News.

She does not have any family relationship with any director and/or major shareholder or any conflict of interest or potential conflict of interest 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 FY2025.

PROFILE OF BOARD OF DIRECTORS



YM TUNKU AFWIDA BINTI TUNKU A. MALEK

Independent Non-Executive Director



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:

YM Tunku Afwida Binti Tunku A. Malek was appointed as an Independent Non-Executive Director on 10 February 2022. She holds a BSc (Hons) in Economics and Accountancy from City University London and is a Chartered Accountant with the Institute of Chartered Accountants in England and Wales, as well as a member of the Malaysian Institute of Accountants ("MIA").

She has over 30 years of experience in investment banking, fund management, and corporate advisory. Her past leadership roles include CEO and Executive Director at Kenanga Investment Bank

Berhad (2006 to 2008) and MIMB Investment Bank Berhad (2003 to 2006), and Executive Director and Chief Investment Officer ("CIO") at Commerce Asset Fund Managers Sdn. Bhd. (1995 to 2003).

She has served on the boards of various organisations including Cagamas Berhad, i-VCAP Management, and Universiti Tun Abdul Razak. From 2015 to 2022, she was a Director and shareholder of Asia Equity Research Sdn. Bhd.

Currently, she is a Director and shareholder of Benih Semaian Sdn. Bhd., and serves as an investment panel member at Kumpulan Wang Persaraan ("KWAP"). She is also an Independent Director of SAM Engineering & Equipment (M) Berhad and Enra Group Berhad. Previously, she was Chairman of Affin Hwang Investment Bank Berhad and Senior Independent Director of Telekom Malaysia Berhad.

She does not have any family relationship with any director and/or major shareholder or any conflict of interest or potential conflict of interest 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 FY2025.

PROFILE OF BOARD OF DIRECTORS



STEFAN HEITMANN

Independent Non-Executive Director

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M



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 & 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 conflict of interest or potential conflict of interest 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 FY2025.

PROFILE OF BOARD OF DIRECTORS



ABRAHAM VERGHESE A/L T V ABRAHAM

Independent Non-Executive Director



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 Vergheze 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 conflict of interest or potential conflict of interest 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 FY2025.

PROFILE OF BOARD OF DIRECTORS



ONG HUEY MIN

Independent Non-Executive Director



MEMBERSHIP OF BOARD COMMITTEES:

- Member, Board Nomination and Remuneration Committee
- Member, Board Audit Committee
- Member, Board Risk 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 as an 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 3 months in 2015. During her tenure of more than 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 is currently an Independent Director of Pensonic Holdings Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

She does not have any family relationship with any director and/or major shareholder or any conflict of interest or potential conflict of interest 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 FY2025.

PROFILE OF KEY MANAGEMENT TEAM



PRAJITH PAVITHRAN

Chief Executive Officer

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M



QUALIFICATIONS:

- Bachelor of Commerce, Utkal University, India
- Post Graduate Diploma in Business Administration, Cochin, India

WORKING EXPERIENCE:

Prajith Pavithran is the Group's Chief Executive Officer with 23 years of experience in sales and marketing. He was appointed as the Group's Chief Executive Officer on 1 June 2024.

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 for North and South America at Daxen USA, a position he held until 2016. He later became the Regional President for the U.S. and Latin America. Starting in May 2022, he served as the Chief Marketing Officer before assuming his current position as Chief Executive Officer in June 2024.

He does not have any family relationship with any director and/or major shareholder or any conflict of interest or potential conflict of interest 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 FY2025.



LIM BENG CHENG

Chief Financial Officer

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F



QUALIFICATIONS:

- Bachelor of Business (Accounting), Monash University, Australia
- Member of Malaysian Institute of Accountants since 2002

WORKING EXPERIENCE:

Lim Beng Cheng was appointed as the Group's Chief Financial Officer ("CFO") on 9 June 2025, bringing over 20 years of extensive experience in accounting and finance. Prior to her current role, she served as the Company's Group Financial Controller.

Beng Cheng began her career in 1999 with Ernst & Young Tax Consultants Sdn Bhd, where she spent eight years specialising in tax compliance, tax planning, and tax audit engagements. In 2008, she joined DXN as Finance Manager, overseeing the Group's tax and financial operations while actively supporting business expansion initiatives. She left in 2015 to pursue her personal interests. In 2021, she rejoined DXN as Senior Manager, where she took on critical responsibilities, including IPO preparation, coordinating with independent advisors and external auditors. Recognised for her strong leadership and financial acumen, she was promoted to Group Financial Controller in 2024. She was responsible for overseeing the management of the finance department. Her deep knowledge of the Group's business and hands-on experience position her as a key driver of the Group's financial success.

She does not have any family relationship with any director and/or major shareholder or any conflict of interest or potential conflict of interest 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 FY2025.

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 reputable advertising agency in Kochi, Kerala, 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 Keyfactor Advertising Agency in Kerala alongside two partners. Over the ensuing two 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.

He does not have any family relationship with any director and/or major shareholder or any conflict of interest or potential conflict of interest 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 FY2025.



MUHAMMAD LUTHFI HIDAYAT

Chief Technology Officer



QUALIFICATIONS:

- ITS Surabaya, Indonesia
- Airlangga University, Indonesia
- Member of Information Systems, Audit, And Control Association ("ISACA") 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.

WORKING EXPERIENCE:

M.Luthfi Hidayat, a 50-year-old Indonesian, is our Chief Technology Officer ("CTO") with over 25 years of experience in the IT/IS field, holding various roles.

He graduated from two 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 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 CTO in DXN Group, he continues to drive strategic initiatives and provide visionary leadership.

He was first appointed as the CTO in DXN Group on 25 August 2023 and he continues to drive strategic initiatives and provide visionary leadership.

He does not have any family relationship with any director and/or major shareholder or any conflict of interest or potential conflict of interest 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 FY2025.

PROFILE OF KEY MANAGEMENT TEAM



ABDUL HAFIZ MAHMOOD BIN HISHAM

Chief Operating Officer

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M



QUALIFICATIONS:

- Certified Accounting Technician ("CAT")
- Association of Certified Chartered Accountants ("ACCA") – in progress

WORKING EXPERIENCE:

Abdul Hafiz Mahmood Bin Hisham pursued his education from Sunway University College and graduated as a CAT. He combines technical expertise with leadership skills to foster growth and innovation in every role he undertakes. With a strong foundation in finance and accounting, he has built a diverse and accomplished career spanning over a decade.

Beginning as an Audit Assistant, he gained hands-on experience in auditing, financial analysis, and compliance, developing a solid understanding of financial systems and reporting standards. Transitioning to the role of Corporate & Finance Manager at Algaetech Group of Companies in 2013, he took on a leadership role, overseeing corporate finance operations. He played a pivotal role in driving financial strategy and ensuring compliance with regulatory requirements, demonstrating his expertise in managing complex financial operations.

He then joined DXN in 2020 as Project Investment & Sustainability Manager to lead high-impact investment projects, prioritising Return On Investment and sustainability metrics. With over a decade of experience in finance, investment, and corporate management, he has built a strong reputation for delivering results and driving organisational success. His strong analytical skills and strategic thinking has been instrumental in his career progression, culminating in his current role as Chief Operating Officer ("COO") at DXN since 1 September 2024.

As COO, he is responsible to spearhead the Group's global operations, drive growth strategies, oversee cross-functional teams to optimise resource allocation and operational efficiency.

He does not have any family relationship with any director and/or major shareholder or any conflict of interest or potential conflict of interest 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 FY2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



CORPORATE VISION

To promote health, wealth and happiness.



DXN CONCEPT

ONE DRAGON

The entire process-cultivation, processing and marketing is solely done by the Company under strict quality control.

ONE WORLD ONE MARKET

Each and every distributor enjoys worldwide bonus with single membership.

ONE MIND

The Company and the distributors single-mindedly concentrate on doing DXN business.



DXN PHILOSOPHY

Low Price, High Quality; Low Profile, High Income.

The Board of Directors ("the Board") of DXN Holdings Bhd. ("DXN" or "the Company") sets the tone from the top for DXN's Corporate Governance ("CG") practices and its application throughout the Company and its subsidiaries ("DXN Group" or "the Group"). To that end, the Board is committed to upholding strong corporate governance practices as a fundamental part of discharging its responsibilities to protect and safeguard stakeholders' interests and enhance shareholders' value. Members of the Board, being strong advocates of good governance practices, with support from the Key Senior Management ("KSM") team, formalised various policies, codes, guidelines, and procedures to create a firm foundation to position the Group at a vantage point for continued growth momentum from its re-listing on Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") on 19 May 2023.

The Board presents this CG Overview Statement ("CGOS") to provide an overview on the Group's CG practices as guided by the principles and best practices as prescribed in the Malaysian Code on Corporate Governance 2021 ("MCCG"):

Principle A

Board Leadership and Effectiveness

Principle B

Effective Audit and Risk Management

Principle C

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The CGOS shall be read together with the CG Report to provide an insight into how the Board applies the principles and best practices of the MCCG in the Group during the financial year ended 28 February 2025 ("FY2025").

The Board is committed to driving, refining, and strengthening its governance processes to ensure that the Group is aligned with best practices as prescribed in the MCCG as well as all applicable laws and regulations. The Board also undertakes to review its governance framework taking into consideration the development in the regulatory ecosystem and in response to the Group's evolving requirements.

Principle A

BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Group is led by an experienced Board that plays an active role in charting the direction of the Group. Key aspects of the Board's role in providing effective leadership, governance, and oversight included:

- review and adopt a strategic plan for the Group;
- oversee, together with KSM, the governance on sustainability;
- oversee the conduct of the Group's business;
- identify principal risks, determine the risk appetite, and ensure the implementation of the Enterprise Risk Management ("ERM") Framework to identify, analyse, evaluate, manage, and monitor the risks;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- ensure that all members of the Board and the KSM team are of sufficient calibre and oversee succession planning;
- oversee the development and implementation of an investor relations programme or shareholders communication policy for the Group;
- review the adequacy and the integrity of the Group's risk management, internal control systems, and management information system;
- assure both internal and external stakeholders that the Group is operating in compliance with its policies and any other applicable regulatory requirements;
- review periodically the anti-corruption and whistleblowing programmes;
- review the investigative outcome of any whistleblowing matters;
- determine the remuneration of the Non-Executive Directors;
- ensure the integrity of the Company and the Group's financial and non-financial reporting; and
- together with KSM, ensure that the Company and the Group adhere to high standards of ethics and corporate behaviour.

Effective leadership is also entrenched through the set of approved guidelines, policies, procedures underpinned by the Group's corporate concept and ethos. The followings, as approved by the Board, formed the foundation of the Group's governance framework guiding the Board in the execution of its duties:

- Anti-Bribery and Corruption Policy ("ABC Policy")
- ERM Policy
- Whistleblowing Policy
- Code of Conduct & Ethics ("CoCE")
- Board Charter
- Terms of reference ("TOR") for the Board Audit Committee ("BAC"), Board Nomination & Remuneration Committee ("BNRC"), Executive Committee ("EXCO"), and Board Risk Committee ("BRC") (collectively "Board Committees")
- Fit & Proper Policy for Directors and Key Officers
- Remuneration Policy & Procedures
- Sustainability Policy
- Anti-Sexual Harassment Policy
- Non-Audit Services Policy
- Donation and Sponsorship Policy
- Transfer Pricing Policy
- Treasury Management Policy
- Conflict of Interest ("COI") Policy
- Dawn Raid Policy
- Gender Diversity Policy
- Environmental & Energy Policy
- Human Rights Policy
- Corporate Travel Policy
- Corporate Disclosure Policy
- Succession Planning Policy

Board Charter

The Board Charter details key matters reserved for the Board, inter alia, financial results, dividends, approval of strategy, the annual operating plans, budgets, new major ventures, acquisitions and disposals, changes to management and control structure, appointments of Board members, Board Committee members, Chairman, Chief Executive Officer ("CEO"), and Company Secretary. It further sets out the roles and responsibilities of the Board, the Chairman, Executive Directors (inclusive of the CEO, as applicable) Senior Independent Non-Executive Director ("Senior INED"), INEDs, and Non-INED as well as the Company Secretaries. The Board Charter was approved by the Board in February 2022 and it is published on DXN's website at www.dxn2u.com.

Brief outline of the responsibilities of the Non-INEDs, INEDs, and Senior INED are as tabulated:

Non-INEDs	<ul style="list-style-type: none"> • Utilise skills, expertise, and experience to contribute to the development of the Group as a whole.
INEDs	<ul style="list-style-type: none"> • Provides insights, unbiased and independent views, advice, and judgement to the Board and to ensure effective checks and balances on the Board. • Essential for protecting the interest of shareholders, in particular minority shareholders. • Make significant contributions to decision-making process by bringing in the quality of detached impartiality.
Senior INED	<ul style="list-style-type: none"> • Acts as a sounding board for the Chairman and to serve as an intermediary for other Directors, when necessary. • Key person to whom all concerns regarding the Group may be conveyed.

CoCE, ABC Policy, Whistleblowing Policy, and COI Policy

The Board has put in place a CoCE to ensure that transparent and ethical conduct permeates throughout the Group. The Whistleblowing Policy was updated to provide avenues for employees and other stakeholders to disclose concerns relating to violations or improper conduct or wrongdoings or non-compliance with legal and regulations requirements within the Group. In alignment with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which came into effect on 1 June 2020, the ABC Policy was established and updated to manage risk in relation to fraud, bribery, and corruption practices. A comprehensive COI policy was established to ensure that the Board, Legal Representative, KSM, Employees, and Associates of the Group act

CORPORATE GOVERNANCE OVERVIEW STATEMENT

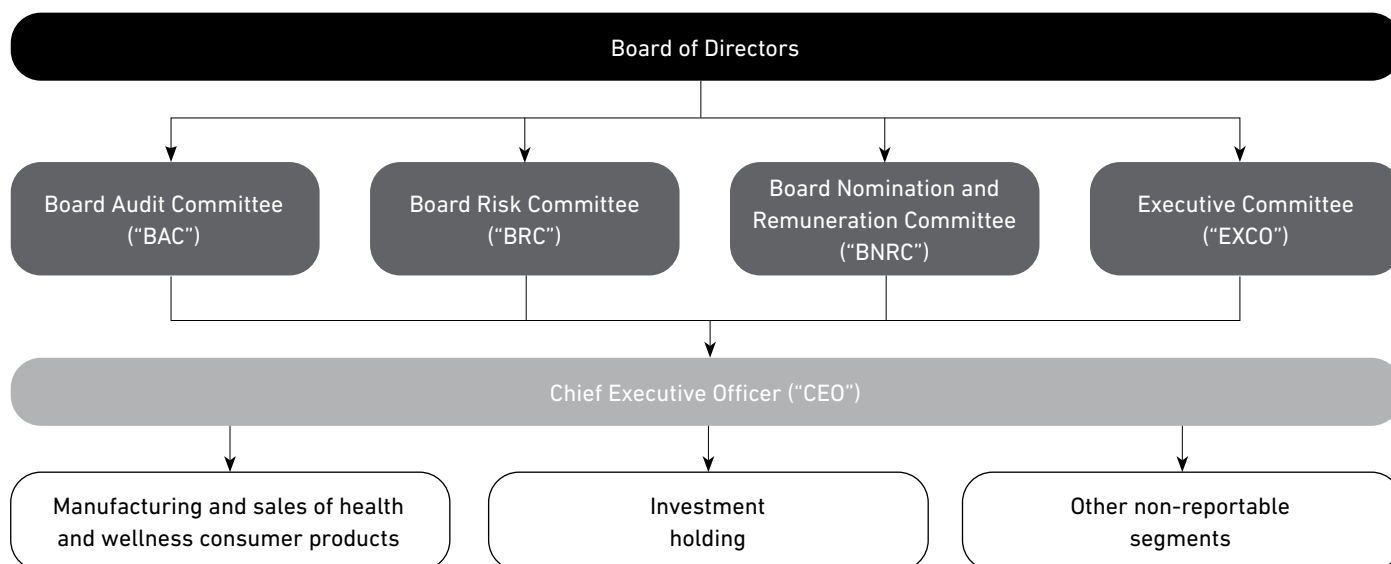
in the best interests of the Group and free from any personal, financial, non-financial or other conflicts that may compromise their judgement or impartiality.

The CoCE, Whistleblowing Policy, and ABC Policy are accessible on the Company's website at www.dxn2u.com.

Fit and Proper Policy for Directors and Key Officers

The Board has adopted the Fit and Proper Policy for Directors and Key Officers to ensure that there is a formal and transparent process for the appointment and re-election of Directors and the appointment of KSM of the Company. The execution of this policy is delegated to the BNRC. The said policy is available on corporate website at www.dxn2u.com.

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 oversight 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 CG 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.

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 CG 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 facilitate the performance of their duties.

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 has eight (8) members of whom 62.5% (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 2025.

On 1 June 2024, Teoh Hang Ching stepped down as Executive Director and CEO as well as member of the BRC and EXCO to spearhead the Group's business expansion efforts in the People's Republic of China. He retired with effect from 31 August 2024 as initially planned at the end of his 3-month notice period, as the assignment no longer necessitates his full-time presence.

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 judgement 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.

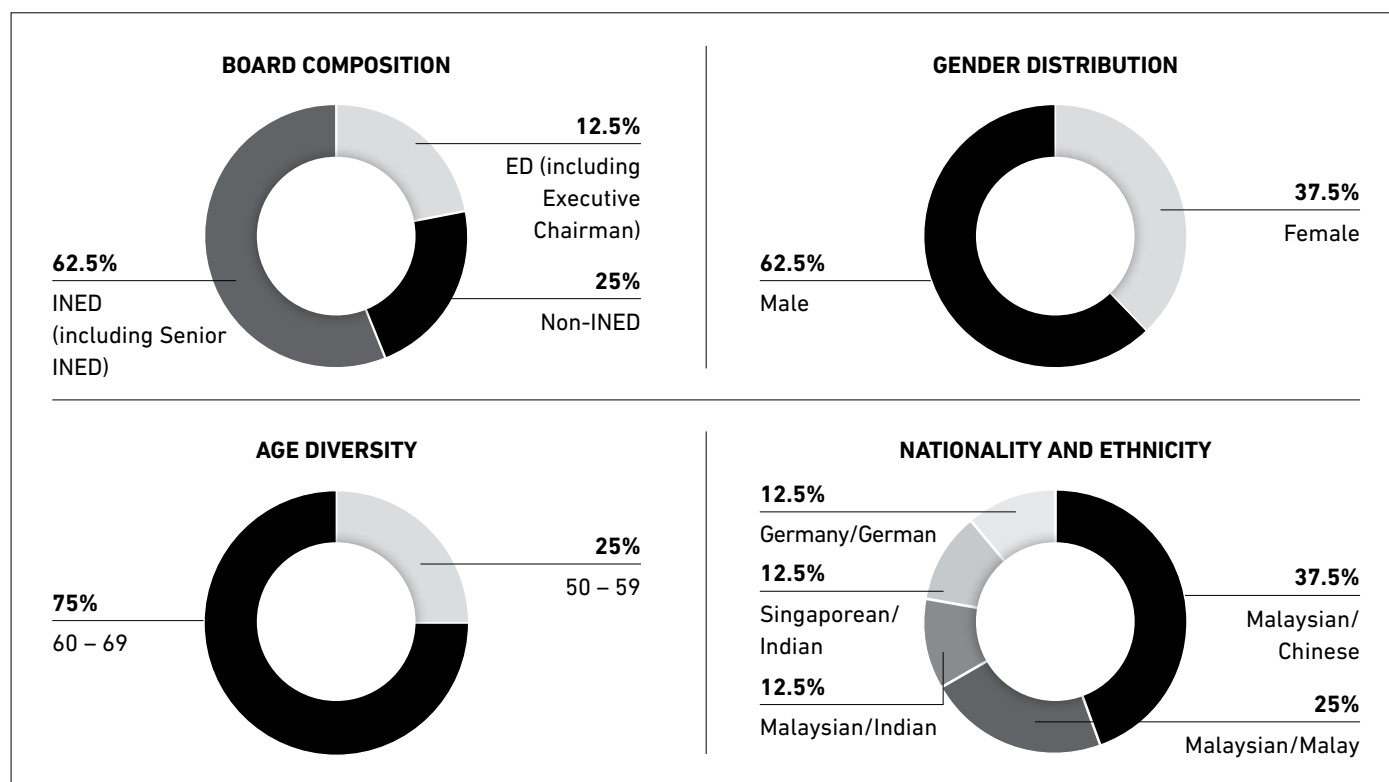
The presence of three (3) highly qualified women directors represents 37.50% of the Board composition, and is in line with the recommendation of the MCCG to have at least 30% women representation on the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

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



Independence

Our INEDs are Datuk Noripah Binti Kamso, YM Tunku Afwida Binti Tunku A. Malek, Stefan Heitmann, Abraham Verghese A/L TV 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 four (4) 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Tenure of the INEDs

The Board has adopted the Step-Up Practice 5.4 of the MCGG 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	BNRC
Datuk Lim Siow Jin	8/8	-	-	-
Dato' Lim Boon Yee	8/8	-	-	-
Vibhav Panandiker	8/8	-	-	-
Datuk Noripah Binti Kamso	8/8	-	-	4/4
YM Tunku Afwida Binti Tunku A. Malek	7/8	8/9	-	4/4
Stefan Heitmann	8/8	9/9	8/8	-
Abraham Verghese A/L T V Abraham	8/8	9/9	8/8	-
Ong Huey Min	8/8	9/9	5/5*	4/4

Note:

* Attendance at meetings is counted from date of appointment: 26 July 2024.

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 FY2025 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 reports Business performance and operations Risk management and internal controls Budget, forecast, capital investment, business development, and planning on business operations Strategic investments and divestments
Governance, Compliance, and Others	<ul style="list-style-type: none"> Acknowledged disclosures of COI and/or potential COI and agreed on the mitigating actions Approved TORs, relevant policies, and guidelines Received updates and reports from the Chairperson of the BRC, BNRC, BAC, and EXCO on their respective oversight of various scopes of work Undertook annual assessment and evaluation of Directors, Board, and Board Committees Approved the appointment of KSM personnel Convened Annual General Meeting ("AGM") to consider ordinary matters in relation thereto Deliberated and approved certain related party transaction ("RPT") and recurrent related party transactions ("RRPT") Received reports and updates from CEO on operational and sales performance of the Group and other key matters Approved Authority Matrix Discussed updates on CG and regulatory matters Received updates on Memorandum of Understanding and Material Litigations Reviewed and Approved investments for the development in different 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, former Chief Financial Officer ("CFO"), who recently stepped down from her position on 9 June 2025 ("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 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"> Update on the Amendments In Relation to Sustainability Reporting Requirements and Other Enhancements 	27 January 2025
2	Dato' Lim Boon Yee	<ul style="list-style-type: none"> Update on the Amendments In Relation to Sustainability Reporting Requirements and Other Enhancements 	27 January 2025
3	Vibhav Panandiker	<ul style="list-style-type: none"> Gender Lens Investing Business Continuity Management Consumer Trends in Asia Mandatory Accreditation Programme (MAP - Part 1) Strategies for increasing Participation of Women in Private Equity Update on the Amendments In Relation to Sustainability Reporting Requirements and Other Enhancements 	24 January 2024 10 June 2024 11 June 2024 14 to 15 August 2024 20 August 2024 27 January 2025
4	Datuk Noripah Binti Kamso	<ul style="list-style-type: none"> International Chamber of Commerce ("ICC") Corporate Governance 2024 - Investing towards Sustainable Development in Malaysia Impact of Human Rights on Brand and Reputation Islamic Asset Management: Asia Asset Management Round Table Mandatory Accreditation Programme Part II: Leading for Impact ("LIP") Khazanah Mega Trends Forum Update on the Amendments In Relation to Sustainability Reporting Requirements and Other Enhancements 	5 March 2024 6 March 2024 20 June 2024 24 to 25 June 2024 7 to 8 October 2024 27 January 2025
5	YM Tunku Afwida Binti Tunku A. Malek	<ul style="list-style-type: none"> Anti-Money Laundering Act ("AML") Training Conflict of Interest and Related Party Transactions by Mr. Lee Min On Institute of Corporate Directors Malaysia ("ICDM") PowerTalk: Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape Webinar: Cybersecurity and Data Privacy - The Fight Against Financial Crime Asean Investment Conference 2025 Bank Negara Malaysia ("BNM") - Financial Institutions Directors' Education Forum ("FIDE") Forum Engagement Responsibility Mapping with Directors of Financials BESPOKE WORKSHOP: Cultivating Strategic Thinking Competence by ICDM Mandatory Accreditation Programme Part II: LIP Structural Reforms - Making It A Reality For Malaysia Data Innovation to Drive Financial Inclusion: Pushing New Frontiers Straight Insights: Islamic Finance & Climate Change Sarawak Future Forum 2024 Beyond GDP: Rethinking Success in the Future Economy Lead Women APAC Diversity Equity Inclusion ("DEI") Summit 2024: Humanity Rebalanced 1st Annual Johor Investment Summit Johor - The Gateway to South East Asia 	14 February 2024 15 February 2024 11 March 2024 2 April 2024 8 to 9 April 2025 24 April 2024 25 May 2024 5 to 6 June 2024 12 to 13 June 2024 21 June 2024 3 October 2024 9 October 2024 16 to 17 October 2024 7 November 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

No	Directors	Training Programmes	Date
5	YM Tunku Afwida Binti Tunku A. Malek (continued)	<ul style="list-style-type: none"> Malaysia Market Outlook - Propelling Malaysia Forward Future-Proofing Finance Empowering Digital Transformation in Banking BESPOKE WORKSHOP: A Delicate Balance - Board & Management Relationship Update on the Amendments In Relation to Sustainability Reporting Requirements and Other Enhancements 	11 to 12 November 2024 12 November 2024 7 December 2024 27 January 2025
6	Stefan Heitmann	<ul style="list-style-type: none"> ICDM PowerTalk Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape Southeast Asian reactions to Trump tariff V&P Policy Forum: Southeast Asia 2024 Political and Economic Outlook A focus on Tax Transparency - ESG & beyond Re-Think Entrepreneurship: Build Effectual Entrepreneurs. Build Enduring Companies - one day meeting V&P Policy Forum: Southeast Asia 2024 Political and Economic Outlook Post-Budget 2025 Dialogue: Key Highlights & A Conversation with the Ministry of Finance ("MoF") Implications of U.S. Presidential Election Results on Southeast Asia Strategic Data and Frameworks in Board Governance AI Policy Frontiers: Comparative Insights on EU-Malaysia IMD Thought Leadership Decoding the US presidential transition: Implications for your business Update on the Amendments In Relation to Sustainability Reporting Requirements and Other Enhancements 	11 March 2024 11 April 2025 3 July 2024 25 July 2024 22 October 2024 26 October 2024 6 November 2024 13 November 2024 2 December 2024 5 December 2024 22 January 2025 27 January 2025
7	Abraham Verghese A/L T V Abraham	<ul style="list-style-type: none"> Digital Technology and Artificial Intelligence as Productivity Tools for Accounting and Finance Professionals ICDM PowerTalk Series Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape Cybersecurity for Board members "Embracing Strategic Oversight: The Future of Audit Committees" Value Creation via Capital Market Asia Economics - Macro Outlook Update and Case Study Technology, Media, and Telecommunications ("TMT") Trends (Macro and Country Dynamics) Boardroom Insights 2025: Navigating Governance, Risk and Strategic Foresight Update on the Amendments In Relation to Sustainability Reporting Requirements and Other Enhancements 	5 March 2024 11 March 2024 22 August 2024 5 September 2024 21 October 2024 21 October 2024 22 October 2024 17 December 2024 27 January 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

No	Directors	Training Programmes	Date
8	Ong Huey Min	<ul style="list-style-type: none"> Raising Tax Certainty How to Detect Financial Warnings in Companies Lembaga Hasil Dalam Negeri Malaysia ("LHDN") E-Invoicing: Navigating Tax Compliance & IT Processes Navigating Climate Change Legal & Tax Workshop for Property Developers Tax Summit 2024 Strategic Data & Frameworks in Brand Governance E-Invoicing Issues Update on the Amendments In Relation to Sustainability Reporting Requirements and Other Enhancements 	28 March 2024 2 May 2024 10 July 2024 11 July 2024 6 September 2024 19 November 2024 2 December 2024 9 January 2025 27 January 2025

DXN'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 Group 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 incorporate the Environmental, Social, and Governance ("ESG") elements into the business processes.

KEY ROLES AND RESPONSIBILITIES

- Provides strategic oversight and guidance on sustainability matters, ensuring effective integration into DXN's long-term corporate objectives, governance framework, and key decision-making processes.
- Oversees the development and implementation of sustainability-related policies, including ESG frameworks, in alignment with regulatory expectations and stakeholder interests.
- Endorses and periodically evaluates DXN's sustainability objectives, including targets for carbon emissions reduction, supply chain transparency, and diversity metrics, to ensure alignment with best practices and promote continuous advancement.
- Evaluates regular reports on ESG performance and strategic initiatives, encompassing updates on Scopes 1, 2, and 3 emissions, supply chain sustainability efforts, and employee well-being indicators.

The Group's commitment to sustainability permeates every level within the Group, starting from the Board and extending to the Sustainability Management Committee ("SMC") and the Sustainability Working Committee ("SWC").

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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



ECONOMICS

- 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.



ENVIRONMENT

- Embrace responsibility energy and resource management, adopt carbon reduction strategies, use green technologies, instil 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.



SOCIAL

- Embrace a diverse, inclusive, and equitable workplace, ensuring equal opportunities for all employees regardless of gender, age, or ethnicity;
- Prioritise talent development through structured learning and development programmes, targeted training initiatives, and clearly defined career progression pathways to enhance workforce capabilities and support long-term organisational growth;
- Engage and support local communities through impactful social responsibility initiatives and community development programmes; and
- Maintain a strong commitment to upholding human rights and ensuring fair labour practices throughout the Group's operations and across its supply chain, in alignment with international standards and ethical business conduct.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD NOMINATION AND REMUNERATION COMMITTEE ("BNRC")

The BNRC, chaired by YM Tunku Afwida Binti Tunku A. Malek, is committed to enhancing the efficiency of deliberations and decision-making, minimising time-related costs, and promoting cohesive and effective 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 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	

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 Securities Services (Holdings) Sdn Bhd. ("SS"), conducted an annual board assessment and evaluation to appraise the effectiveness of the Board, Board Committees, and each Individual Director in respect of FY2025 ("BAE") in June 2025.

The criteria for Board and KSM evaluation included, among others, skill set matrix of the Directors fit and proper, contribution and performance, calibre and personality, and independence of the INEDs.

The Board is mindful and will consider the guidance provided under the MCCG that the Board should engage independent experts at least once in every three (3) years (if applicable), to facilitate objective and candid board evaluations. The Board concluded that the overall performance of both the Board and its Committees as well as the individual Directors was satisfactory. Given the effectiveness of the BNRC, 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 FY2025, 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.

Datuk Lim Siow Jin, Datuk Noripah Binti Kamso, and Abraham Verghese A/L T V Abraham will be retiring by rotation and are eligible for re-election at the forthcoming 2025 AGM.

After the BAE FY2025, 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 FY2025 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. 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 FY2025 are tabulated below:

The Company

Name	Salaries RM'000	Directors' Fees RM'000	Bonus RM'000	Contributions to EPF and SOCSSO RM'000	Allowances RM'000	Profit- sharing RM'000	Benefits- in Kind RM'000	Other Emoluments*	Total RM'000
Executive Directors									
Datuk Lim Siow Jin	2,499	-	-	101	-	-	-	-	2,600
Teoh Hang Ching^	126	-	-	7	30	4	5	1,000 ^{^^^}	1,172
Non-Executive Directors									
Dato' Lim Boon Yee ^{^^^}	298	-	-	13	12	-	15	-	338
Vibhav Panandiker	-	-	-	-	-	-	-	-	-
Datuk Noripah Binti Kamso	-	100	-	-	31	-	-	-	131
YM Tunku Afwida Binti Tunku A. Malek	-	85	-	-	33	-	-	-	118
Stefan Heitmann	-	85	-	-	41	-	-	-	126
Abraham Verghese A/L T V Abraham	-	90	-	-	41	-	-	-	131
Ong Huey Min	-	80	-	-	41	-	-	-	121

The Group

Name	Salaries RM'000	Directors' Fees RM'000	Bonus RM'000	Contributions to EPF and SOCSSO RM'000	Allowances RM'000	Profit- sharing RM'000	Benefits- in Kind RM'000	Other Emoluments*	Total RM'000
Executive Directors									
Datuk Lim Siow Jin	2,824	-	-	133	-	-	-	-	2,957
Teoh Hang Ching	126	-	-	7	30	4	5	1,000 ^{^^^}	1,172
Non-Executive Directors									
Dato' Lim Boon Yee ^{^^^}	298	-	-	13	12	-	15	-	338
Vibhav Panandiker	-	-	-	-	-	-	-	-	-
Datuk Noripah Binti Kamso	-	100	-	-	31	-	-	-	131
YM Tunku Afwida Binti Tunku A. Malek	-	85	-	-	33	-	-	-	118
Stefan Heitmann	-	85	-	-	41	-	-	-	126
Abraham Verghese A/L T V Abraham	-	90	-	-	41	-	-	-	131
Ong Huey Min	-	80	-	-	41	-	-	-	121

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Notes:

The BAC/BRC meetings held concurrently on 12 August 2024 are counted as a single meeting.

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

^{^^} At the 28th AGM held on 12 August 2024, the Company obtained shareholders' approval to grant a performance-based retirement gratuity payment of RM1 million to Teoh Hang Ching.

^{^^^} The remuneration, fees, and benefits etc were paid in respect of his executive functions performed at the subsidiary level.

^{*} Other emoluments consist solely of retirement gratuity.

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")

COMPOSITION	KEY ROLES AND RESPONSIBILITIES
Abraham Verghese A/L T V Abraham INED Chairman	<ul style="list-style-type: none"> Complying with accounting standards and disclosure requirements as administered by Bursa Securities, relevant accounting standards bodies, and applicable laws and regulations (as amended from time to time). Overseeing a formal and transparent audit process, and appraising the quality of audits conducted by both internal and external auditors. Maintaining open lines of communication between the Board, internal auditors, and external auditors to facilitate the exchange of views and information, and to confirm their respective authority and responsibilities. Ensuring the Group maintains a sound system of internal controls, covering administrative, operational, accounting, and risk management processes to safeguard shareholders' investments and the Group's assets. Overseeing the Group's compliance with applicable laws, rules, and regulations, and ensuring an appropriate code of business conduct is in place. Overseeing the integrity and accuracy of financial reporting. Investigating any concerns or reports received regarding possible irregularities within the DXN Group.
YM Tunku Afwida Binti Tunku A. Malek INED Member	
Stefan Heitmann INED Member	
Ong Huey Min INED Member	

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The summary of activities of the BAC for FY2025 is detailed under the BAC Report in this Annual Report 2025.

Board Risk Committee ("BRC")

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 CG, 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	
Ong Huey Min INED Member (Appointed on 26 July 2024)	
Teoh Hang Ching Former Executive Director and CEO (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.

In September 2021, DXN established the Group Governance and Risk Management ("GGRM") department for the purpose of coordinating 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 eight (8) 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In April 2022, DXN established a Legal and Risk Compliance Committee (“LRCC”) comprising members from different departments and functions in our Group such as finance, project investment, 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 ten (10) auditors. The GIA reports directly to the BAC on the adequacy and integrity of the Group’s internal controls and ensures 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 2025.

Executive Committee (“EXCO”)

The EXCO was established on 10 February 2022 and comprises of Executive Directors, the CEO, and the CFO as follows:

COMPOSITION	KEY ROLES AND RESPONSIBILITIES
Datuk Lim Siow Jin Executive Chairman Member	<ul style="list-style-type: none"> Ensure that 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 KPIs in all aspects of the Group’s operations. Apply the principles and best practices recommendations of CG, 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.
Prajith Pavithran CEO Member (Appointed on 1 June 2024)	
Lim Beng Cheng CFO Member (Appointed on 9 June 2025)	
Lim Yew Lin Former CFO Member (Resigned on 9 June 2025)	

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 and Company's Corporate Disclosure Policy in disseminating information to shareholders and 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 Relations 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 29th AGM, scheduled on 13 August 2025 will provide shareholders with an opportunity to seek clarification and gain insight into the Group's operations and financial performance, as well as market outlook.

The notice of the 29th AGM, which outlines the resolutions, will be sent together with the Annual Report 2025 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 2024, the notice of the 28th AGM was sent more than twenty-eight (28) days before the date of the AGM on 13 August 2024.

During the 28th AGM which was held in person, the Board, including Chairperson of the Board Committees, the CEO, the 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 28th AGM.

To have greater transparency, accuracy, and efficiency in the voting process, the Company adopted the system of e-voting by poll at the 28th 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.

Furthermore, the minutes of meeting for the 28th 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 (collectively “the Group” or “DXN Group”) for the financial year ended 28 February 2025 (“FY2025”). This Statement is prepared per Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and guided by the SORMIC: Guidelines for Directors of Listed Issuers.

The Board recognises its overall accountability for DXN Group’s risk management and internal control systems and 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 systems. Accordingly, the Board has established an Enterprise Risk Management policy (“Policy” or “ERM Policy”) incorporating an ERM Framework (the “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, as well as reflecting DXN’s proactive approach to anticipating risks across strategic, environmental, social, governance, operational, financial, cyber, and compliance domains.

The Board retains 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 Department.

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.

Risk management is an enterprise-wide responsibility spanning all operational levels of DXN Group. The policies of the Board for ERM include the following:

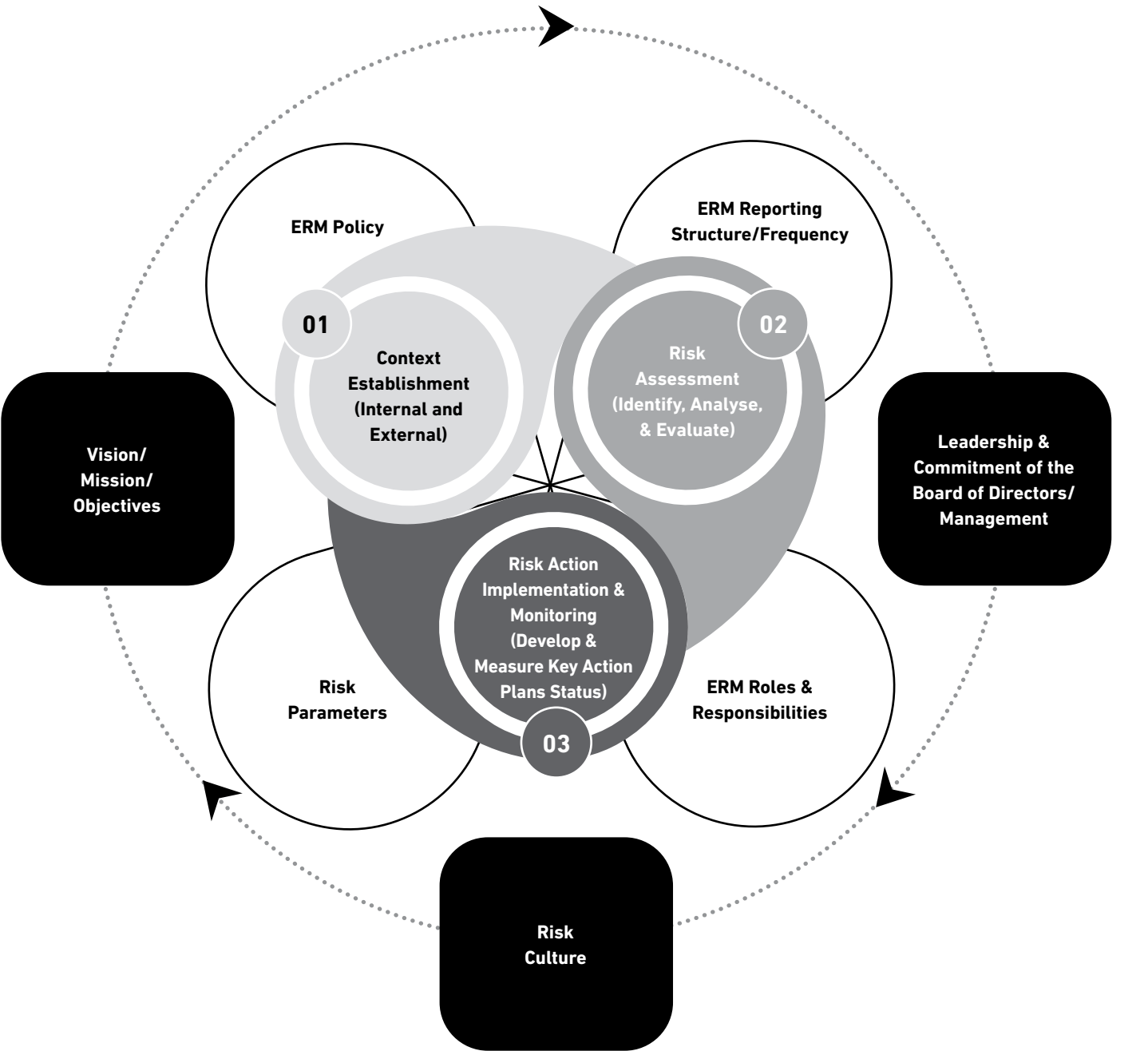
- To integrate risk management into DXN Group’s culture, operational activities, and decision-making processes.
- To anticipate and respond proactively to the changing landscape in areas that are strategic in nature, environmental, social, governance, compliance, operation, cyber, systems, and financial.
- To manage risks pragmatically to an acceptable level with consideration given to 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.

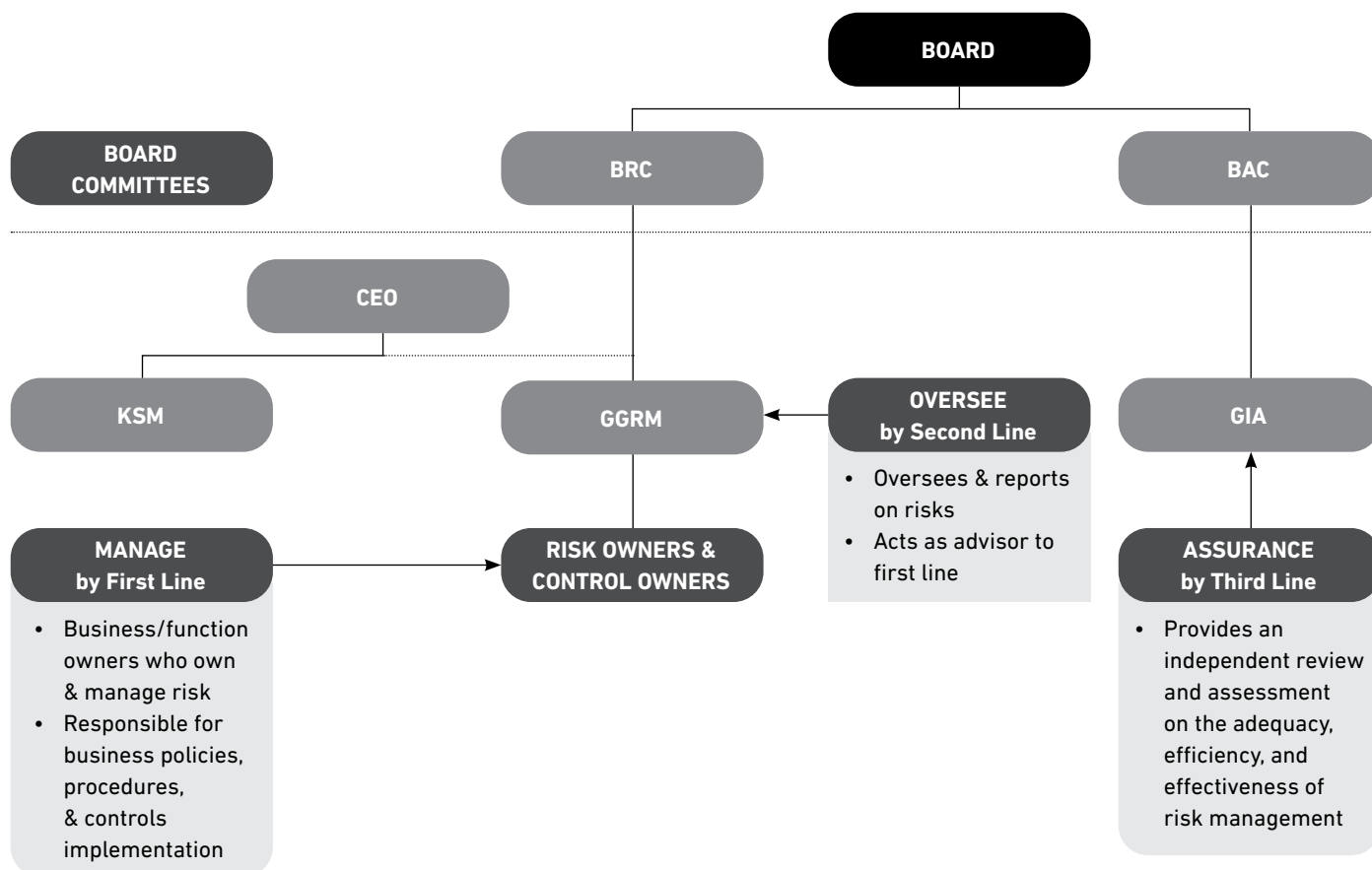
The components of the Framework are illustrated below:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ERM REPORTING STRUCTURE

The ERM Reporting Structure is illustrated as follows: -



Notes:

CEO : Chief Executive Officer

GIA : Group Internal Audit

BAC : Board Audit Committee

KSM : Key Senior Management

GGRM : Group Governance & Risk Management

BRC : Board Risk Committee

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

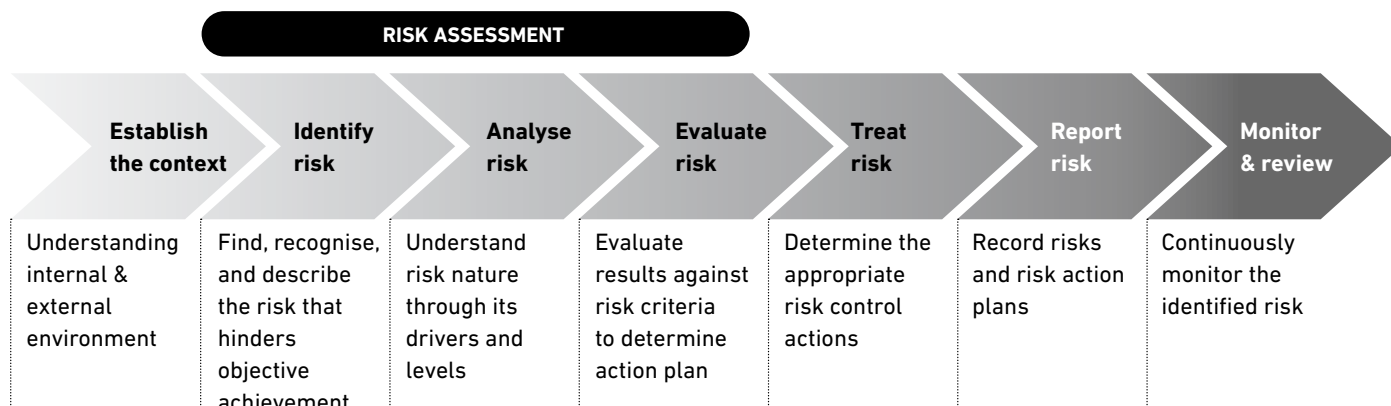
ROLES AND RESPONSIBILITIES

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.
Chief Executive Officer ("CEO")/ Key Senior Management ("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 amongst 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 employees or Heads 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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:



KEY RISKS AND RISK TREATMENT

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

NO	KEY RISKS	RISK TREATMENT
1	Project Investment	Establishment of Project Investment Working Committee and to periodically review projects to ensure that objectives and deliverables remain clear and aligned with project goals.
2	Regulatory Compliance	Establishment of Board Committees, GGRM, Legal and Risk Compliance Committee ("LRCC") to identify and monitor regulatory changes in relation to product registration, in collaboration with external consultants or expertise where applicable.
3	Cyber & Information Security	Development of Cybersecurity Policy Framework and to continuously monitor implemented process controls and identify system improvements, as well as to provide awareness trainings to employees in selected subsidiaries of the Group on cyber and information security best practices.
4	Online Marketing	Provide awareness trainings to members on online selling best practices and continuously monitor implemented business conducts.
5	Human Capital	Establishment of Succession Planning Framework to develop employees for future leadership role and to facilitate seamless transition for critical leadership positions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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. Business Ethics and Integrity

The Group is committed to conducting business with the highest ethical standards and integrity as set out in DXN Group's Code of Conduct and Ethics. The Code of Conduct and Ethics defines the principles and standards that guide our actions and decisions, outlining the standards of behaviour expected of all Directors, employees, and associates of the Group.

Our key guidelines emphasise nurturing a positive work environment, safeguarding company assets and confidential information, and managing conflicts of interest. We maintain a zero-tolerance stance towards all forms of bribery, corruption, insider trading, and money laundering, ensuring that our actions align with both legal requirements and our ethical values.

To uphold transparency and accountability, in addition to adopting a no-gift policy, we have established a formal whistleblowing mechanism and Conflict of Interest Policy to govern our day-to-day business operations. The Group has also continuously conducted educational and awareness briefings on the Company's anti-corruption and bribery policy to foster a culture of ethics and integrity within selected subsidiaries of the Group. Furthermore, we are committed to sustainable business practices, reflecting our dedication to ethical responsibility.

2. Empowerment and Responsibility Delegation

The Terms of Reference ("TOR") for each Board Committee define the delegation of responsibilities to the respective committees.

Additionally, the Group has established defined limits of authority, specifying the approval thresholds assigned and delegated to each approving authority within the organisation. To support these governance measures, the internally developed Budget and Payment Approval ("BPA") and Enterprise Resource Planning ("ERP") systems, which are implemented in phases, serve as key avenues for systematic enforcement within the Group.

3. Risk Management

The GGRM Department leads the development, implementation, and review of the ERM Framework, along with the supporting processes and systems specified in the ERM Policy. This includes coordinating the ERM activities across the Group in phases, providing advice and support as well as promoting awareness of risk management.

Each business unit is responsible for periodically identifying and evaluating risks within its respective area. These activities are facilitated through the Risk Management modules in the internally developed Enterprise Risk, Compliance, and Sustainability Management System ("RCS System"), which enhances overall risk management by providing a structured and systematic approach to risk identification, assessment, mitigation, monitoring, and documentation.

The GGRM then reviews the risks registered in the RCS System (confined mainly to the Group's operations in Malaysia with the subsidiaries outside of Malaysia currently undergoing trainings to familiarise themselves with the RCS System) and subsequently reports to the BRC on the Group's risk management matters.

4. Documented Policies and Procedures

The Group has developed and maintained internal policies and procedures, which are periodically reviewed and revised to ensure alignment with evolving business needs, operational requirements as well as statutory reporting obligations.

These policies and procedures provide a coherent framework and guidelines for employees, promoting consistency, standardisation and regulatory compliance while enhancing efficiency and productivity, ultimately driving overall operational effectiveness. Besides the standard operating procedures specific to each business function or operation, the established internal policies include the following:

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CATEGORY	POLICIES
Ethical Conduct & Integrity	• Code of Conduct & Ethics
	• Anti-Bribery & Corruption Policy
	• Conflict of Interest Policy
	• Whistleblowing Policy
	• Anti-Sexual Harassment Policy
	• Gender Diversity Policy
Corporate Governance & Leadership	• Fit & Proper Policy for Directors and Key Officers
	• Remuneration Policy & Procedures
	• Donation and Sponsorship Policy
	• Sustainability Policy
Risk & Compliance Management	• Enterprise Risk Management Policy
	• Compliance Management Policy
	• Sanctions Policy
	• Business Continuity Management Policy
Operational Framework & Data Security	• Project Investment Framework
	• IT Policy
	• Personal Data Protection Notice
	• External Distribution Agency Business Policy for DXN Employees

5. Technology Ecosystem

The Group's technology ecosystems are supported by an internal system and development team that develops our own systems and applications tailored to the Group's business needs and operations. By owning these systems and applications, the Group retains complete control over the source code and architecture, allowing greater flexibility for system customisation, enhancements, and implementation of security controls.

Among the internal controls implemented to safeguard system applications and ensure the integrity, security, and availability of critical data and processes are access control management, user privilege restrictions, change management controls, separation of development and production environments, as well as backup and disaster recovery measures.

Examples of internally developed systems used within the Group are listed as follows, with implementation varying across countries and entities based on their respective operational and business requirements:

SYSTEM CATEGORY	SYSTEM NAME	
Administration and Governance	HRMS	Human Resource Management System
	RCS	Enterprise Risk, Compliance, and Sustainability System
	POV	Point of View System
Financial, Accounting and Resource Management	BPA	Budget and Payment Approval System
	ERP	Enterprise Resource Planning System
	ACIS	Accounting Information System
Members Services and Sales Related	OBS	Online Billing System
	eWorld	Member's Online Information
	DXN Portal	DXN Portal for Members (self-service kiosk)
	CPS	Centralised Processing System
Other Internal Operations Related	LMS	Lab Management System
	WMS	Workflow Management System

6. Cybersecurity Measures

The Group recognises the increasing cybersecurity risks in today's digital landscape and remains committed to safeguarding its systems, data, and operations through various ongoing cybersecurity measures. In addition to the security controls for our systems as outlined in the earlier section, enterprise endpoint virus detection, protection and response tools are implemented across the Group to safeguard devices against malware.

The Group's Information Technology Department also conducts basic vulnerability assessments scanning and testing on its system applications and network environments at least annually. Additionally, the Information Security team continuously monitors and analyses breach attempts or attacks on the Group's cloud systems, providing periodic reports on emerging threats.

To enhance cybersecurity resilience, cybersecurity awareness sessions are conducted to educate staff on identifying and responding to cybersecurity threats and vulnerabilities. Furthermore, periodic cybersecurity audits are carried out to assess the existing security controls and recommend necessary improvements to strengthen the cybersecurity controls within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

7. Quality Controls

The Quality Department is committed to upholding the highest standards across our production processes.

This dedication is reflected in the attainment of key industry certifications below, demonstrating compliance with international quality, regulatory, and safety standards.

CATEGORY	CERTIFICATIONS
1. Quality Management	- ISO 9001:2015 (Quality Management System)
2. Environmental Management	- ISO 14001:2015 (Environmental Management System)
3. Laboratory & Testing Standards	- MS ISO/IEC 17025:2017 (Testing & Calibration Laboratories)
4. Manufacturing & Safety Standards	- ISO 22716:2007 (Cosmetic GMP)
	- GMP (Good Manufacturing Practice)
	- HACCP (Hazard Analysis and Critical Control Points)
5. Organic & Sustainability Certifications	- myOrganic Certificate
	- EU Organic Certificate
	- USDA-NOP Certificate
6. Regulatory & Compliance Certifications	- Halal Certificate
	- TGA Certificate (Therapeutic Goods Administration - Australia)

8. Training and Awareness

The Group acknowledges that our employees serve as the first line of defence in maintaining robust internal controls and safeguarding the integrity of our businesses and operations. Therefore, we are committed to supporting training and awareness programmes across the Group to equip employees with the necessary knowledge and skills to perform their daily tasks more effectively, while fostering a culture of accountability, compliance, and continuous improvement.

The key components of the Training Programme include, but are not limited to:

- Induction Programme for new employees
- Ongoing or regular training conducted by respective business divisions
- Role-Specific Training
- Awareness campaign through various communication channels including emails, company bulletins, workshops and etc
- Leadership Engagement sessions

9. Performance Monitoring and Reporting

The Group conducts ongoing performance monitoring and reporting across various areas, including but not limited to:

- Operational results: The submission of progress reports by various departments, along with periodic meetings, facilitates ongoing performance monitoring and reporting to ensure timely attention to critical issues and operational progress;
- Staff performance: Employees undergo an annual performance appraisal based on relevant key performance indicators; and
- Independent review: The Group's Internal Audit department, which reports functionally to the BAC, performs risk-based audits, and highlights key control issues and recommendations for improvement to KSM and the BAC.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

The internal audit function is carried out by the in-house GIA, which provides independent risk-focused assurance, advisory services, and insights to strengthen and protect organisational value.

Independent Team

GIA is led by the Head of GIA who is an associate member of the Institute of Internal Auditors Malaysia ("IIAM") and functionally reports to the BAC. As of 28 February 2025, the GIA comprises a team of 11 auditors, all of whom hold tertiary and/or professional qualifications, including 2 Certified Internal Auditor ("CIA").

Headcount in the GIA by position and country are as follows:

Position	Headcounts (by Country)			
	Malaysia	India	Philippines	Total
Head of Department	1	-	-	1
Manager	3	-	-	3
Section Manager	1	-	-	1
Senior Executive	2	1	1	4
Executive	1	1	-	2
TOTAL	8	2	1	11

The Head of GIA and all other auditors have confirmed that they are free and not influenced by any relationships or conflicts of interest that could undermine their objectivity and independence in each audit engagement.

Independent Roles

GIA conducts independent audits and assessments across the Group in accordance with the approved annual internal audit plan. This plan is developed through a risk assessment process that considers the materiality and business nature of each entity within the Group.

GIA evaluates the effectiveness and efficiency of internal control, risk management, and governance processes by adhering to its internal standard operating procedures and providing recommendations for improvement.

The audit reports, which highlight significant findings related to non-compliance or process improvements, include recommendations derived from root-cause analysis and overall audit conclusion. These findings are brought to KSM's attention and presented quarterly to the BAC for review. Timely follow-ups and reviews are conducted to ensure the implementation of agreed actions and measures to address the identified areas for improvement.

During FY2025, GIA conducted 16 audit engagements to review the effectiveness and adequacy of the internal controls in the identified audit areas on selected entities within the Group, based on GIA's risk-based audit methodology.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed the 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 FY2025, 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 SORMIC: 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 systems 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 and joint venture as disclosed in Notes 7 and 8 of the financial statements.

CONCLUSION

The Board affirms its commitment to ensuring the adequacy, integrity, and effectiveness of DXN Group's risk management and internal control systems for the FY2025 and up to the date of this Statement. The Board has received assurance from the Group's Executive Director (Datuk Lim Siow Jin), CEO (Mr. Prajith Pavithran), former Chief Financial Officer ("CFO") (Ms. Lim Yew Lin, for the financial year under review until her resignation), and CFO (Ms. Lim Beng Cheng, for the period commencing her appointment until current), that the Group's internal control systems have operated adequately and effectively, in all material respects, during the reviewed period.

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 disclosures 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 systems to meet the Group's corporate objectives.

This Statement was approved by a resolution of the Directors.

BOARD AUDIT COMMITTEE REPORT

The Board of Directors (“the Board”) of DXN Holdings Bhd. (“DXN” or “the Company”) is pleased to present the Board Audit Committee (“BAC”) report for the financial year ended 28 February 2025 (“FY2025”), prepared in accordance with Paragraph 15.15 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

COMPOSITION

The BAC comprises four (4) members, all of whom are Independent Non-Executive Directors, with no alternate director appointed as a member of the BAC. The membership of the BAC for FY2025 is as follows:

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

The BAC is chaired by Mr. Abraham Verghese, who is distinct from Chairman of the Board. Additionally, three (3) out of the four (4) BAC members are members of the Malaysian Institute of Accountants. Therefore, the BAC composition is in line with Paragraph 15.09 of the MMLR of Bursa Securities and Practice 9.1 of the Malaysian Code on Corporate Governance.

MEETINGS AND ATTENDANCE

Nine (9) BAC meetings were held in FY2025. The attendance record is set out in the Corporate Governance Overview Statement.

The meetings were also attended by the Chief Executive Officer (“CEO”) and Head of the Group Internal Audit (“GIA”) department. The attendance of other Key Senior Management (“KSM”), employees, and representatives of the external and internal auditors was by invitation, depending on the matters deliberated by the BAC.

The BAC meeting minutes were prepared by the Company Secretary, 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.

TERMS OF REFERENCE

The BAC operates under its Terms of Reference (“TOR”), which is available on the Company’s website at www.dxn2u.com.

BOARD AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE BAC DURING FY2025

The BAC had carried out its duties in accordance with its TOR, and the key activities undertaken during FY2025 were as follows:

Function in TOR	Key Activities Undertaken During FY2025
Financial Reporting	<ol style="list-style-type: none"> 1) Reviewed the quarterly unaudited and year-end audited financial statements of the Group and recommended the same to the Board for approval. 2) Reviewed significant matters highlighted, including financial reporting issues, key judgements made by management, significant and unusual events and/or transactions, and the measures taken by management to address them. 3) Reviewed the budget for FY2025 and recommended it to the Board for approval.
External Audit	<ol style="list-style-type: none"> 1) Discussed with the external auditor the audit plan, nature and scope of the audit, key audit matters, updates on financial reporting, audit timeline, deliverables, and proposed audit fees. 2) Reviewed external audit reports and management letters issued by the external auditors. 3) Assessed the suitability, objectivity, and independence of the external auditors and recommended their re-appointment to the Board for approval at the forthcoming Annual General Meeting. 4) Held one (1) private session with the external auditors without the presence of Executive Directors and management. There were no issues to be highlighted by the external auditors to the BAC during the course of audit.
Internal Audit	<ol style="list-style-type: none"> 1) Reviewed and approved the Annual Audit Plan, which included an assessment of the resources required by GIA to conduct audit engagements. 2) Reviewed internal audit reports issued by GIA and monitored the implementation of management action plans on a quarterly basis to ensure key risks and control weaknesses were addressed. 3) Evaluated the performance of the Head of GIA, including an assessment of the effectiveness of the GIA function and the audit engagements carried out by GIA. 4) Safeguarded the objectivity and independence of internal audit activities by ensuring that the Head of GIA reports functionally to the BAC. 5) Took cognisance of resignation of GIA staff members.
Internal Control	<ol style="list-style-type: none"> 1) Reviewed the Conflict of Interest ("COI") policy and External Distribution Agency for Employees policy, recommending them to the Board for approval. 2) Reviewed key audit observations highlighted in internal audit reports and requested management to implement measures to address lapses at the Group level.

BOARD AUDIT COMMITTEE REPORT

Function in TOR	Key Activities Undertaken During FY2025
Compliance and Others	<p><u>Related Party Transaction ("RPT") and Recurrent RPT ("RRPT")</u></p> <ol style="list-style-type: none"> 1) Reviewed RPT (inclusive of RRPT) of the Group as presented by management to ensure that these transactions were conducted in the best interest of the Company, were fair and reasonable, adhered to normal commercial terms, and were not detrimental to the interests of minority shareholders, and recommended them to the non-interested Directors for approval. 2) Reviewed the draft Circular to Shareholders on the proposed new shareholders' mandate for RRPT of a revenue or trading nature, before submitting the same to the Board for consideration and approval, as well as to Bursa Securities for perusal and approval. <p><u>COI</u></p> <ol style="list-style-type: none"> 1) Reviewed COI or potential COI situations involving Directors or KSM. 2) Reviewed two (2) COI situations involving a Director of DXN subsidiaries, assessed the measures taken by management to address the situation, and subsequently reported it to the Board. <p>Other than the COI mentioned in (2) above, no other COI or potential COI situations involving Directors and KSM (excluding RPT) were identified and/or disclosed to the BAC.</p> <p><u>Others</u></p> <ol style="list-style-type: none"> 1) Directed and reviewed the results of investigations/special reviews conducted by GIA. 2) Reviewed the BAC Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the FY2025 Annual Report. 3) Engaged in ongoing professional development and training to stay updated on the latest developments in accounting and auditing standards, practices, regulations, and other relevant areas.

INTERNAL AUDIT FUNCTION

GIA is an in-house internal audit function that operates within the framework defined in its Internal Audit Charter. The purpose of GIA is to strengthen the Company's ability to create, protect, and sustain value by providing the Board and KSM with independent, risk-based, and objective assurance, advice, insight, and foresight.

Independence & Objectivity

To maintain GIA's independence and objectivity within the Company, GIA reports functionally to the BAC and administratively to the CEO. GIA conducted audit engagements as outlined in the Annual Audit Plan FY2025 approved by the BAC. Furthermore, all GIA staff have confirmed in writing that they are free from any relationships or COI which could impair their objectivity and independence in carrying out internal audit activities.

BOARD AUDIT COMMITTEE REPORT

Resources

The GIA department is led by the Head of GIA, Ms. Teoh Soo Kim, an associate member of The Institute of Internal Auditors Malaysia (“IIAM”), who has been leading GIA since 2010. As of 28 February 2025, she is supported by 10 staff members with various tertiary and/or professional qualifications, two of them hold the Certified Internal Auditor (“CIA”) professional certification. In FY2025, all GIA staff attended training programmes conducted by external bodies or in-house to enhance their competencies and keep abreast of the latest developments in the relevant industry and regulations.

Methodology & Practices

GIA adopted a risk-based audit methodology, which is closely aligned with the 2024 International Professional Practices Framework. Every GIA staff is guided by GIA’s internal standard operating procedures to effectively and efficiently execute audit engagements.

Internal audit reports were issued to the BAC on a quarterly basis, with audit observations rated as extreme and high risks presented at the BAC meetings. Each audit observation was supported by GIA’s recommendations, and relevant feedback from the responsible person was obtained. Furthermore, GIA conducted audit follow-ups to assess whether the agreed-upon action plans were implemented.

SUMMARY OF THE INTERNAL AUDIT ACTIVITIES CARRIED OUT DURING FY2025

Assurance

In FY2025, GIA conducted 16 audit engagements, in accordance with the approved Annual Audit Plan for FY2025, with revision to the Annual Audit Plan made and tabled to the BAC on 4 November 2024. The audit areas covered in these audit engagements are listed below:

Type of Audit and Nature of Audit Entity	Audit Area
Operational audits on the Company, selected factories, and direct sales-based subsidiaries	1) Contract Management 2) Expense Management 3) Inventory Management 4) Marketing Management 5) Material Planning 6) Procurement Management 7) Production Planning 8) Project Management
Governance and compliance audits on the Company	1) Anti-Bribery and Corruption 2) Related Party Transaction 3) Conflict of Interest 4) Political Contributions, Charitable Contributions, and Sponsorship 5) Dealing with Associates
IT audit on the Company and selected direct sales-based subsidiaries	1) Information Technology General Control 2) Cybersecurity

BOARD AUDIT COMMITTEE REPORT

Investigation & Special Review

GIA conducted investigations and special reviews at the request of the BAC. In FY2025, these investigations and special reviews covered the following areas:

- 1) Procurement and payment processes
- 2) RRPT analysis for proposed Shareholders' Mandate
- 3) Donation to third party

Consulting

GIA provided consulting and advisory services at the request of KSM. In FY2025, GIA offered feedback and input on the establishment of the COI Policy and the External Distributor Agency for Employees Policy.

The total cost incurred for the internal audit function of the Company in FY2025 was RM1,370,940 (FY2024: RM1,099,017).

This BAC Report was prepared in accordance with a resolution of the Board.

ADDITIONAL COMPLIANCE INFORMATION

1. 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 28 February 2025 are as follows:

	Group RM'000	Company RM'000
Audit fees	2,609	115
Non-audit fees	241	134
Total	2,850	249

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.

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

There were no material contracts (not being contracts entered into the ordinary course of business) which had been entered into by the Company and its subsidiaries involving the interest of the directors, chief executive and major shareholders, either still subsisting at the end of the financial year ended 28 February 2025 or entered into since the end of the previous period.

3. 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 12 MAY 2025

Malaysia:

PROPERTY TITLE	DESCRIPTION	UPDATES AS AT 12 MAY 2025
1. HS(M) 1589, PT 2657, Mukim Malau, Daerah Kubang Pasu. (Previously known as GM 1109, Lot 2116 & GM 1134, Lot 2150).	Agro Dryer Building and 7 sheds used for the cultivation of Ganoderma known as "Gano Sheds (A)".	<ul style="list-style-type: none"> The <i>Kebenaran Merancang</i> ("KM") has been obtained, and the <i>Kebenaran Merancang Terhad</i> ("KMT") (for existing buildings) also has been granted with conditions (Lulus dengan Syarat). <i>Permit Sementara</i> has been applied via online application on 22 April 2025 to allow building operations after obtained the KMT endorsement. Propose development at lot PT2657 will be canteen and surau.
2. GM 1133, LOT 2149, Mukim Malau, Daerah Kubang Pasu.	Bungalow known as "Bungalow C".	The person-in-charge ("PIC") is currently in the process to hire a consultant to prepare a layout that includes the existing building and the necessary requirements based on comments from the Kubang Pasu Municipal Council ("KPMC"). The final layout will be submitted to KPMC for endorsement once the relevant approvals have been obtained.

ADDITIONAL COMPLIANCE INFORMATION

3. 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 12 MAY 2025 (CONTINUED)

India: Non-compliance in respect of foreign investments in India

1. Daxen Agritech	
Non-Compliance Description	Updates as at 12 May 2025
<p>1.1 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;</p> <p>1.2 Non-reporting of downstream investment ("DI") in DXN Marketing India.</p>	<p>Regularisation Measures:</p> <ol style="list-style-type: none"> 1. Post-facto approval from the Reserve Bank of India ("RBI") has been obtained regarding the deferred consideration. 2. As the share consideration was received in excess from one DXN entity and in shortfall from another DXN entity to Mr. Matthew (the subscriber to DAXEN Agritech India Private Limited), the excess to be refunded and shortfall has been procured. The documentation to refund the excess amount from Mathew to one DXN entity has been submitted to authority. In case of shortfall, again the amount remitted to cover the shortfall is in excess to the required amount. This amount is also being refunded and the documentation has been submitted to the authority. Once this is processed, share transfer documents will be submitted to the RBI. The timeline for its completion is around 31 July 2025. 3. Downstream Investment ("DI") Reporting with Department for Promotion of Industry and Internal Trade ("DPIIT"): Completed. DI Reporting with RBI: Filed but RBI requires few documents which can be provided only once the share transfers are approved in above para. Further, DPIIT's approval has been received in favour of DXN Marketing (for breach in sectoral cap due to this downstream investment). For undertaking reporting to RBI, Daxen Agritech needs to have the share transfer approval. 4. Foreign Liabilities and Assets ("FLA") Returns and Entity Master Form has been filed with the RBI: Completed. 5. Entity User Registration and Reporting: Completed. <p>Compounding Measures:</p> <ol style="list-style-type: none"> 1. Subsequent to obtaining all of the regularisation approvals, to file a consolidated application with the RBI for compounding of the non-compliances of Daxen Agritech. 2. A compounding application for the breach of sectoral cap by DXN Marketing India Private Limited has been submitted. However, the Authority has now directed the Application to be submitted by Daxen Agritech India Private Limited. This revised application will be submitted accordingly. This compounding application is in addition to the one mentioned in point 1 above.
2. DXN Marketing India	
Non-Compliance Description	Updates as at 12 May 2025
<p>2.1 Non-receipt of approval from DPIIT in relation to foreign investment exceeding 49% equity interest in DXN Marketing India;</p> <p>2.2 Non-registration Entity User Registration with the RBI. This non-compliance has since been regularised.</p>	<p>Regularisation Measures:</p> <p>Approval from the DPIIT has been obtained, and the Entity User Registration and Reporting have also been completed.</p> <p>Compounding Measures:</p> <p>The authority has directed that the application be submitted by Daxen Agritech India Private Limited, and it will be submitted accordingly.</p>

ADDITIONAL COMPLIANCE INFORMATION

3. 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 12 MAY 2025 (CONTINUED)

India: Non-compliance in respect of foreign investments in India (continued)

3. Esen Lifesciences		
Non-Compliance Description		Updates as at 12 May 2025
3.1	Non-filing of Form FCTRS;	Regularisation Measures: 1. Filed the regularisation application with the RBI to issue the instructions to the sellers and have been suggested by RBI to file the Form FCTRS with RBI with all the documents. The share transfer documents are pending for execution from the seller's side from many years. 2. The FLA Returns have been filed with the RBI, and Entity User Registration and Reporting have also been completed. Compounding Measures: Subsequent to obtaining all of the regularisation approvals, to file a consolidated application with the RBI for compounding of the non-compliances of Esen Lifesciences. This is pending due to non-signing of the documents by the sellers.
3.2	Non-filing of FLA Returns. This non-compliance has since been regularised;	
3.3	Non-registration of entity user registration with the RBI. This non-compliance has since been regularised.	

China: Non-compliances in respect of DXN Group's China operations

PROPERTY TITLE	DESCRIPTION	UPDATES AS AT 12 MAY 2025
No. 99 Fuxiyang, Huaidong Village, Gande Town (leased by Anxi Gande Foluohua).	1. Country-level permit for the use of one-storey steel building not obtained.	The existing steel structure has been deemed unfit for production use. The local government has been approached to rectify the non-compliance. The proposal is to modify the building structure for agricultural purposes, a canteen, and a warehouse. According to the local authority, it is advisable to engage consultants recommended by them to conduct a safety assessment and carry out the necessary renovations for the intended purposes. The process of implementing the required rectifications is currently ongoing.
	2. Anxi Gande Foluohua has yet to complete the environmental check and acceptance for the construction and usage of its office building and plants.	Procurement is obtaining comparison quotes to amend and upgrade the heating systems using environmentally friendly methods and materials.

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DIRECTORS' REPORT

for the year ended 28 February 2025

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 28 February 2025.

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 6 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	328,066	303,724
- Non-controlling interests	6,164	-
	334,230	303,724

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 29 February 2024 as reported in the Directors' Report of that year :
 - a fourth interim dividend of approximately 1.00 sen per ordinary share (excluding treasury shares) totalling RM49,728,000 declared on 23 April 2024 and paid on 30 May 2024.

DIRECTORS' REPORT

for the year ended 28 February 2025

DIVIDENDS (CONTINUED)

ii) In respect of financial year ended 28 February 2025 :

- a first interim dividend of 0.90 sen per ordinary share (excluding treasury shares) totalling RM44,755,000 declared on 26 July 2024 and paid on 28 August 2024;
- a second interim dividend of 0.80 sen per ordinary share (excluding treasury shares) totalling RM39,778,000 declared on 24 October 2024 and paid on 29 November 2024;
- a third interim dividend of 1.00 sen per ordinary share (excluding treasury shares) totalling RM49,722,000 declared on 27 January 2025 and paid on 7 March 2025; and
- a fourth interim dividend of 1.00 sen per ordinary share (excluding treasury shares) totalling RM49,722,000 declared on 28 April 2025 and paid on 30 May 2025.

The Directors do not recommend any other dividends to be paid for the financial year ended 28 February 2025.

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
Yang Mulia Tunku Afwida Binti Tunku A. Malek
Datuk Noripah Binti Kamso
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 those who are Directors of the Company) during the financial year until the date of this report are disclosed in Appendix I to the financial statements.

DIRECTORS' REPORT

for the year ended 28 February 2025

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 1.3.2024	Bought	(Sold)	Transfer in/ (Transfer out)	Balance at 28.2.2025
Interests in the Company					
<u>Direct interests</u>					
Datuk Lim Siow Jin	938,800	95,000,000	-	(50,000,000)	45,938,800
Dato' Lim Boon Yee	1,715,000	-	-	-	1,715,000
Datuk Noripah Binti Kamso	200,000	-	-	-	200,000
<u>Deemed interests</u>					
Datuk Lim Siow Jin ^{(a) (b)}	3,394,780,805	-	-	50,000,000	3,444,780,805
Ong Huey Min ^(b)	140,000	-	-	-	140,000

	Number of ordinary shares of Pakistan Rupee 10 each			
	Balance at 1.3.2024	Bought	(Sold)	Balance at 28.2.2025
Interest in subsidiary – DXN International Pakistan (Private) Limited				
<u>Direct interest</u>				
Dato' Lim Boon Yee	1	-	-	1

	Number of options over ordinary shares			
	Balance at 1.3.2024	Granted	(Exercised)	Balance at 28.2.2025
Interests in the Company				
<u>Direct interests</u>				
Datuk Lim Siow Jin	3,000,000	-	-	3,000,000
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

DIRECTORS' REPORT

for the year ended 28 February 2025

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

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 (2024 : 14,140,105) ordinary shares and 1,254,500,000 (2024 : 1,254,500,000) ordinary shares in the Company are held on trust by LSJ Global for Datuk Lim Siow Jin and his spouse.
- (b) Shares held in the name of the spouse and are regarded as interests of the Director 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 as disclosed, none of the other Directors holding office at 28 February 2025 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 the patron and Directors of the foundation are Directors of the Group which traded in the ordinary course of business, received donations from, and rented an aircraft and premises to the Group.

The benefits paid to or receivable by Directors of the Company in respect of the financial year ended 28 February 2025 are as follows :

	From the Company	From subsidiaries
	RM'000	RM'000
Fees	440	-
Remuneration	4,277	357
Estimated monetary value of benefits-in-kind	20	-
Share-based payments	5	-
	4,742	357

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

There was no issue of new shares or debentures by the Company during the financial year.

DIRECTORS' REPORT

for the year ended 28 February 2025

TREASURY SHARES

The shareholders of the Company, via an ordinary resolution passed in the Annual General Meeting held on 12 August 2024, 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 0.5 million ordinary shares from the open market at an average price of RM0.52 per share. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

As at 28 February 2025, the number of treasury shares held are 12.739 million (2024 : 12.239 million) ordinary shares. The treasury shares are held at the carrying amount of RM8.077 million (2024 : RM7.819 million) and further details are disclosed in Note 18.2 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 '000	Vesting period	Exercise price 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		

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

Date of offer	Expiry date	Exercise price RM/share	Number of options over ordinary shares			
			At 1.3.2024 '000	Granted '000	(Forfeited) '000	At 28.2.2025 '000
18.5.2023	31.12.2027	0.70	18,338	-	(3,069)	15,269

DIRECTORS' REPORT

for the year ended 28 February 2025

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

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 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 where the entitlement date is prior to the date of exercise of the 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 RM61,506 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.

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.

DIRECTORS' REPORT

for the year ended 28 February 2025

OTHER STATUTORY INFORMATION (CONTINUED)

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, the financial performance of the Group and of the Company for the financial year ended 28 February 2025 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.

FINANCIAL YEAR END OF SUBSIDIARIES

Certain foreign subsidiaries and sub-subsidiaries of the Company have adopted statutory financial year ends which do not coincide with that of the Company ("foreign subsidiaries").

Out of the 38 applications submitted to the Companies Commission of Malaysia ("CCM") under Section 247(3) of the Companies Act 2016, the Directors of the Company have been granted approval for a total of 35 foreign subsidiaries to have a different financial year end from that of the Company for the financial year ended 28 February 2025.

As of the date of this report, the Directors have yet to obtain approval from CCM for the remaining 3 foreign subsidiaries with positions similar to those above.

DIRECTORS' REPORT

for the year ended 28 February 2025

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		
- Current year	2,215	115
- Prior year	394	-
- Other auditors	466	-
	3,075	115
Non-audit fees		
- KPMG PLT and affiliates	241	134
	3,316	249

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 : 26 June 2025

STATEMENTS OF FINANCIAL POSITION

as at 28 February 2025

	Note	Group		Company	
		28.2.2025	29.2.2024	28.2.2025	29.2.2024
		RM'000	RM'000	RM'000	RM'000
Assets					
Property, plant and equipment	2	743,686	752,596	162,764	165,941
Right-of-use assets	3	81,680	45,747	14,084	13,851
Investment properties	4	6,364	6,758	-	-
Intangible assets	5	6,060	5,641	443	112
Investments in subsidiaries	6	-	-	335,021	260,039
Investment in an associate	7	-	-	-	-
Investment in a joint venture	8	-	-	-	-
Deferred tax assets	9	105,003	113,134	1,988	1,073
Prepayments	10	52,954	25,523	9,485	9,913
Other receivables	14	-	-	35,310	37,719
Total non-current assets		995,747	949,399	559,095	488,648
Biological assets	11	96	366	-	-
Inventories	12	244,473	334,061	-	-
Contract assets	13	1,895	935	-	-
Trade and other receivables, including derivatives	14	112,745	108,752	106,576	125,125
Current tax assets		51,969	56,212	17,591	17,911
Short term investments	15	9,314	77,769	1,033	37,410
Cash and cash equivalents	16	672,165	564,390	97,973	36,529
Total current assets		1,092,657	1,142,485	223,173	216,975
Total assets		2,088,404	2,091,884	782,268	705,623

STATEMENTS OF FINANCIAL POSITION

as at 28 February 2025

		Group		Company	
	Note	28.2.2025	29.2.2024	28.2.2025	29.2.2024
		RM'000	RM'000	RM'000	RM'000
Equity					
Share capital	17	214,620	214,620	214,620	214,620
Reserves	18	1,044,841	1,063,682	307,435	187,589
Equity attributable to owners of the Company		1,259,461	1,278,302	522,055	402,209
Non-controlling interests		78,037	79,961	-	-
Total equity		1,337,498	1,358,263	522,055	402,209
Liabilities					
Loans and borrowings	19	3,504	3,065	1,042	1,416
Employee benefits	20	5,915	6,727	-	-
Lease liabilities		20,172	12,313	-	-
Deferred tax liabilities	9	4,140	5,000	-	-
Total non-current liabilities		33,731	27,105	1,042	1,416
Loans and borrowings	19	151,347	162,357	124,424	159,738
Lease liabilities		8,506	7,935	-	-
Trade and other payables, including derivatives	21	516,880	501,689	134,747	142,260
Contract liabilities	13	5,275	-	-	-
Current tax liabilities		35,167	34,535	-	-
Total current liabilities		717,175	706,516	259,171	301,998
Total liabilities		750,906	733,621	260,213	303,414
Total equity and liabilities		2,088,404	2,091,884	782,268	705,623

The notes on pages 173 to 259 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 28 February 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	22	1,908,476	1,803,214	367,031	220,174
Other income		27,813	19,509	15,062	12,769
Changes in work-in-progress and manufactured inventories		(73,649)	16,859	-	-
Raw materials used and trading inventories sold		(219,378)	(307,983)	-	-
Depreciation and amortisation		(64,705)	(55,604)	(7,121)	(4,918)
Employee benefits expense	23	(198,351)	(171,833)	(31,094)	(26,914)
Net (loss)/gain on impairment of financial assets	24	(3,505)	(1,145)	30,430	(27,889)
Other expenses		(858,205)	(821,474)	(67,321)	(64,109)
Results from operating activities	24	518,496	481,543	306,987	109,113
Finance income		14,307	10,825	4,928	6,481
Finance costs	25	(10,085)	(13,361)	(8,081)	(11,954)
Profit before tax		522,718	479,007	303,834	103,640
Tax expense	26	(188,488)	(155,041)	(110)	11,544
Profit for the year		334,230	323,966	303,724	115,184
Other comprehensive (expense)/income, net of tax :					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operations		(171,214)	57,347	-	-
Total comprehensive income for the year		163,016	381,313	303,724	115,184
Profit attributable to :					
Owners of the Company		328,066	310,994	303,724	115,184
Non-controlling interests		6,164	12,972	-	-
Profit for the year		334,230	323,966	303,724	115,184
Total comprehensive income/(expense) attributable to :					
Owners of the Company		164,940	363,039	303,724	115,184
Non-controlling interests		(1,924)	18,274	-	-
Total comprehensive income for the year		163,016	381,313	303,724	115,184
Basic earnings per ordinary share (sen)	27	6.60	6.28		
Diluted earnings per ordinary share (sen)	27	6.60	6.28		

The notes on pages 173 to 259 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2025

Group	Attributable to owners of the Company							
	Non-distributable				Distributable			
	Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	Share options reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity 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 28)	-	-	-	-	(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 17	Note 18	Note 18	Note 18	Note 18			

STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2025

Group	← Attributable to owners of the Company →							Total equity RM'000
	← Non-distributable →				Distributable			
	Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	Share options reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	
At 1 March 2024	214,620	(7,819)	46,680	1,000	1,023,821	1,278,302	79,961	1,358,263
Profit for the year	-	-	-	-	328,066	328,066	6,164	334,230
Foreign currency translation differences for foreign operations representing other comprehensive expense for the year	-	-	(163,126)	-	-	(163,126)	(8,088)	(171,214)
Total comprehensive (expense)/income for the year	-	-	(163,126)	-	328,066	164,940	(1,924)	163,016
Purchase of treasury shares	-	(258)	-	-	-	(258)	-	(258)
Share-based payment transactions	-	-	-	363	-	363	-	363
Dividends to owners of the Company (Note 28)	-	-	-	-	(183,983)	(183,983)	-	(183,983)
Total transactions with owners of the Company	-	(258)	-	363	(183,983)	(183,878)	-	(183,878)
Effect of a subsidiary struck off	-	-	-	-	97	97	-	97
At 28 February 2025	214,620	(8,077)	(116,446)	1,363	1,168,001	1,259,461	78,037	1,337,498
	Note 17	Note 18	Note 18	Note 18	Note 18			

STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2025

	<i>Non-distributable</i>		<i>Distributable</i>		Total equity
	Share capital	Treasury shares	Share options reserve	Retained earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000
Company					
At 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 28)	-	-	-	(149,584)	(149,584)
Total transactions with owners of the Company	154,429	(7,819)	1,000	(195,426)	(47,816)
At 29 February 2024/1 March 2024	214,620	(7,819)	1,000	194,408	402,209
Profit for the year representing total comprehensive income for the year	-	-	-	303,724	303,724
Purchase of treasury shares	-	(258)	-	-	(258)
Share-based payment transactions	-	-	363	-	363
Dividends paid (Note 28)	-	-	-	(183,983)	(183,983)
Total transactions with owners of the Company	-	(258)	363	(183,983)	(183,878)
At 28 February 2025	214,620	(8,077)	1,363	314,149	522,055
	Note 17	Note 18	Note 18	Note 18	

The notes on pages 173 to 259 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 28 February 2025

		Group		Company	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before tax		522,718	479,007	303,834	103,640
Adjustments for :					
Depreciation of :					
- Property, plant and equipment	2	51,757	44,111	6,816	4,834
- Right-of-use assets	3	12,572	11,174	216	53
- Investment properties	4	231	231	-	-
Amortisation of intangible assets	5	145	88	89	31
Fair value changes on biological assets	11	312	1,230	-	-
Gain on derecognition of right-of-use assets and lease liabilities		(149)	(40)	-	-
Retirement benefits expense	20	705	1,140	-	-
Property, plant and equipment written off		823	1,423	15	-
Net impairment loss/(gain) on financial assets		3,505	1,145	(30,430)	27,889
Impairment loss on :					
- Property, plant and equipment	2	-	2,326	-	-
- Investments in subsidiaries		-	-	37,177	15,317
Share-based payments	23	363	1,000	363	1,000
Dividend income	22	-	-	(326,426)	(185,000)
Finance income		(14,307)	(10,825)	(4,928)	(6,481)
Loss on strike off of a subsidiary		97	-	-	-
Loss/(Gain) on disposal of property, plant and equipment		50	69	237	(10)
Finance costs	25	10,085	13,361	8,081	11,954
Operating profit/(loss) before working capital changes		588,907	545,440	(4,956)	(26,773)
Changes in :					
Inventories		16,779	(8,944)	-	-
Biological assets		(60)	(26)	-	-
Trade and other receivables		(18,719)	(4,623)	(25,920)	(57,242)
Contract assets		(960)	(292)	-	-
Trade and other payables		25,589	61,457	(12,383)	85,555
Contract liabilities		5,549	-	-	-
Cash generated from/(used in) operations		617,085	593,012	(43,259)	1,540

STATEMENTS OF CASH FLOWS

for the year ended 28 February 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Tax paid		(178,898)	(232,076)	(705)	(9,413)
Retirement benefits paid	20	(646)	(140)	-	-
Dividends received		-	-	326,426	185,000
Net cash from operating activities		437,541	360,796	282,462	177,127
Cash flows from investing activities					
Increase in investments in subsidiaries	E	-	-	(34,851)	(23,590)
Purchase of :					
- Property, plant and equipment	B	(118,160)	(118,490)	(4,904)	(22,406)
- Right-of-use assets (leasehold land)		(28,900)	(14,206)	(449)	(13,904)
- Intangible assets (software)	5	(557)	(148)	(420)	(19)
Proceeds from disposal of property, plant and equipment		714	771	1,986	38
Cash outflow from acquisition of a subsidiary, net of cash and cash equivalents acquired	34	-	(11,244)	-	(12,520)
Finance income received		14,307	10,825	4,928	6,481
(Placement)/Withdrawal of pledged short-term deposits		(514)	2,702	-	-
Withdrawal/(Placement) of short-term investments		67,677	(33,391)	36,377	(9,162)
Net cash (used in)/from investing activities		(65,433)	(163,181)	2,667	(75,082)
Cash flows from financing activities					
Dividends paid to owners of the Company	D	(179,113)	(104,732)	(179,113)	(104,732)
Finance costs paid	25	(10,085)	(14,571)	(8,081)	(12,894)
Repayment of :					
- Lease liabilities	F	(12,166)	(11,420)	-	-
- Hire purchase liabilities	F	(1,569)	(1,255)	(733)	(480)
- Term loans	F	(348)	(56,209)	(318)	(56,141)
Drawdown/(Repayment) Revolving credits	F	2,110	(25,509)	(35,182)	(15,037)
Proceeds from issuance of shares		-	112,000	-	112,000
Shares issuance expenses		-	(3,413)	-	(3,413)
Purchase of treasury shares		(258)	(7,819)	(258)	(7,819)
Net cash used in financing activities		(201,429)	(112,928)	(223,685)	(88,516)

STATEMENTS OF CASH FLOWS

for the year ended 28 February 2025

		Group		Company	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Net increase in cash and cash equivalents		170,679	84,687	61,444	13,529
Effect of exchange rate fluctuations on cash and cash equivalents		(63,445)	22,834	-	-
Cash and cash equivalents at beginning of the year		563,791	456,270	36,529	23,000
Cash and cash equivalents at end of the year	A	671,025	563,791	97,973	36,529

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 :

		Group		Company	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents	16	672,165	564,390	97,973	36,529
Less : Pledged deposits		(577)	(63)	-	-
Less : Bank overdraft		(563)	(536)	-	-
		671,025	563,791	97,973	36,529

B. Purchase of property, plant and equipment

		Group		Company	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Total additions	2	92,942	119,191	5,877	23,698
<i>(Less)/Add :</i>					
Amount financed through hire purchase	F	(2,213)	(1,056)	(545)	(352)
Changes in prepayment for purchase of plant and equipment		27,431	1,565	(428)	-
Finance costs capitalised	25	-	(1,210)	-	(940)
		118,160	118,490	4,904	22,406

STATEMENTS OF CASH FLOWS

for the year ended 28 February 2025

Notes (continued)

C. Cash outflows for leases as a lessee

		Group		Company	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Included in net cash from operating activities					
Payment relating to short-term leases	24	8,113	6,237	434	453
Payment relating to low-value assets	24	825	955	656	770
Finance costs paid in relation to lease liabilities	25	1,600	1,195	-	-
Included in net cash used in financing activities					
Payment of lease liabilities	F	12,166	11,420	-	-
Total cash outflows for leases		22,704	19,807	1,090	1,223

D. Dividends paid to owners of the Company

		Group		Company	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Dividends declared during the year	28	183,983	149,584	183,983	149,584
Amount paid for dividend declared in prior year		44,852	-	44,852	-
Amount unpaid at end of year		(49,722)	(44,852)	(49,722)	(44,852)
		179,113	104,732	179,113	104,732

E. Increase in investments in subsidiaries

		Group		Company	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Increase in investments in subsidiaries, net		-	-	(112,159)	(23,590)
Less: Capitalisation of amounts due from subsidiaries		-	-	77,308	-
		-	-	(34,851)	(23,590)

STATEMENTS OF CASH FLOWS

for the year ended 28 February 2025

Notes (continued)

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

	At 1.3.2023	Acquisition of new hire purchase/ lease	Acquisition of a subsidiary (Note 34)	Net changes from financing cash flows	Derecognised due to termination of lease	Effect of movements in exchange rates	At 29.2.2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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

	At 1.3.2024	Acquisition of new hire purchase/ lease	Lease modification	Net changes from financing cash flows	Derecognised due to termination of lease	Effect of movements in exchange rates	At 28.2.2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
Hire purchase liabilities	3,530	2,213	-	(1,569)	-	(33)	4,141
Term loans	1,012	-	-	(348)	-	-	664
Revolving credits	160,344	-	-	2,110	-	(12,971)	149,483
Lease liabilities	20,248	22,586	339	(12,166)	(875)	(1,454)	28,678
	185,134	24,799	339	(11,973)	(875)	(14,458)	182,966

Company

Hire purchase liabilities	1,762	545	-	(733)	-	-	1,574
Term loans	477	-	-	(318)	-	-	159
Revolving credits	158,915	-	-	(35,182)	-	-	123,733
	161,154	545	-	(36,233)	-	-	125,466

The notes on pages 173 to 259 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	Suite 18.05, MWE Plaza No.8, Lebuhr Farquhar 10200 George Town Pulau Pinang

The consolidated financial statements of the Company as at and for the financial year ended 28 February 2025 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 28 February 2025 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 6 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 26 June 2025.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting 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.

The Group and the Company early adopted the amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* and amendments to IFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* which are effective for annual periods beginning on or after 1 January 2025.

The following are accounting standards and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company :

MFRS Accounting Standards and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements - Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

MFRS Accounting Standards and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards and 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 standards and amendments, where applicable in the respective financial years when the abovementioned accounting standard and amendments, become effective.

The initial application of the above accounting standards 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.

(b) Changes in material accounting policies

Early adoption of amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

Bolivia's economic difficulties, fixed currency exchange regime and declining foreign currency reserves have impacted the ability of its Central Bank to exchange its local currency, the Bolivian Boliviano ("BOB") for other currencies, particularly US Dollars ("USD") at the official exchange rate. This has created difficulties for organizations with foreign currency obligations to obtain USD for imports and international transactions and a big disparity between the official and unofficial exchange rates. Bolivia's Central Bank has implemented various measures to manage the foreign currency shortage, including restrictions on USD withdrawals and allowing financial institutions to conduct transactions with digital assets effective June 2024.

The Group carries out activities in trading and distribution of food and beverages, food supplements and other consumer products in Bolivia through a wholly owned subsidiary, DXN Bolivia S.R.L. ("DXN Bolivia") which imported trading goods from related companies in Malaysia and The People's Republic of China. These imports are transacted in USD.

The Group has early adopted the amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* to account for the foreign transactions in DXN Bolivia and translation of the financial statements of the said subsidiary for inclusion in the consolidated financial statements. Amendments to MFRS 121 requires a spot exchange rate to be estimated at measurement date in order to determine the rate at which an orderly exchange transaction would take place between market participants under prevailing economic conditions.

In estimating the spot exchange rate between the BOB and USD, the Group referred to the exchange rate published by the Bolivian Central Bank for cryptocurrency which is used by the Bolivian government for international transactions in response to USD shortages and hence, regarded by the Group as an observable and most practical rate which DXN Bolivia is able to obtain USD for its purposes. The spot exchange rate estimated by the Group as at 28 February 2025 was BOB 11/USD which approximated the weighted average rate during the financial period.

DXN Bolivia has undertaken to capitalise the amounts owing to related companies as at 28 February 2025 arising from the import of trading goods into equity during the financial year ending 28 February 2026. The said liabilities will not be repaid but converted into ordinary shares and reinvested in the subsidiary to align with the Group's proposed long term business expansion in Bolivia.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

(c) 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 benefits liability	Fair value of plan assets less the present value of the defined benefit obligation

(d) 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.

(e) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards 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 3.2 - Extension options and incremental borrowing rate in relation to leases
- Note 9 - Deferred tax assets/(liabilities)

NOTES TO THE FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT

Group Cost	Freehold land RM'000	Buildings RM'000	Farms RM'000	Plant and machinery RM'000	Furniture, fittings and office equipment RM'000	Motor vehicle and vessel RM'000	Aircrafts RM'000	Capital work-in- progress RM'000	Total RM'000
At 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/ 1 March 2024	105,582	492,616	19,863	189,906	117,434	31,000	6,812	28,905	992,118
Additions	22,473	2,552	1,847	16,176	14,552	7,043	-	28,299	92,942
Disposals	-	-	-	(775)	(147)	(654)	-	-	(1,576)
Written-off	-	(102)	(6)	(10,491)	(5,164)	(284)	-	(3)	(16,050)
Reclassification	-	1,534	447	4,250	5,803	474	-	(12,508)	-
Effect of movements in exchange rates	(3,479)	(33,310)	988	(10,129)	(5,482)	(1,153)	-	(5,590)	(58,155)
Transfer to intangible assets (Note 5)	-	-	-	-	(2)	-	-	-	(2)
At 28 February 2025	124,576	463,290	23,139	188,937	126,994	36,426	6,812	39,103	1,009,277

NOTES TO THE FINANCIAL STATEMENTS

2. 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
Depreciation and impairment losses									
At 1 March 2023	-	37,626	6,952	77,416	32,380	16,114	3,219	-	173,707
Accumulated depreciation									
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
Depreciation for the year	-	16,675	1,158	13,424	9,198	3,656	-	-	44,111
Impairment loss for the year (Note 2.1)	-	1,040	-	86	30	-	-	1,170	2,326
Disposals	-	(92)	(17)	(803)	(166)	(1,120)	-	-	(2,198)
Written-off	-	(948)	(1,216)	(3,120)	(498)	(3)	-	-	(5,785)
Reclassification	-	-	-	-	-	-	3,593	(3,593)	-
Effect of movements in exchange rates	-	1,971	-	916	875	396	-	-	4,158
At 29 February 2024	-	55,851	7,498	87,833	41,928	19,043	3,219	-	215,372
Accumulated depreciation									
Accumulated impairment losses	10,723	4,006	273	3,448	69	-	3,593	2,038	24,150
	10,723	59,857	7,771	91,281	41,997	19,043	6,812	2,038	239,522

NOTES TO THE FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Buildings RM'000	Farms RM'000	Plant and machinery RM'000	Furniture, fittings and office equipment RM'000	Motor vehicle and vessel RM'000	Aircrafts RM'000	Capital work-in- progress RM'000	Total RM'000
Depreciation and impairment losses									
At 1 March 2024	-	55,851	7,498	87,833	41,928	19,043	3,219	-	215,372
Accumulated depreciation									
Accumulated impairment losses	10,723	4,006	273	3,448	69	-	3,593	2,038	24,150
	10,723	59,857	7,771	91,281	41,997	19,043	6,812	2,038	239,522
Depreciation for the year	-	17,008	2,145	15,553	12,813	4,238	-	-	51,757
Disposals	-	-	-	(248)	(120)	(444)	-	-	(812)
Written-off	-	(6)	(3)	(10,342)	(4,743)	(133)	-	-	(15,227)
Effect of movements in exchange rates	-	(4,622)	739	(2,589)	(2,790)	(971)	-	585	(9,648)
Transfer to intangible assets (Note 5)	-	-	-	-	(1)	-	-	-	(1)
At 28 February 2025	-	68,392	10,380	90,854	47,079	21,733	3,219	-	241,657
Accumulated depreciation									
Accumulated impairment losses	10,723	3,845	272	2,801	77	-	3,593	2,623	23,934
	10,723	72,237	10,652	93,655	47,156	21,733	6,812	2,623	265,591
Carrying amounts									
At 1 March 2023	70,012	281,149	9,332	70,469	35,306	12,024	-	168,169	646,461
At 29 February 2024/ 1 March 2024	94,859	432,759	12,092	98,625	75,437	11,957	-	26,867	752,596
At 28 February 2025	113,853	391,053	12,487	95,282	79,838	14,693	-	36,480	743,686

NOTES TO THE FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings RM'000	Furniture, fittings and office equipment RM'000	Motor vehicle and vessel RM'000	Aircrafts RM'000	Capital work-in- progress RM'000	Total RM'000
Company							
Cost							
At 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 5)	-	-	-	-	-	(31)	(31)
At 29 February 2024/ 1 March 2024	23,252	111,315	31,471	6,182	3,219	5,987	181,426
Additions	-	-	3,021	611	-	2,148	5,780
Transfer from subsidiaries	-	-	132	-	-	-	132
Transfer to subsidiaries	-	-	(572)	-	-	(832)	(1,404)
Disposals	-	-	(675)	(353)	-	-	(1,028)
Written-off	-	-	(483)	-	-	-	(483)
Reclassification	-	-	6,029	-	-	(6,029)	-
At 28 February 2025	23,252	111,315	38,923	6,440	3,219	1,274	184,423

NOTES TO THE FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings RM'000	Furniture, fittings and office equipment RM'000	Motor vehicle and vessel RM'000	Aircrafts RM'000	Capital work-in- progress RM'000	Total RM'000
Company							
Depreciation							
At 1 March 2023	-	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/ 1 March 2024	-	4,814	4,558	2,894	3,219	-	15,485
Depreciation for the year	-	2,226	3,732	858	-	-	6,816
Transfer from subsidiaries	-	-	35	-	-	-	35
Transfer to subsidiaries	-	-	(26)	-	-	-	(26)
Disposals	-	-	(13)	(170)	-	-	(183)
Written-off	-	-	(468)	-	-	-	(468)
At 28 February 2025	-	7,040	7,818	3,582	3,219	-	21,659
Carrying amounts							
At 1 March 2023	23,252	67,334	3,002	3,651	-	49,897	147,136
At 29 February 2024/ 1 March 2024	23,252	106,501	26,913	3,288	-	5,987	165,941
At 28 February 2025	23,252	104,275	31,105	2,858	-	1,274	162,764

NOTES TO THE FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2.1 Impairment loss - Group

During the financial year ended 29 February 2024, 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 36). 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 recognised an impairment loss of RM1,156,000 in relation to the property, plant and equipment of the said subsidiaries.

The Group also 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.

2.2 Security

The carrying amounts of properties charged as security for loans and borrowings granted to the Group and the Company as disclosed in Note 19.1 are as follows :

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Freehold land	40,792	40,792	11,453	11,453
Buildings	136,496	111,401	92,979	91,509
	177,288	152,193	104,432	102,962

2.3 Finance costs capitalisation

Included in additions of property, plant and equipment of the Group and the Company are capitalised borrowing costs of Nil (2024 : RM1,210,000) and Nil (2024 : RM940,000) respectively.

The capitalisation rate used to determine the amount of borrowing costs included in capital work-in-progress is Nil (2024 : 7.84%). The Group and the Company have not capitalised borrowing costs in the current financial year as the amount was not material.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2.4 Material accounting policy information (continued)

(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 - 31.7
Furniture, fittings and office equipment	6 - 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.

3. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Agriculture land RM'000	Buildings RM'000	Total RM'000
Group				
At 1 March 2023	7,292	6,462	19,021	32,775
Additions	14,206	468	7,281	21,955
Acquisition of a subsidiary (Note 34)	-	-	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 2024/1 March 2024	21,586	6,618	17,543	45,747
Additions	28,900	-	22,586	51,486
Remeasurement	-	-	339	339
Derecognition	-	-	(726)	(726)
Depreciation for the year	(457)	(390)	(11,725)	(12,572)
Effect of movements in exchange rates	(716)	(185)	(1,693)	(2,594)
At 28 February 2025	49,313	6,043	26,324	81,680

NOTES TO THE FINANCIAL STATEMENTS

3. RIGHT-OF-USE ASSETS (CONTINUED)

	Leasehold land	
	2025 RM'000	2024 RM'000
Company		
At 1 March 2024/2023	13,851	-
Additions	449	13,904
Depreciation for the year	(216)	(53)
At 28/29 February	14,084	13,851

The Group leases a number of properties used as warehouses, laboratories, offices, hostels for employees and 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.

3.1 Variable lease payments based on future performance - Group

The lease of an agriculture land with carrying amount of RM5,336,400 (2024 : RM5,447,000) 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 the plantation activities on the said land to date.

3.2 Extension options

Certain leases of agriculture land, warehouses, laboratories and offices contain extension options up to 9 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.

	2025 RM'000	2024 RM'000
Lease liabilities on extension options recognised (discounted)		
Offices	5,414	5,840
Warehouses	829	1,945
Agriculture land	157	268
Laboratories	486	574
	6,886	8,627

NOTES TO THE FINANCIAL STATEMENTS

3. RIGHT-OF-USE ASSETS (CONTINUED)

3.3 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.

3.4 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 shorter 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

4. INVESTMENT PROPERTIES

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group			
Cost			
At 1 March 2023	2,431	7,598	10,029
Effect of movements in exchange rates	70	133	203
At 29 February 2024/1 March 2024	2,501	7,731	10,232
Effect of movements in exchange rates	(63)	(121)	(184)
At 28 February 2025	2,438	7,610	10,048
Accumulated depreciation			
At 1 March 2023	-	3,174	3,174
Depreciation for the year	-	231	231
Effect of movements in exchange rates	-	69	69
At 29 February 2024/1 March 2024	-	3,474	3,474
Depreciation for the year	-	231	231
Effect of movements in exchange rates	-	(21)	(21)
At 28 February 2025	-	3,684	3,684
Carrying amounts			
At 1 March 2023	2,431	4,424	6,855
At 29 February 2024/1 March 2024	2,501	4,257	6,758
At 28 February 2025	2,438	3,926	6,364

Investment properties comprise freehold land, residential properties, shop lots and shop offices that are leased to external parties and/or held for capital appreciation.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

4.1 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 28 February 2025 was determined to be approximately RM15.00 million (2024 : RM15.31 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.

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 RM204.26 to RM1,140.68 (2024 : RM234.04 to RM1,140.68).	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.

4.2 Income and expenses of investment properties

The following are recognised in profit or loss in respect of investment properties :

	Group	
	2025	2024
	RM'000	RM'000
Lease income	282	284
Direct operating expenses :		
- Income generating investment properties	50	50
- Non-income generating investment properties	34	18

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

4.2 Income and expenses of investment properties (continued)

The operating lease payments to be received are as follows :

	Group	
	2025	2024
	RM'000	RM'000
Less than one year	284	290
One to two years	210	210
Two to three years	70	210
Total undiscounted lease payments	564	710

4.3 Material accounting policy information

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses.

5. INTANGIBLE ASSETS

	Software costs	Goodwill	Total
	RM'000	RM'000	RM'000
Group			
Cost			
At 1 March 2023	5,371	-	5,371
Additions	148	5,497	5,645
Effect of movements in exchange rates	39	-	39
At 29 February 2024/1 March 2024	5,558	5,497	11,055
Additions	557	-	557
Transfer from property, plant and equipment (Note 2)	2	-	2
Effect of movements in exchange rates	(30)	-	(30)
At 28 February 2025	6,087	5,497	11,584

NOTES TO THE FINANCIAL STATEMENTS

5. INTANGIBLE ASSETS (CONTINUED)

	Software costs RM'000	Goodwill RM'000	Total RM'000
Group			
Accumulated amortisation			
At 1 March 2023	5,292	-	5,292
Amortisation for the year	88	-	88
Effect of movements in exchange rates	34	-	34
At 29 February 2024/1 March 2024	5,414	-	5,414
Amortisation for the year	145	-	145
Transfer from property, plant and equipment (Note 2)	1	-	1
Effect of movements in exchange rates	(36)	-	(36)
At 28 February 2025	5,524	-	5,524

Carrying amounts

At 1 March 2023	79	-	79
At 29 February 2024/1 March 2024	144	5,497	5,641
At 28 February 2025	563	5,497	6,060

Software costs RM'000

Company

Cost

At 1 March 2023	2,522
Additions	19
Transfer from property, plant and equipment (Note 2)	31
At 29 February 2024/1 March 2024	2,572
Additions	420
At 28 February 2025	2,992

Accumulated amortisation

At 1 March 2023	2,429
Amortisation for the year	31
At 29 February 2024/1 March 2024	2,460
Amortisation for the year	89
At 28 February 2025	2,549

Carrying amounts

At 1 March 2023	93
At 29 February 2024/1 March 2024	112
At 28 February 2025	443

NOTES TO THE FINANCIAL STATEMENTS

5. INTANGIBLE ASSETS (CONTINUED)

5.1 Material accounting policy information

(a) Recognition and measurement

(i) Software costs

Software costs which have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Goodwill

Goodwill arising from business combination is with indefinite useful life and not amortised. Goodwill is measured at cost less any accumulated impairment losses.

(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.

The depreciation rate for the current and comparative periods based on estimated useful life of software costs is 20% per annum.

(ii) Goodwill

Goodwill is tested for impairment annually and whenever there is an indication that it may be impaired.

5.2 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 financial year ended 29 February 2024 (see Note 34). 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 may impact the outcome of the projected cash flows.

A pre-tax discount rate of 10.7% (2024 : 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 cause an impairment of the goodwill.

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025	2024
	RM'000	RM'000
Investments, at cost	414,988	302,829
Less : Impairment loss	(79,967)	(42,790)
	335,021	260,039

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 RM37,177,000 (2024 : RM15,317,000) was therefore recognised and included as part of the Company's other 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
		2025	2024	
<u>Direct subsidiaries of the Company</u>				
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 and manufacturing of health supplements and other products
DXN Safari Eco Park Sdn. Bhd.	Malaysia	100%	100%	Plantation and cultivation of rubber trees and cash crops and manufacturing of health food supplements and other products
DXN Cafe Sdn. Bhd.	Malaysia	100%	100%	Operating of a café

NOTES TO THE FINANCIAL STATEMENTS

6. 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
		2025	2024	
<u>Direct subsidiaries of the Company (continued)</u>				
DXN Biotech Consultants Sdn. Bhd.	Malaysia	100%	100%	Research and development and experimental work in relation to biotechnology, bio-chemical and agricultural products, trading of agricultural products and manufacturing of food products
DXN Aero Nautic Sdn. Bhd. (formerly known as DXN Biofuels Sdn. Bhd.)	Malaysia	100%	100%	Commenced operation in the provision of aircraft chartering, management, logistical and marketing services
Bio Synergy Laboratories Sdn. Bhd.	Malaysia	100%	100%	Research and development, analytical lab tests, experimental work in relation to pharmaceutical and biological products
DXN Mycotech Sdn. Bhd.	Malaysia	70%	70%	Property investment
DXN Agrotech Sdn. Bhd.	Malaysia	100%	100%	Engaged in cultivation, aquaculture and provision of tour activities
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 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

NOTES TO THE FINANCIAL STATEMENTS

6. 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
		2025	2024	
<u>Direct subsidiaries of the Company (continued)</u>				
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
Esen Lifesciences Private Limited ^(a)	India	100%	100%	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)	Dubai	100%	100%	Manufacturing of cosmetics, food supplements and natural organic food, and liquid coffee preparation
DXN (Fujian) Group Co., Ltd. ^(c)	People’s Republic of China	100%	100%	Inactive

NOTES TO THE FINANCIAL STATEMENTS

6. 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
		2025	2024	
<u>Direct subsidiaries of the Company (continued)</u>				
DEXIN Morocco S.A. ^(a)	Morocco	99.9%	99.9%	Yet to commence manufacturing of food and beverages, food supplements and consumer products
DXN Global (Singapore) Pte. Ltd. ^{(a)(f)}	Singapore	100%	-	Inactive
EURL DXN Algeria ^{(a)(g)}	Algeria	100%	-	Inactive
DXN (Zambia) Limited ^{(c)(h)}	Zambia	100%	-	Inactive
DXN Ghana Ltd. ^{(c)(i)}	Ghana	100%	-	Inactive
<u>Subsidiary of DXN Industries Sdn. Bhd.</u>				
DXN Biogreen Sdn. Bhd.	Malaysia	100%	100% ^(j)	Forest plantation, reforestation and mixed farming
<u>Subsidiaries of DXN (Fujian Group) Co., Ltd.</u>				
DXN (Fujian) Tourism Development Co., Ltd. ^(c)	People's Republic of China	100%	100%	Inactive
Fujian DXN International Trade Co., Ltd. ^(c)	People's Republic of China	100%	100%	Inactive
<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

NOTES TO THE FINANCIAL STATEMENTS

6. 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
		2025	2024	
<u>Subsidiaries of DXN International Holding Limited (continued)</u>				
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 (“Daehsan Hungary”) ^(a)	Hungary	100%	100%	Investment holding, trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
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

6. 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
		2025	2024	
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 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

NOTES TO THE FINANCIAL STATEMENTS

6. 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
		2025	2024	
Subsidiaries of DXN (Singapore) Pte Ltd				
DXN Argentina S.R.L. ^(c)	Argentina	100%	100%	Trading of cosmetics and food supplements on direct sales basis
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%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis
"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%	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%	Deregistered on 24 May 2024
DXN Kyrgyzstan LLC ^(c)	Kyrgyzstan	99.9%	99.9%	Wholesale trade of coffee, tea, cocoa and spices
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% ^(e)	82.82% ^(e)	Investment holding
DXN Biotechnology (Ningxia) Co., Ltd. ^(a)	People's Republic of China	100%	100%	Inactive

NOTES TO THE FINANCIAL STATEMENTS

6. 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
		2025	2024	
<u>Subsidiaries of DXN Corporation (Ningxia) Co., Ltd. (continued)</u>				
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
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, manufacturing and trading of mushroom and spirulina
<u>Subsidiary of DXN International Private Ltd.</u>				
DXN Manufacturing (India) Private Limited ^(b)	India	100%	100%	Manufacturing of health food, traditional medicine, all kinds of confectioneries and food products
<u>Subsidiaries of Daehsan Hungary</u>				
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

NOTES TO THE FINANCIAL STATEMENTS

6. 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
		2025	2024	
Subsidiaries of Daehsan Hungary (continued)				
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
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)	Türkiye	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

NOTES TO THE FINANCIAL STATEMENTS

6. 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
		2025	2024	
<u>Subsidiary of DXN Manufacturing (India) Private Limited</u>				
DXN Clinics Private Limited ^(a)	India	99.99%	99.99%	Provision of consultation and treatment services using ganotherapy
<u>Subsidiary of Florin (Fujian) Integrated Agricultural Science and Technology Co., Ltd.</u>				
Anxi Gande Foluohua Integrated Agricultural Science and Technology Co., Ltd. ^(c)	People’s Republic of China	82.82%	82.82%	Tea plantation, processing, research & development, wholesale trading and retailing of tea, pre-packaged food and beverages and other products

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 the 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 ability to direct these entities' activities that most significantly affect their returns.

^(e) The registered ownership of DXN Corporation (Ningxia) Co., Ltd. is 80.0% pursuant to Florin Fujian's Articles of Association and registration information.

^(f) Incorporated on 19 April 2024.

^(g) Incorporated on 21 May 2024.

^(h) Incorporated on 18 November 2024.

⁽ⁱ⁾ Incorporated on 29 January 2025.

^(j) The subsidiary was a direct subsidiary of the Company during the financial year ended 29 February 2024.

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

6.1 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
2025				
NCI percentage of ownership interest and voting interest	50%	51%		
Carrying amount of NCI	66,323	9,683	2,031	78,037
Profit/(Loss) allocated to NCI	6,832	(14)	(654)	6,164
Other comprehensive loss allocated to NCI	(7,761)	(84)	(243)	(8,088)

	DMIPL RM'000	DXN Thailand RM'000
2025		
Summarised financial information before intra-group elimination		
As At 28 February 2025		
Non-current assets	7,488	13,181
Current assets	193,284	6,716
Non-current liabilities	(1,406)	-
Current liabilities	(66,719)	(911)
Net assets	132,647	18,986
Year ended 28 February 2025		
Revenue	190,916	9,084
Profit/(Loss) for the year	13,664	(28)
Total comprehensive expense	(1,857)	(193)
Cash flows from operating activities	3,742	652
Cash flows from/(used in) investing activities	8,707	(2)
Net increase in cash and cash equivalents	12,449	650

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

6.1 Non-controlling interest in subsidiaries (continued)

	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

	DMIPL RM'000	DXN Thailand RM'000
Summarised financial information before intra-group elimination		
As at 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)

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

6.2 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.

6.3 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.

7. INVESTMENT IN AN ASSOCIATE

	Group and Company	
	2025	2024
	RM'000	RM'000
Investment, at cost	1	1
Less : Impairment loss	(1)	(1)
	-	-

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
		2025	2024	
Box Park Management Sdn. Bhd.	Malaysia	40%	40%	Venture into the business of management of real estate on a fee or contract basis

7.1 Material accounting policy information

Investment in the associate is measured in the Company's statement of financial position at cost less impairment losses.

8. INVESTMENT IN A JOINT VENTURE

	Group and Company	
	2025	2024
	RM'000	RM'000
Investment, at cost	1	1
Less : Impairment loss	(1)	(1)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN A JOINT VENTURE (CONTINUED)

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
		2025	2024	
DNC Food Industries Sdn. Bhd.	Malaysia	50%	50%	Venture into the business of manufacture and trading of spices and curry powder

8.1 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.

9. DEFERRED TAX ASSETS AND LIABILITIES

9.1 Recognised deferred tax assets

Deferred tax assets and liabilities are attributable to the following :

	Assets		Liabilities		Net	
	28.2.2025	29.2.2024	28.2.2025	29.2.2024	28.2.2025	29.2.2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Property, plant and equipment and intangible assets						
- capital allowance	-	-	(6,903)	(6,727)	(6,903)	(6,727)
Inventories	70,774	78,668	(684)	(384)	70,090	78,284
Biological assets	-	-	(13)	(1)	(13)	(1)
Unabsorbed capital allowances	1,946	1,526	-	-	1,946	1,526
Tax losses carry-forward	1,348	104	-	-	1,348	104
Provisions	32,443	35,137	-	-	32,443	35,137
Right-of-use assets	-	-	(5,372)	(5,071)	(5,372)	(5,071)
Lease liabilities	5,165	4,470	-	-	5,165	4,470
Other items	2,159	412	-	-	2,159	412
	113,835	120,317	(12,972)	(12,183)	100,863	108,134
Set-off of tax	(8,832)	(7,183)	8,832	7,183	-	-
Net deferred tax assets	105,003	113,134	(4,140)	(5,000)	100,863	108,134

NOTES TO THE FINANCIAL STATEMENTS

9. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

9.1 Recognised deferred tax assets (continued)

Deferred tax assets and liabilities are attributable to the following (continued) :

	Assets		Liabilities		Net	
	28.2.2025	29.2.2024	28.2.2025	29.2.2024	28.2.2025	29.2.2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company						
Property, plant and equipment and intangible assets						
- capital allowance	391	-	-	(516)	391	(516)
Unabsorbed capital allowances	1,396	1,448	-	-	1,396	1,448
Provisions	201	141	-	-	201	141
	1,988	1,589	-	(516)	1,988	1,073
Set-off of tax	-	(516)	-	516	-	-
Net deferred tax assets	1,988	1,073	-	-	1,988	1,073

9.2 Movements in temporary differences during the year

	At 1.3.2023 RM'000	Recognised in profit or loss (Note 26) RM'000	Reclassification RM'000	Effect of movements in exchange rates RM'000	At 29.2.2024 RM'000
Group					
Property, plant and equipment and intangible assets					
- capital allowances	(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

9. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

9.2 Movements in temporary differences during the year (continued)

	At 1.3.2024 RM'000	Recognised in profit or loss (Note 26) RM'000	Effect of movements in exchange rates RM'000	At 28.2.2025 RM'000
Group				
Property, plant and equipment and intangible assets				
- capital allowances	(6,727)	18	(194)	(6,903)
Inventories	78,284	(959)	(7,235)	70,090
Biological assets	(1)	(12)	-	(13)
Unabsorbed capital allowances	1,526	420	-	1,946
Tax losses carry-forward	104	1,280	(36)	1,348
Provisions	35,137	1,099	(3,793)	32,443
Right-of-use assets	(5,071)	(304)	3	(5,372)
Lease liabilities	4,470	700	(5)	5,165
Other items	412	1,435	312	2,159
	108,134	3,677	(10,948)	100,863

	At 1.3.2023 RM'000	Recognised in profit or loss (Note 26) RM'000	At 29.2.2024/ 1.3.2024 RM'000	Recognised in profit or loss (Note 26) RM'000	At 28.2.2025 RM'000
Company					
Property, plant and equipment and intangible assets					
- capital allowances	(146)	(370)	(516)	907	391
Unabsorbed capital allowances	208	1,240	1,448	(52)	1,396
Provisions	126	15	141	60	201
	188	885	1,073	915	1,988

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.

NOTES TO THE FINANCIAL STATEMENTS

9. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

9.3 Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross) :

	2025 RM'000	2024 RM'000
Group		
Unabsorbed capital allowances	53,560	41,944
Tax losses carry-forward	127,014	87,938
	180,574	129,882

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 :

	2025 RM'000	2024 RM'000
Tax losses carry-forward :		
Expiring not more than 5 years	42,944	14,322
Expiring between 6 to 7 years	31,746	36,004
Expiring between 8 to 10 years	45,739	32,706
With no expiry period	6,585	4,906
	127,014	87,938

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.

9.4 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.

NOTES TO THE FINANCIAL STATEMENTS

10. PREPAYMENTS

	Note	Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Purchase of plant and equipment		43,679	16,248	210	638
Other prepayment	10.1	9,275	9,275	9,275	9,275
		52,954	25,523	9,485	9,913

10.1 Other prepayment

During the financial year ended 29 February 2024, 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 at the end of the current financial year.

11. BIOLOGICAL ASSETS

	Group	
	2025	2024
	RM'000	RM'000
At 1 March 2024/2023	366	1,515
Additions	60	26
Fair value movement on remeasurement of biological assets and changes due to harvest	(312)	(1,230)
Effect of movements in exchange rate	(18)	55
At 28/29 February	96	366

Biological assets of the Group comprise live stocks (goats) and agricultural produce i.e., reishi gano, ganocelium, spirulina, noni, lion's mane and mango ginger.

11.1 Material accounting policy information

Live stocks and 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 and live stocks 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 and the estimated market price at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

12. INVENTORIES

	Group	
	2025	2024
	RM'000	RM'000
Raw materials	92,413	108,328
Work-in-progress	21,589	15,298
Manufactured inventories	130,418	210,358
Trading inventories	53	77
	244,473	334,061

12.1 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.

13. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2025	2024
	RM'000	RM'000
Contract assets	1,895	935
Contract liabilities	(5,275)	-
	(3,380)	935

Changes to contract assets and contract liabilities balances :

	Group	
	2025	2024
	RM'000	RM'000
Contract assets at beginning of the period	935	643
Revenue recognised as a result of measure of progress	31,550	25,606
Billings raised during the year	(35,865)	(25,314)
	(3,380)	935

NOTES TO THE FINANCIAL STATEMENTS

13. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

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 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 that are consistent with industry norms. The contract assets will be transferred to trade receivables when the rights become unconditional.

Contract liabilities comprise redemption points awarded under a promotion programme in India determined based on the fair value of products to be redeemed which represents the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied at the end of the financial year. The contract liabilities will be recognised as revenue when the points are redeemed or upon expiry of the redemption period in the next financial year.

14. TRADE AND OTHER RECEIVABLES, INCLUDING DERIVATIVES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Non-trade					
Amount due from a subsidiary	14.1	-	-	35,310	37,719
Current					
Trade					
Trade receivables		12,700	18,014	-	-
Non-trade					
Amount due from :					
- subsidiaries	14.1	-	-	94,497	113,582
- joint venture	14.2	1,200	1,560	1,200	1,560
Other receivables	14.3	49,477	40,957	1,814	1,761
Prepayments		35,482	28,100	7,002	6,230
Deposits		13,847	20,121	2,024	1,992
Derivative financial assets	14.4	39	-	39	-
		100,045	90,738	106,576	125,125
		112,745	108,752	106,576	125,125
Total trade and other receivables		112,745	108,752	141,886	162,844

NOTES TO THE FINANCIAL STATEMENTS

14. TRADE AND OTHER RECEIVABLES, INCLUDING DERIVATIVES (CONTINUED)

		Group		Company	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Financial instruments :					
Trade and other receivables (excluding derivatives, prepayments and indirect taxes)		54,509	61,291	134,884	156,614
Add : Short term investments	15	9,314	77,769	1,033	37,410
Cash and cash equivalents	16	672,165	564,390	97,973	36,529
Total financial assets measured at amortised cost		735,988	703,450	233,890	230,553

14.1 Amounts due from subsidiaries

The non-current amount due from a subsidiary is unsecured, earns interest at 9.89% (2024 : 9.89%) 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 RM39,821,000 (2024 : RM35,244,000) which earns interest at rates ranging from 2.00% to 5.37% (2024 : 2.00% to 5.08%) per annum.

14.2 Amount due from joint venture company

The non-trade amount due from joint venture company is unsecured, interest-free and repayable on demand.

14.3 Other receivables

Included in other receivables of the Group are :

- indirect taxes receivable of RM22,715,000 (2024 : RM19,361,000); and
- RM2,559,000 (2024 : RM3,014,000) which earns interest at rates ranging from 5.00% to 10.00% (2024 : 5.00% to 10.00%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

14. TRADE AND OTHER RECEIVABLES, INCLUDING DERIVATIVES (CONTINUED)

14.4 Derivatives financial assets/(liabilities)

	2025		2024	
	Nominal value	Assets	Nominal value	(Liabilities)
	RM'000	RM'000	RM'000	RM'000
Group				
Derivatives at fair value through profit or loss				
- Forward exchange contracts	28,937	39	923	(27)

	2025	
	Nominal value	Assets
	RM'000	RM'000
Company		
Derivatives at fair value through profit or loss		
- Forward exchange contracts	26,706	39

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 and the Company. The forward exchange contracts have maturities of less than one year after the end of the reporting period.

15. SHORT TERM INVESTMENTS

	Note	Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Fixed deposits	15.1	3,422	7,817	-	-
Short term investment funds		5,892	69,952	1,033	37,410
		9,314	77,769	1,033	37,410

15.1 Fixed deposits

Fixed deposits amounting to RM1,681,000 (2024 : RM3,786,000) are pledged for bank guarantee granted to the Group as disclosed in Note 19.1.

NOTES TO THE FINANCIAL STATEMENTS

16. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Cash and bank balances	16.1	635,071	484,648	97,973	36,529
Short term deposits	16.2	37,094	79,742	-	-
		672,165	564,390	97,973	36,529

16.1 Cash and bank balances

Approximately 24% (2024 : 18%) of the Group's cash and bank balances are denominated in Bolivian Boliviano ("BOB") and held by DXN Bolivia S.R.L., a wholly-owned subsidiary of the Company. The Group has determined that a substantial portion of the said cash and bank balances will be used to finance the working capital and future capital expansion of its businesses in Bolivia.

16.2 Short term deposits

Included in short term deposits of the Group is RM577,000 (2024 : RM63,000) pledged for bank guarantee granted to the Group as disclosed in Note 19.1.

17. SHARE CAPITAL

	Group and Company			
	2025		2024	
	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	4,985,000	214,620	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	214,620	4,985,000	218,033
Less : Share issue expenses for IPO	-	-	-	(3,413)
At 28/29 February	4,985,000	214,620	4,985,000	214,620

17.1 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 18.2), all rights are suspended until those shares are reissued.

NOTES TO THE FINANCIAL STATEMENTS

18. RESERVES

		Group		Company	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Non-distributable					
Translation reserve	18.1	(116,446)	46,680	-	-
Treasury shares	18.2	(8,077)	(7,819)	(8,077)	(7,819)
Share options reserve	18.3	1,363	1,000	1,363	1,000
		(123,160)	39,861	(6,714)	(6,819)
Distributable					
Retained earnings		1,168,001	1,023,821	314,149	194,408
		1,044,841	1,063,682	307,435	187,589

Movements in the reserves are shown in the statements of changes in equity.

18.1 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

18.2 Treasury shares

The shareholders of the Company, via an ordinary resolution passed in the Annual General Meeting held on 12 August 2024, approved for the Company to repurchase its own shares up to 10% of the issued and paid-up share capital of the Company.

	Purchase price per share ^(N1)				
	No. of shares	Cost	Highest	Lowest	Average
	'000	RM'000	RM	RM	RM
2025					
At 1 March	12,239	7,819	0.68	0.63	0.64
Purchased during the financial year	500	258	0.52	0.52	0.52
At 28 February	12,739	8,077	0.68	0.52	0.63
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.

NOTES TO THE FINANCIAL STATEMENTS

18. RESERVES (CONTINUED)

18.2 Treasury shares (continued)

The repurchase transactions were financed by internally generated funds. The repurchased ordinary shares of the Company are held as treasury shares and no shares were reissued during the year.

18.3 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 20.2.

19. LOANS AND BORROWINGS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Non-current				
Hire purchase liabilities	3,031	2,402	1,042	1,257
Term loans, secured	473	663	-	159
	3,504	3,065	1,042	1,416
Current				
Bank overdrafts, secured	563	536	-	-
Hire purchase liabilities	1,110	1,128	532	505
Term loans, secured	191	349	159	318
Revolving credits, secured	127,427	158,915	123,733	158,915
Revolving credits, unsecured	22,056	1,429	-	-
	151,347	162,357	124,424	159,738
Total loans and borrowings	154,851	165,422	125,466	161,154

19.1 Securities

The term loans, bank overdrafts, bank guarantees and revolving credits are secured by way of legal charges over lands and buildings (see Note 2.2), short term investments (see Note 15.1) and cash and cash equivalents (see Note 16.1) of the Group, and corporate guarantee issued by the Company.

NOTES TO THE FINANCIAL STATEMENTS

20. EMPLOYEE BENEFITS

20.1 Retirement benefits

	Group	
	2025	2024
	RM'000	RM'000
Non-current		
Net defined benefits liability	5,915	6,727
Movements in net defined benefits liability		
	Group	
	2025	2024
	RM'000	RM'000
Balance at 1 March 2024/2023	6,727	5,266
Included in profit or loss		
Current service cost	574	913
Past service credit	(75)	-
Finance cost	206	227
	705	1,140
Included in other comprehensive (expense)/income		
Effect of movements in exchange rates	(871)	461
Others		
Benefits paid	(646)	(140)
Balance at 28/29 February	5,915	6,727

Retirement benefits expense is recognised as part of the Group's employee benefits expense (Note 23) in profit or loss.

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period (expected as weighted averages) :

	Group	
	2025	2024
Discount rates	6.26% - 12.25%	6.58% - 15.50%
Future salary growth	2.50% - 11.25%	3.00% - 13.50%
Retirement age	55 - 65 years	55 - 65 years

As at 28 February 2025, the weighted-average duration of the defined benefits liability ranged from 6 to 16 years (2024 : 7 to 20 years).

NOTES TO THE FINANCIAL STATEMENTS

20. EMPLOYEE BENEFITS (CONTINUED)

20.1 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.

	2025		2024	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
Defined benefits liability				
Discount rate (1% movement)	(413)	471	(558)	642
Future salary growth (1% movement)	446	(398)	593	(520)

20.2 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		

NOTES TO THE FINANCIAL STATEMENTS

20. EMPLOYEE BENEFITS (CONTINUED)

20.2 Share-based payments arrangement (continued)

The movements of the ESOS during the year are as follows :

	2025		2024	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	RM	'000	RM	'000
Outstanding at 1 March 2024/2023	0.70	18,338	-	-
Granted during the year	-	-	0.70	30,000
Forfeited during the year	0.70	(3,069)	0.70	(11,662)
Outstanding at 28/29 February	0.70	15,269		18,338
Exercisable at 28/29 February		6,108		3,668

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 :

	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	
	2025	2024
	RM'000	RM'000
Share option reserve recognised and total expenses recognised as share-based payments in profit or loss	363	1,000

NOTES TO THE FINANCIAL STATEMENTS

21. TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade					
Trade payables		15,884	12,926	-	-
Non-trade					
Amount due to :					
- Subsidiaries	21.1	-	-	76,184	87,736
- Company in which certain Directors have a substantial financial interest	21.2	305	206	305	206
Other payables	21.3	312,850	303,009	1,146	906
Accrued expenses		138,119	140,669	7,390	8,560
Dividend payable		49,722	44,852	49,722	44,852
Derivatives financial liabilities	14.4	-	27	-	-
		500,996	488,763	134,747	142,260
		516,880	501,689	134,747	142,260
Financial instruments :					
Trade and other payables (excluding derivatives)		516,880	501,662	134,747	142,260
Loans and borrowings	19	154,851	165,422	125,466	161,154
Total financial liabilities measured at amortised cost		671,731	667,084	260,213	303,414

21.1 Amount due to subsidiaries

The amount due to subsidiaries is unsecured, interest-free and payable on demand.

21.2 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.

21.3 Other payables

Included herein are members' bonus and stockists' commission of RM234,768,000 (2024 : RM235,998,000) incurred in the course of selling the Group's products on direct sales basis and payable in accordance with the Group's marketing plan.

NOTES TO THE FINANCIAL STATEMENTS

22. REVENUE

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers				
Recognised over time :				
Rendering of services	31,550	25,606	40,605	35,174
Recognised at point in time :				
Sales of goods	1,981,602	1,872,196	-	-
Less : Consideration due/paid to customers	(104,676)	(94,588)	-	-
	1,876,926	1,777,608	-	-
	1,908,476	1,803,214	40,605	35,174
Other revenue				
Dividend income from subsidiaries	-	-	326,426	185,000
	1,908,476	1,803,214	367,031	220,174

22.1 Disaggregation of revenue from contracts with customers

	2025	2024
	RM'000	RM'000
Major products and services :		
Group		
Fortified food and beverages	1,390,030	1,312,012
Health and dietary supplements	368,485	396,518
Personal care products	114,930	110,535
Lab testing services	31,550	25,606
Skin care and cosmetics	13,137	9,537
Starter kits	5,531	6,794
Other miscellaneous and promotion items	89,489	36,800
	2,013,152	1,897,802
Less : Consideration due/paid to customers	(104,676)	(94,588)
	1,908,476	1,803,214
Company		
Management services provided to subsidiaries	40,605	35,174

NOTES TO THE FINANCIAL STATEMENTS

22. REVENUE (CONTINUED)

22.1 Disaggregation of revenue from contracts with customers (continued)

	2025 RM'000	2024 RM'000
Primary geographical markets :		
Group		
Latin America	1,182,348	1,097,944
Asia (excluding Malaysia)	372,687	378,096
Africa	139,503	130,616
Malaysia	114,196	111,539
Europe	109,250	99,160
Middle East	65,110	47,815
North America	26,426	28,954
Oceania	3,632	3,678
	2,013,152	1,897,802
Less : Consideration due/paid to customers	(104,676)	(94,588)
	1,908,476	1,803,214

No disaggregation of revenue by geographical market is presented for the Company as the management services are rendered solely in Malaysia.

22.2 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.	<p>The following performance bonus are provided by the Group i.e. group effort related performance bonus and personal effort related performance bonus.</p> <p>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.</p> <p>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.</p>	Assurance warranty of 1 year is given for certain products which do not form a separate performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

22. REVENUE (CONTINUED)

22.2 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 - 90 days (2024 : 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 food and beverages are sold or services are rendered.	Cash term, payment on arrival 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 for remaining performance obligations that have original expected durations of one year or shorter.

NOTES TO THE FINANCIAL STATEMENTS

23. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Current :				
Fees	440	393	440	393
Wages, salaries and others	3,321	4,136	2,996	3,775
Contributions to state plan	146	184	114	156
Share-based payments	5	357	5	357
	3,912	5,070	3,555	4,681
Past :				
Wages, salaries, gratuity and others	1,160	-	1,160	-
Contributions to state plan	7	-	7	-
	1,167	-	1,167	-
Other key management personnel				
Wages, salaries and others	2,313	2,446	580	1,335
Contributions to state plan	116	188	69	151
Share-based payments	121	191	121	191
	2,550	2,825	770	1,677
Total key management personnel compensation	7,629	7,895	5,492	6,358
Others				
Wages, salaries and others	177,419	151,440	22,766	18,016
Contributions to state plans	13,066	12,046	2,599	2,088
Share-based payments	237	452	237	452
	190,722	163,938	25,602	20,556
Total employee benefits expense	198,351	171,833	31,094	26,914

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 of the Group and the Company otherwise than in cash amounted to RM20,313 (2024 : RM22,300) and RM26,400 (2024 : RM49,900) respectively.

NOTES TO THE FINANCIAL STATEMENTS

24. RESULTS FROM OPERATING ACTIVITIES

Results from operating activities are arrived at after charging/(crediting) :

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration				
Audit fee :				
- KPMG PLT	820	506	115	100
- Overseas affiliates of KPMG PLT				
- Current year	1,395	1,119	-	-
- Prior year	394	-	-	-
- Other auditors	466	420	-	-
Non-audit fee :				
- KPMG PLT	159	120	129	120
- Local affiliate of KPMG PLT	71	71	5	5
- Overseas affiliates of KPMG PLT	11	8	-	-
Material expenses/(income)				
Impairment loss on :				
- Property, plant and equipment	-	2,326	-	-
- Investments in subsidiaries	-	-	37,177	15,317
Loss/(Gain) on disposal of property, plant and equipment	50	69	237	(10)
Written-off :				
- Property, plant and equipment	823	1,423	15	-
- Inventories	1,696	3,024	-	-
Initial public offering expenses (excluding non-audit fees)	-	10,218	-	10,218
Government grants	(567)	(179)	-	-
Proceeds from insurance claim	(1,841)	(1,263)	(1,767)	(18)
Loss/(Gain) on foreign exchange :				
- Realised	14,972	(6,609)	5,592	9,391
- Unrealised	10,893	1,225	(5,429)	1,297
Net loss/(gain) on impairment of financial assets				
Impairment loss/(Reversal of impairment loss) on :				
- Trade and other receivables	2,585	(26)	-	-
- Amount owing from subsidiaries, associate and joint venture	591	1,074	(30,433)	27,870
Bad debts written off	428	201	3	19
Bad debts recovered	(79)	(104)	-	-
Waiver of debts	(20)	-	-	-
	3,505	1,145	(30,430)	27,889

NOTES TO THE FINANCIAL STATEMENTS

24. RESULTS FROM OPERATING ACTIVITIES (CONTINUED)

Results from operating activities are arrived at after charging/(crediting) (continued) :

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Expenses/(Income) arising from leases				
Expenses relating to short-term leases [#]	8,113	6,237	434	453
Expenses relating to leases of low-value assets [#]	825	955	656	770
Lease income	(282)	(284)	(1,264)	(1,130)

[#] 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.

25. FINANCE COSTS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Finance costs on :				
Lease liabilities	1,600	1,195	-	-
Financial liabilities not measured at fair value through profit or loss	8,485	13,376	8,081	12,894
	10,085	14,571	8,081	12,894
Less : Capitalised to property, plant and equipment	-	(1,210)	-	(940)
	10,085	13,361	8,081	11,954

The rate used to determine the amount of finance costs eligible for capitalisation is Nil (2024 : 7.84%).

NOTES TO THE FINANCIAL STATEMENTS

26. TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- Current year	177,244	160,878	619	526
- Prior year	1,529	(6,041)	406	(11,185)
	178,773	154,837	1,025	(10,659)
Withholding taxes	13,392	5,420	-	-
Deferred tax expense				
- Current year	(5,509)	(5,644)	(915)	(883)
- Prior year	1,832	428	-	(2)
	(3,677)	(5,216)	(915)	(885)
	188,488	155,041	110	(11,544)

Reconciliation of tax expense

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit before tax	522,718	479,007	303,834	103,640
Income tax calculated using Malaysian tax rate of 24%	125,452	114,962	72,920	24,874
Effect of different tax rates in foreign jurisdictions	10,816	6,496	-	-
Non-deductible expenses	26,425	27,494	5,648	21,283
Non-taxable income	(3,124)	(3,248)	(78,864)	(46,627)
Effect of deferred tax assets not recognised	12,166	9,530	-	-
Withholding tax on foreign source income	13,392	5,420	-	-
Others	-	-	-	113
Under/(Over) provision in prior years	3,361	(5,613)	406	(11,187)
	188,488	155,041	110	(11,544)

NOTES TO THE FINANCIAL STATEMENTS

26. TAX EXPENSE (CONTINUED)

26.1 During the financial year 29 February 2024, 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. 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	
	2025	2024
Profit for the year attributable to owners of the Company (RM'000)	328,066	310,994
Weighted average number of ordinary shares at 28/29 February ('000)	4,972,607	4,949,882
Basic earnings per ordinary share (sen)	6.60	6.28

Weighted average number of ordinary shares :

	2025	2024
	'000	'000
Issued ordinary shares at 1 March 2024/2023	4,985,000	240,764
Effect of bonus issue	-	4,584,236
Effect of shares issued on Initial Public Offering	-	125,464
Effect of treasury shares repurchased	(12,393)	(582)
Weighted average number of ordinary shares at 28/29 February	4,972,607	4,949,882

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 as the market share price was lower than the exercise price of the ESOS.

NOTES TO THE FINANCIAL STATEMENTS

28. DIVIDENDS

Dividends recognised by the Company are as follows :

	Group and Company	
	2025	2024
	RM'000	RM'000
In respect of financial year ended 28 February 2023		
Second interim dividend of approximately 8.31 sen per ordinary share paid on 13 March 2023	-	20,000
	-	20,000
In respect of financial year ended 29 February 2024		
Dividend per ordinary share :		
First interim dividend of 0.80 sen paid on 30 August 2023	-	39,880
Second interim dividend of 0.90 sen paid on 30 November 2023	-	44,852
Third interim dividend of 0.90 sen paid on 8 March 2024	-	44,852
Fourth interim dividend of 1.00 sen paid on 30 May 2024	49,728	-
	49,728	129,584
In respect of financial year ended 28 February 2025		
Dividend per ordinary share :		
First interim dividend of 0.90 sen paid on 28 August 2024	44,755	-
Second interim dividend of 0.80 sen paid on 29 November 2024	39,778	-
Third interim dividend of 1.00 sen paid on 7 March 2025	49,722	-
	134,255	-
	183,983	149,584

A fourth interim dividend of 1.00 sen per ordinary share (excluding treasury shares) in respect of the financial year ended 28 February 2025 totalling RM49,722,000 was declared on 28 April 2025 and paid on 30 May 2025. 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 2026.

NOTES TO THE FINANCIAL STATEMENTS

29. 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 Notes 6, 7 and 8.
- ii) Key management personnel of the Group and the Company as defined in Note 23.
- iii) Other related parties
 - a) LSJ Global Sdn. Bhd. ("LSJ Global") and its subsidiaries in which Datuk Lim Siow Jin and his spouse are the substantial shareholders.
 - b) DXN Eco Lodge PLC, LSJ 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 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. in which the spouse of Datuk Lim Siow Jin is the substantial shareholder.

Significant related party 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 14 and 21.

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Transactions with subsidiaries				
Management fee income	-	-	40,605	35,174
Dividend income	-	-	326,426	185,000
Finance income	-	-	4,056	4,248
Rental income (premises and motor vehicles)	-	-	1,342	1,130
Aircraft chartering fee	-	-	300	-

NOTES TO THE FINANCIAL STATEMENTS

29. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Transactions with companies in which certain Directors have a substantial financial interest				
Aircraft chartering fee ^(a)	9,043	-	-	-
Purchase of trading goods	2,005	2,676	-	-
Purchase of raw materials	110	710	-	-
Rental income (premises)	18	-	18	-
Rental expense (premises)	625	590	150	150
Purchase of air tickets	665	467	506	364
Purchase of property, plant and equipment	-	37	-	-
Sales of property, plant and equipment	-	198	-	-
Transactions with Directors and persons connected to Directors				
Purchase of property, plant and equipment	920	-	-	-
Rental expense (premises)	120	114	-	-
Transaction with the Foundation				
Donations and Corporate Social Responsibility contributions paid	4,218	1,768	-	-

The key management personnel compensations are disclosed in Note 23.

^(a) Represent charter fees paid through a third party charter manager – Execujet Asia Pte. Ltd. on an aircraft owned by LSJ Logistics Limited, which in turn is a wholly-owned subsidiary of LSJ Global Sdn. Bhd.

30. 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

NOTES TO THE FINANCIAL STATEMENTS

30. OPERATING SEGMENTS (CONTINUED)

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.

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					
2025					
Revenue from external customers	1,874,955	-	33,521	-	1,908,476
Inter-segment revenue	4,674	307,159	13,742	(325,575)	-
Total revenue	1,879,629	307,159	47,263	(325,575)	1,908,476
Segment profit	534,145	240,370	6,911	(258,708)	522,718

NOTES TO THE FINANCIAL STATEMENTS

30. OPERATING SEGMENTS (CONTINUED)

Segment capital expenditure (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					
2025					
Included in the measure of segment profit/ (loss) are :					
- Impairment loss on property, plant and equipment	(37)	-	(632)	-	(669)
- (Loss)/Gain on disposal of property, plant and equipment	130	(180)	-	-	(50)
- Property, plant and equipment written off	(479)	(15)	(329)	-	(823)
- Inventories written off	(1,696)	-	-	-	(1,696)
- Depreciation of property, plant and equipment	(43,054)	(2,094)	(6,609)	-	(51,757)
- Depreciation of right-of-use assets	(12,291)	-	(281)	-	(12,572)
- Depreciation of investment properties	(198)	-	(33)	-	(231)
- Amortisation of intangible assets	(41)	(89)	(15)	-	(145)
- Reversal/(Impairment loss) on trade and other receivables	(2,585)	31,173	-	(31,764)	(3,176)
- (Bad debts written off)/Waiver of debts	(325)	(1,509)	1,505	-	(329)
Segment assets	1,663,115	171,683	96,634	-	1,931,432
Included in the measure of segment assets are :					
- Additions to property, plant and equipment	74,955	778	17,209	-	92,942
- Additions and remeasurement of right-of-use assets	51,001	-	485	-	51,486
- Additions to intangible assets (software costs)	137	420	-	-	557

NOTES TO THE FINANCIAL STATEMENTS

30. OPERATING SEGMENTS (CONTINUED)

Segment capital expenditure (continued)

Group	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
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	(3,024)	-	-	-	(3,024)
- 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

30. 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 22.1. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include deferred tax assets.

	Non-current assets RM'000
Geographical information	
Group	
2025	
Asia (excluding Malaysia)	332,307
Malaysia	435,247
Latin America	61,391
Middle East	29,249
Europe	9,251
Africa	14,572
Oceania	1,297
North America	7,430
	890,744
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

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.

NOTES TO THE FINANCIAL STATEMENTS

31. CAPITAL COMMITMENTS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Contracted but not provided for :				
Property, plant and equipment	38,262	32,392	758	2,775

32. FINANCIAL INSTRUMENTS

32.1 Categories of financial instruments

Trade and other receivables (excluding prepayments, indirect taxes and derivatives), short-term investments and cash and cash equivalents are categorised as financial assets at amortised cost (Note 14) while trade and other payables (excluding derivatives), loans and borrowings are categorised as financial liabilities measured at amortised cost (Note 21).

The Group's and the Company's financial instruments categorised as fair value through profit or loss ("FVTPL") are as follows :

	2025	2024
	RM'000	RM'000
Group		
Derivative financial assets/(liabilities)	39	(27)

	2025	2024
	RM'000	RM'000
Company		
Derivative financial assets	39	-

32.2 Net (losses)/gains arising from financial instruments

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Net (losses)/gains on :				
Financial assets measured at amortised cost	(25,444)	30,687	23,976	(15,490)
Financial asset/liabilities measured at fair value through profit or loss	66	49	39	-
Financial liabilities measured at amortised cost	1,821	(28,999)	3,099	(29,500)
	(23,557)	1,737	27,114	(44,990)

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Market risk

32.4 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.

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.4 Credit risk (continued)

Trade receivables and contract assets (continued)

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 :

	2025 RM'000	2024 RM'000
Group		
Malaysia	6,118	4,820
Asia (excluding Malaysia)	2,898	8,043
Europe	2,878	3,630
Middle East	2,143	1,523
Others	558	933
	14,595	18,949

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.

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

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 RM'000	Loss allowances RM'000	Net balance RM'000
Group			
2025			
Not past due	9,166	-	9,166
Past due 1 - 30 days	2,007	-	2,007
Past due 31 - 90 days	3,097	-	3,097
Past due more than 90 days	325	-	325
	14,595	-	14,595
Credit impaired			
Individually impaired	403	(403)	-
	14,998	(403)	14,595
Trade receivables	13,103	(403)	12,700
Contract assets	1,895	-	1,895
	14,998	(403)	14,595
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

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

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.

	2025 RM'000	2024 RM'000
Group		
Balance at 1 March 2024/2023	505	527
Reversal of impairment loss	(94)	(26)
Effect of movements in exchange rates	(8)	4
Balance at 28/29 February	403	505

Other receivables

Credit risk on other receivables is mainly arising from amounts owing from an associate, a joint venture and advances provided 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 :

	2025 RM'000	2024 RM'000
Group		
Balance at 1 March 2024/2023	10,091	9,005
Impairment loss	3,270	1,074
Effect of movements in exchange rates	6	12
Balance at 28/29 February	13,367	10,091
Company		
Balance at 1 March 2024/2023	7,966	6,892
Impairment loss	591	1,074
Balance at 28/29 February	8,557	7,966

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.4 Credit risk (continued)

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 RM26,819,000 (2024 : RM4,405,000) representing 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.

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 is 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.

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.4 Credit risk (continued)

Inter-company balances (continued)

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.

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			
2025			
Low credit risk	129,807	-	129,807
Credit impaired	23,558	(23,558)	-
	153,365	(23,558)	129,807

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.4 Credit risk (continued)

Inter-company balances (continued)

Recognition and measurement of impairment loss

	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

The movements in allowance for impairment in respect of subsidiaries' advances during the year were as follows :

	2025 RM'000	2024 RM'000
Balance as at 1 March 2024/2023	55,322	28,526
Impairment loss	41	26,796
Reversal of impairment loss due to capitalisation of debt	(29,345)	-
Reversal of impairment loss	(1,720)	-
Write-off	(740)	-
Balance as at 28/29 February	23,558	55,322

32.5 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

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.5 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						
2025						
<i>Non-derivative financial liabilities</i>						
Bank overdraft	563	22.93	563	563	-	-
Lease liabilities	28,678	3.13 - 10.50	32,001	11,177	18,912	1,912
Hire purchase liabilities	4,141	1.71 - 6.71	4,589	1,424	3,165	-
Term loans	664	4.52 - 5.02	817	216	219	382
Revolving credits	149,483	3.10 - 6.55	149,483	149,483	-	-
Trade and other payables	516,880		516,880	516,880	-	-
	700,409		704,333	679,743	22,296	2,294
<i>Derivative financial liabilities</i>						
Forward exchange contracts (gross settled)						
Outflow	-		28,898	28,898	-	-
Inflow	(39)		(28,937)	(28,937)	-	-
	700,370		704,294	679,704	22,296	2,294

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.5 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						
2024						
<i>Non-derivative financial liabilities</i>						
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	-	-
	<u>687,332</u>		<u>689,722</u>	<u>673,097</u>	<u>13,627</u>	<u>2,998</u>
<i>Derivative financial liabilities</i>						
Forward exchange contracts (gross settled)						
Outflow	27	-	950	950	-	-
Inflow	-	-	(923)	(923)	-	-
	<u>687,359</u>		<u>689,749</u>	<u>673,124</u>	<u>13,627</u>	<u>2,998</u>

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.5 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
Company						
<i>Non-derivative financial liabilities</i>						
2025						
Hire purchase liabilities	1,574	3.74 - 4.94	1,688	589	1,099	-
Term loans	159	4.68 - 5.20	161	161	-	-
Revolving credits	123,733	4.02 - 6.55	123,733	123,733	-	-
Other payables	134,747	-	134,747	134,747	-	-
Financial guarantee	-	-	26,819	26,819	-	-
	260,213		287,148	286,049	1,099	-
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	-	-	4,405	4,405	-	-
	303,414		307,975	306,485	1,490	-

32.6 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.

32.6.1 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

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.6 Market risk (continued)

32.6.1 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		
2025		
Trade and other receivables	4,763	917
Short term investments	833	-
Cash and cash equivalents	137,522	10,342
Trade and other payables	(14,507)	(2,462)
Loans and borrowings	(79,844)	(56,944)
Net exposure	48,767	(48,147)
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)

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.6 Market risk (continued)

32.6.1 Currency risk (continued)

Exposure to foreign currency risk (continued)

	Denominated in	
	USD RM'000	EUR RM'000
Company		
2025		
Short term investments	21	-
Cash and cash equivalents	82,479	1,546
Loans and borrowings	(70,955)	(52,778)
Net exposure	11,545	(51,232)
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)

Currency risk sensitivity analysis

A 10% (2024 : 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.

	Profit or loss	
	2025 RM'000	2024 RM'000
Group		
USD	(3,706)	(2,168)
EUR	3,659	3,211
Company		
USD	(877)	6,288
EUR	3,894	4,139

A 10% (2024 : 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.

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.6 Market risk (continued)

32.6.1 Currency risk (continued)

Currency risk sensitivity analysis (continued)

DXN's operations in Bolivia

The Group carries out activities in trading and distribution of food and beverages, food supplements and other consumer products in Bolivia through a wholly owned subsidiary, DXN Bolivia S.R.L. ("DXN Bolivia").

Bolivia's economic difficulties, fixed currency exchange regime and declining foreign currency reserves have impacted the ability of its Central Bank to exchange its local currency, the Bolivian Boliviano ("BOB") for other currencies, particularly US Dollars ("USD") at the official exchange rate. This has created a big disparity between the official and unofficial exchange rates for the BOB.

During the financial year ended 28 February 2025, the Group recognised foreign currency translation loss for foreign operations of RM171,214,000 in other comprehensive income within equity of which, approximately 59% resulted from the translation of the financial statements of DXN Bolivia.

The BOB continues to weaken against the USD subsequent to the end of the financial year. A 30% or 50% weakening of the BOB against the USD at the end of the reporting period would have increased the foreign currency translation loss by RM44,575,000 and RM64,387,000 respectively and further reduced the Group's total equity by the same amounts.

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.

32.6.2 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 in 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

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.6 Market risk (continued)

32.6.2 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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
Financial assets	431,324	633,415	76,164	110,373
Financial liabilities	(157,621)	(183,765)	(125,307)	(160,677)
	273,703	449,650	(49,143)	(50,304)
Floating rate instruments				
Financial assets	3,221	-	-	-
Financial liabilities	(25,908)	(1,905)	(159)	(477)
	(22,687)	(1,905)	(159)	(477)

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	100 bp	100 bp	100 bp
	increase	decrease	increase	decrease
	RM'000	RM'000	RM'000	RM'000
2025				
Floating rate instruments	(172)	172	(1)	1
2024				
Floating rate instruments	(14)	14	(4)	4

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.7 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 carrying amount RM'000
	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	Total fair value RM'000		
2025											
Financial asset											
Forward exchange contracts	-	39	-	39	-	-	-	-	-	39	39
Financial liabilities											
Hire purchase liabilities	-	-	-	-	-	-	4,141	4,141	4,141	4,141	4,141
Terms loans - variable rate	-	-	-	-	-	-	664	664	664	664	664
	-	-	-	-	-	-	4,805	4,805	4,805	4,805	4,805
2024											
Financial liabilities											
Forward exchange contracts	-	27	-	27	-	-	-	-	-	27	27
Hire purchase liabilities	-	-	-	-	-	-	3,530	3,530	3,530	3,530	3,530
Terms loans - variable rate	-	-	-	-	-	-	1,012	1,012	1,012	1,012	1,012
	-	27	-	27	-	-	4,542	4,542	4,569	4,569	4,569

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.7 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
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
2025												
Financial assets												
Other receivables	-	-	-	-	-	-	-	35,310	35,310	35,310	35,310	35,310
Forward exchange contracts	-	39	-	39	-	-	-	-	-	-	39	39
	-	39	-	39	-	-	-	35,310	35,310	35,349	35,349	
Financial liabilities												
Hire purchase liabilities	-	-	-	-	-	-	-	1,574	1,574	1,574	1,574	1,574
Term loans	-	-	-	-	-	-	-	159	159	159	159	159
	-	-	-	-	-	-	-	1,733	1,733	1,733	1,733	1,733
2024												
Financial asset												
Other receivables	-	-	-	-	-	-	-	37,719	37,719	37,719	37,719	37,719
Financial liabilities												
Hire purchase liabilities	-	-	-	-	-	-	-	1,762	1,762	1,762	1,762	1,762
Term loans	-	-	-	-	-	-	-	477	477	477	477	477
	-	-	-	-	-	-	-	2,239	2,239	2,239	2,239	2,239

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.7 Fair value information (continued)

Transfers between fair value levels

There has been no transfer between the levels in fair value during the financial year (2024 : 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) is calculated using discounted cash flows where the market rate of interest is determined by reference to similar borrowing arrangements.

33. 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 with 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.

As announced on 10 March 2025, following a decline in the Company's average market capitalisation to below RM3.0 billion, the Company then did not satisfy the criteria set out under Practice Note No. 19/2005 of the Main Market Listing Requirements to qualify for the reduced public shareholding spread of 15%. In view of this, subsequent to the financial year end, the Company submitted an application to Bursa Securities to seek approval for a lower minimum public shareholding spread of 20% and extension of time to comply with the public shareholding spread.

Subsequent to the abovementioned application, the Company's public shareholding spread has increased to more than 25% as of 20 June 2025, thereby fulfilling the prevailing Main Market Listing Requirements of Bursa Securities.

There were no other changes in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

34. ACQUISITION OF A SUBSIDIARY

34.1 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 was 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	2	6,285
Right-of-use assets	3	827
Inventories		1,990
Trade and other receivables		493
Cash and cash equivalents		1,276
Lease liabilities		(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)

NOTES TO THE FINANCIAL STATEMENTS

34. ACQUISITION OF A SUBSIDIARY (CONTINUED)

34.1 Financial year ended 29 February 2024 (continued)

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)
	<hr/> 5,497 <hr/>

35. 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 RM0.44 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 2018 till 2020 amounting to Pen S/ 5.39 million (equivalent to RM6.46 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 RM1.47 million) for financial year 2013 and denied DXN Mexico's request for refunds of outstanding tax balances amounting to MXN2.32 million (equivalent to RM0.50 million) for financial year 2013 ("Mexico Income Tax 2013 Case").

NOTES TO THE FINANCIAL STATEMENTS

35. MATERIAL TAX MATTERS (CONTINUED)

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 MXN18.78 million (equivalent to RM4.07 million).

Of the said amount, the legal counsel appointed by DXN Mexico is of the opinion that MXN12.98 million (equivalent to RM2.81 million) are with high probabilities while the remaining MXN5.80 million (equivalent to RM1.26 million) are with low probabilities of being regarded in favour of DXN Mexico. Based on the legal opinion, DXN Mexico has provided and recognised MXN5.80 million (equivalent to RM1.26 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 DXN Marketing India will be able to convince the GST Intelligence that the correct GST rates have been applied for spirulina powder capsules and Neeli hair oil. DXN Marketing India will however 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") 694.17 million (equivalent to RM35.43 million) for the potential additional GST payable, including interest and penalties for the RG and GL powder capsules imported.

- (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 RM8.68 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.

NOTES TO THE FINANCIAL STATEMENTS

35. MATERIAL TAX MATTERS (CONTINUED)

The Group has recognised a provision for the income tax demanded for YA2012 to YA2019 of INR170.07 million (equivalent to RM8.68 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 RM1.76 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 RM1.14 million) during the financial year ended 28 February 2021. 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 RM5.28 million) comprising :

- (a) INR19.19 million (equivalent to RM0.98 million) for year 2012 ("India 2012 Customs Case"); and
- (b) INR84.24 million (equivalent to RM4.30 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 paid and recognised INR19.19 million (equivalent to RM0.98 million) for the India 2012 Customs Case in profit or loss. Daxen Agritech's legal adviser is of the opinion that the subsidiary has a good 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 RM4.30 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 paid INR6.32 million (equivalent to RM0.32 million) representing 7.5% of the total amount demanded under protest.

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 RM2.32 million). The status of the appeal on the remaining INR38.70 million (equivalent to RM1.98 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.

NOTES TO THE FINANCIAL STATEMENTS

35. MATERIAL TAX MATTERS (CONTINUED)

- (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 the 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 fully paid the taxes demanded by the Indian Income Tax Department for YA2004 to YA2012 amounting to INR140.03 million (equivalent to RM7.15 million) under protest. Subsequently in 2019 and 2020, DXN Manufacturing India received refunds amounting to INR114.64 million (equivalent to RM5.85 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 RM1.04 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 RM16.43 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

35. 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 RM14.40 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 2025 amounting to DH 23.27 million (equivalent to RM10.34 million) and recognised the said amount in profit or loss.

- (ix) In May 2025, DXN Bolivia S.R.L. ("DXN Bolivia"), a wholly-owned subsidiary of the Company was notified by the Servicio De Impuestos Nacionales ("SIN") that member bonus expenses and certain expenses are disallowed as tax deductions arising from a tax audit conducted for year of assessment ("YA") 2019. Additional taxes, surcharges and penalties amounting to Bolivian Boliviano ("BOB") 50.73 million (equivalent to RM20.50 million) were imposed.

DXN Bolivia had filed an appeal for revocation against the amount imposed by the SIN. The legal counsel appointed by DXN Bolivia is of the opinion that DXN Bolivia has a fair chance for a favourable decision on its appeal and hence, no provision has been made as of 28 February 2025.

36. MATERIAL LITIGATION

DXN Corporation Ningxia Co., Ltd. ("DXN Ningxia") Against Fujian Anxi Jinjiang Source Tea Technology Co., Ltd ("Fujian Jinjiang")

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 Integrated Agricultural Science and Technology Co., Ltd. ("Anxi Gande"), for a total consideration of Chinese Yuan ("RMB") 58.7 million (equivalent to RM36.8 million). Fujian Jinjiang paid a deposit of RMB10.0 million (equivalent to RM6.3 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 recover 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 RMB10.0 million (equivalent to RM6.3 million) paid under the SSA.

The aforementioned civil proceedings were consolidated and heard together by the Anxi County People's Court ("ACP Court"). On 3 June 2024, DXN Ningxia received a civil judgement from the Court as summarised below :

- (1) Fujian Jinjiang shall pay DXN Ningxia interest of RMB318,000 (equivalent to RM199,500) within 10 days from the date of judgement;
- (2) Fujian Jinjiang shall pay DXN Ningxia penalty for the breach of the SSA amounting to RMB564,000 (equivalent to RM353,800) within 10 days from the date of judgement;

NOTES TO THE FINANCIAL STATEMENTS

36. MATERIAL LITIGATION (CONTINUED)

DXN Corporation Ningxia Co., Ltd. ("DXN Ningxia") Against Fujian Anxi Jinjiang Source Tea Technology Co., Ltd ("Fujian Jinjiang") (continued)

- (3) DXN Ningxia shall refund the deposit received under the SSA of RMB10.0 million (equivalent to RM6.3 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.

On 10 December 2024, the QIPC issued a ruling that reversed the ACP Court's decision, ordering Fujian Jinjiang to pay DXN Ningxia RMB2.0 million (equivalent to RM1.3 million) as penalty for the breach of the SSA. However, DXN's claim for legal service fees was denied, and DXN's request regarding company governance and official seals were reaffirmed as outside the Court's jurisdiction. DXN Ningxia successfully repossessed the official seals and appointed its preferred legal representative through external means, safeguarding its business interests. The QIPC did not overturn ACP Court's ruling that required DXN Ningxia to refund Fujian Jinjiang the deposit of RMB10.0 million (equivalent to RM 6.3 million) received under the SSA.

On 24 January 2025, the ACP Court issued a Notice of Execution ordering DXN Ningxia to refund Fujian Jinjiang the deposit of RMB10.0 million (equivalent to RM 6.3 million) together with applicable interests accrued and case execution fees totalling to RMB77,400 (equivalent to RM48,600).

On 28 March 2025, DXN Ningxia paid RMB8.0 million (equivalent to RM5.0 million) to Fujian Jinjiang comprising :

- (1) The refund of RMB10.0 million (equivalent to RM 6.3 million) deposit received under the SSA; netted against
- (2) RMB2.0 million (equivalent to RM1.3 million) penalty to be paid by Fujian Jinjiang to DXN Ningxia for the breach of the SSA .

Following the above settlement, the litigation between DXN Ningxia and Fujian Jinjiang is deemed resolved.

Bank of China Limited (Anxi Branch) Against Anxi Gande Foluohua Integrated Agricultural Science and Technology Co., Ltd. ("Anxi Gande")

On 5 December 2024, The Bank of China Limited, Anxi Branch ("the Plaintiff") has filed a civil lawsuit against several defendants, including Anxi Gande ("Defendant I"), Florin Fujian ("Defendant II") and individuals Xiao Xinxing ("Defendant III") and Feng Shuzhen ("Defendant IV"), to seek repayment of a financial loan and its related costs under a Credit Line Agreement entered between the Plaintiff and Defendant I on 25 August 2023.

In particular, a loan amounting to RMB10.0 million (equivalent to RM6.3 million) was granted by the Plaintiff to Defendant I, where the loan was jointly and severally guaranteed by Defendant III and Defendant IV. As a result of Defendant I failing to make monthly interest payments for the abovementioned loan utilised, the Plaintiff is claiming for repayment of loan principal and related interests accrued totalling to RMB38,720 (equivalent to RM24,300), alongside further interests and penalties to be accrued from 9 October 2024 to the date of final judgement, and all other litigation costs.

NOTES TO THE FINANCIAL STATEMENTS

36. MATERIAL LITIGATION (CONTINUED)

Bank of China Limited (Anxi Branch) Against Anxi Gande Foluohua Integrated Agricultural Science and Technology Co., Ltd. ("Anxi Gande") (continued)

The case was heard by the Anxi County People's Court ("ACP Court"). On 27 February 2025, the ACP Court issued a ruling as follows :

- (1) Repayment of the loan principal of RMB6.0 million (equivalent to RM3.8 million), interests, penalty interests and compounding interests within 10 days from the effective date of judgement;
- (2) Defendant I to pay lawyer's fee to Plaintiff of RMB12,000 (equivalent to RM7,500);
- (3) Defendant II, III and IV shall be jointly and severally liable for the above-mentioned debts of Defendant I;
- (4) Shall Defendant I fail to pay, the Plaintiff has the right to auction, sell off or discount the mortgaged land and house. Any resulting shortfall will be paid by Defendant I; and
- (5) Defendants III and IV have the right to claim compensation from Defendant I within the scope of their guarantee responsibilities.

On 9 May 2025, the outstanding loan, accrued interests, compounding interests and corresponding penalties have been fully settled. Following the settlement, the civil lawsuit is deemed resolved.

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 162 to 259 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board 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 28 February 2025 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 : 26 June 2025

STATUTORY DECLARATION

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Lim Beng Cheng**, 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 162 to 259 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 Beng Cheng**, MIA CA19930, at George Town in the State of Penang on 26 June 2025.

Lim Beng Cheng
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 28 February 2025 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 162 to 259.

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 28 February 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting 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 22 - 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 RM1.87 billion (2024: RM1.78 billion) equivalent to 98.2% (2024: 98.4%) of the Group's revenue.</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);

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
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>Our audit procedures included, among others (continued) :</p> <ul style="list-style-type: none"> • 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; • 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; • Tested material credit notes issued subsequent to the financial year end for items that would affect the current year's revenue recognised; • 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 • Reviewed manual journal entries posted to revenue.

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 MFRS Accounting 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.

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)

Responsibilities of the Directors for the Financial Statements (continued)

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.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming 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.

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 (continued)

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.

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 6 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 : 26 June 2025

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	Cheng Hwa Lee	(Appointed on 14 January 2025)
Alma Delia Zaragoza	Mayurkumar Chandravadanbhai Ranpura	(Appointed on 29 January 2025)
Carlos Hector Alayza Bettocchi	Debya Prakash	(Appointed on 30 March 2024)
Datin Wan Illiyyin Binti Wan Mohd Nazi	Rahul Kaniyat Parambil	(Appointed on 1 August 2024)
Daisy Yuson	Gerald Zimba	(Appointed on 18 November 2024)
Eko Pramono	Vinu Xavier	(Appointed on 18 November 2024)
Erick Omar Garcia Lopez	Lee Jing Qian	(Appointed on 21 November 2024)
Fanny Kurnia	Wan Taqwa Binti Wan Mohd Nazi	(Appointed on 6 December 2024)
Foo Wai Leong	Raman Kumar Jha	(Appointed on 14 August 2024; Resigned on 18 April 2025)
Frank Li Rui Xue		
Giuseppe Girlando	Karol Lizeth Ortega Torres	(Resigned on 14 May 2024)
Hilmi Hasan	Gomobeva Angelica Tsybikovna	(Resigned on 24 May 2024)
Jijith Nellyyote Kakkunnath	Rajaram Saravanan	(Resigned on 1 June 2024)
Joan Nicolas Flores	Feng ShuZhen	(Resigned on 21 November 2024)
Jong Sui Shia	Liu FenPing	(Resigned on 21 November 2024)
José María Allonca	Xiao XinXing	(Resigned on 21 November 2024)
Key Kar Wai		
Kostina Doloksaribu		
Lim Guat Hong		
Lim Yew Lin		
Maria Siakola		
Muhammad Luthfi Hidayat		
Ng Lay Jiun		
Novita Kristin Djunaedi		
Nur Cahyono		
Nurettin Yavuz		
Padinharu Valappil Asik Rehman		
Pamela Maria Johanson Bettocchi		
Perla Magdalena Rodriguez Garza		
Prajith Pavithran		
R.Danur Disyacitta Prabowo		
Rabique Khaja Moinudeen		
Rafael Diaz Feliz		
Rajesh Sikka Savera		
Ripon Chandra Shil		
Saw Teck Ban		
Szabo Szabolcs		
Teo Pei Shin		
Teoh Thean Yong		
Theresa Katherine Krystal Ortiz Arteaga		
Thipawan Saiyawongsa		
Totok Dewanto		
Vijay Kumar		
Zuyina Khan		

LIST OF TOP 10 PROPERTIES

As of 28 February 2025, details of the top 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 Unless Otherwise Stated)	NBV As At 28 February 2025 (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, along with two levels of common facilities known as DXN Cyberville	> 3 years	52,793/19,578	112,690
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 > 22 years Coffee factory > 20 years Cosmetic factory > 17 years	Pharmaceutical factory 2,700 Coffee factory 3,337 Cosmetic factory 13,545/26,058	30,446
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 27 single-storey rooms, one block double-storey for employee's hostel, one single-storey block for reception and office, one block for food preparation & dining building, one multipurpose hall and one meeting room	> 6 years	3,160/97,861	20,232

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 Unless Otherwise Stated)	NBV As At 28 February 2025 (RM'000)
Malaysia (continued)						
4	DXN/ Geran No. 27339, Lot No. 935, Bandar Gelugor, Daerah Timor Laut, Pulau Pinang, Geran No. 27340, Lot No. 936, Bandar Gelugor, Daerah Timor Laut, Pulau Pinang and Geran No. 166520, Lot 10. 10032 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 with rooftop	> 8 years	1,188/1,256	14,527
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): > 6 years For building d): > 3 years For building e) & f): < 2 years	a) Office 4,272 b) Canteen 763 c) Dormitory 4,002 d) Factory buildings 5,903 e) Office attached factory building 12,896 f) Support facilities building 1,791/68,098	46,811

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 Unless Otherwise Stated)	NBV As At 28 February 2025 (RM'000)
China (continued)						
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	> 2 years	5,521/8,001	39,880
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	> 5 years	For building a) 2,465 For building b) 8,219/10,724	14,129
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 Rajagopaleet 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	> 3 years	107,504/189,919	104,672

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 Unless Otherwise Stated)	NBV As At 28 February 2025 (RM'000)
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 production of coffee products, food supplements and beverages	< 3 years	9,725/44,542	17,192
Peru						
10	DXN Peru/ Lots 4, 5, 23 and 24, (Land Title Nos. 21268059, 21268060, 21268093 and 21268094 respectively), Public Register of Cañete- Lima, Peru/ Mz. F, Second Stage, Urbanization Park 62, Chilca, Province of Cañete, Lima, Peru	Freehold	Vacant land	-	-/38,816	20,560

ANALYSIS OF SHAREHOLDINGS

SHAREHOLDING STATISTICS AS AT 3 JUNE 2025

Issued Share Capital : 4,985,000,000 ordinary shares (including 12,738,500 treasury shares)
 Class of Share : Ordinary Shares
 No. of Shareholders : 8,007
 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	17	0.212	192	0.000
100 - 1,000	1,083	13.526	488,172	0.010
1,001 - 10,000	3,022	37.742	17,880,600	0.360
10,001 - 100,000	3,002	37.492	112,791,595	2.268
100,001 - 248,613,074*	877	10.953	1,128,234,241	22.691
248,613,075 - 4,972,261,500**	6	0.075	3,712,866,700	74.672
TOTAL:	8,007	100	4,972,261,500	100

* Less than 5% of issued shares.

** 5% and above of issued shares.

SUBSTANTIAL SHAREHOLDERS

NO.	NAME OF SUBSTANTIAL SHAREHOLDERS	DIRECT		INDIRECT	
		NO. OF SHARES	%	NO. OF SHARES	%
1.	LSJ GLOBAL SDN BHD	1,894,780,805	38.107	-	-
2.	DATIN LEONG BEE LING	1,000,000,000	20.112	[^] 1,894,780,805	[^] 38.107
3.	GANO GLOBAL SUPPLEMENTS PTE. LTD.	438,085,895	8.811	-	-
4.	DATUK LIM SIOW JIN	345,938,800	6.957	[^] 1,894,780,805	[^] 38.107
5.	DATIN WAN ILLIYYIN BINTI WAN MOHD NAZI	250,000,000	5.028	-	-
6.	KV ASIA CAPITAL FUND L.P	-	-	*438,085,895	8.811
7.	KV ASIA CAPITAL MASTER FUND PTE. LTD.	-	-	*438,085,895	8.811

[^] 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	345,938,800	6.957	[^] 3,144,780,805	[^] 63.246
2.	DATO' LIM BOON YEE	1,715,000	0.034	-	-
3.	DATUK NORIPAH BINTI KAMSO	200,000	0.004	-	-
4.	ABRAHAM VERGHESE A/L T V ABRAHAM	-	-	-	-
5.	ONG HUEY MIN	-	-	[*] 140,000	[*] 0.003
6.	STEFAN HEITMANN	-	-	-	-
7.	YM TUNKU AFWIDA BINTI TUNKU A.MALEK	-	-	-	-
8.	VIBHAR PANANDIKER	-	-	-	-

[^] Deemed interested via LSJ Global Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 and his spouse(s) pursuant to Section 59(11)(c) of 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.

CHIEF EXECUTIVE OFFICER'S INTEREST IN SHARES

NO.	NAME OF CHIEF EXECUTIVE OFFICER	DIRECT		INDIRECT	
		NO. OF SHARES	%	NO. OF SHARES	%
1	PRAJITH PAVITHRAN	600,000	0.012	-	-

LIST OF TOP 30 HOLDERS AS AT 3 JUNE 2025

NO.	NAME	HOLDINGS	%
1	LSJ GLOBAL SDN BHD	1,290,465,105	25.953
2	DATIN LEONG BEE LING	1,000,000,000	20.112
3	GANO GLOBAL SUPPLEMENTS PTE. LTD.	438,085,895	8.811
4	LSJ GLOBAL SDN. BHD.	434,315,700	8.735
5	DATUK LIM SIOW JIN	300,000,000	6.033
6	DATIN WAN ILLIYYIN BINTI WAN MOHD NAZI	250,000,000	5.028
7	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LSJ GLOBAL SDN. BHD.	170,000,000	3.419
8	PHILLIP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHEA LIN	78,261,900	1.574
9	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB BANK BERHAD (EDP 2)	77,452,000	1.558

ANALYSIS OF SHAREHOLDINGS

NO.	NAME	HOLDINGS	%
10	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD	72,100,000	1.450
11	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM SIOW JIN	45,000,000	0.905
12	AZAAL TRADING SDN BHD	32,216,000	0.648
13	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR NORGES BANK (FI 17)	29,178,100	0.587
14	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTS SMALL-CAP FUND	28,161,400	0.566
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	20,384,500	0.410
16	LIM CHEA LIN	20,101,800	0.404
17	CHAN KENG CHUNG	14,000,000	0.282
18	NG SEM GUAN	12,200,000	0.245
19	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	11,126,900	0.224
20	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MATHEW PURACKAL KUNCHERIA	11,124,900	0.224
21	NAI JOO CHYI	11,000,000	0.221
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR DANA MAKMUR PHEIM (211901)	10,861,600	0.218
23	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR KAWAN FOOD MANUFACTURING SDN BHD (PB)	10,000,000	0.201
24	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)	6,813,530	0.137
25	OOI ENG LEONG	6,530,000	0.131
26	LIEW CHEE HOW	6,070,000	0.122
27	LIM YEW LIN	5,800,000	0.117
28	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ESPG IV SC E)	4,811,800	0.097
29	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TANG ZHI NIAN	4,800,000	0.097
30	RHB NOMINEES (TEMPATAN) SDN BHD TERENCE WONG @ HUANG THAR-REARN	4,800,000	0.097

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Ninth (“29th”) Annual General Meeting (“AGM”) of DXN Holdings Bhd. (“DXN” or the “Company”) will be held at DXN Cyberville, Jalan Teknokrat 1, Cyberjaya, 63000 Cyberjaya, Selangor on Wednesday, 13 August 2025 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|---|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 28 February 2025 together with the Reports of the Directors and Auditors thereon. | (Please refer to Explanatory Note B(1)) |
| 2. | To re-elect the following Directors who are due to retire in accordance with Clause 188 of the Company's Constitution and being eligible, offers themselves for re-election:- | |
| | (i) Datuk Lim Siow Jin; | Ordinary Resolution 1 |
| | (ii) Datuk Noripah binti Kamso; and | Ordinary Resolution 2 |
| | (iii) Mr. Abraham Verghese A/L T V Abraham. | Ordinary Resolution 3 |
| 3. | To approve the payment of Directors' fees payable to the Directors up to an amount of RM600,000 only for the period from the conclusion of this AGM until the next AGM of the Company in the year 2026. | Ordinary Resolution 4 |
| 4. | To approve the payment of benefits payable to the Directors up to an amount of RM400,000 only for the period from the conclusion of this AGM until the next AGM of the Company in the year 2026. | Ordinary Resolution 5 |
| 5. | To re-appoint KPMG PLT as Auditors of the Company to hold office until the conclusion of the next AGM of the Company in the year 2026 and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, with or without modifications as Ordinary Resolutions:

- | | | |
|----|---|------------------------------|
| 6. | Authority to Issue and Allot Shares and Waiver Of Pre-Emptive Rights | Ordinary Resolution 7 |
|----|---|------------------------------|

“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 from Bursa Securities and any relevant governmental or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to the Act to issue and allot shares in the Company to such persons, at any time 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 pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

THAT pursuant to Section 85 of the Act to be read together with Clause 37 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”).

NOTICE OF ANNUAL GENERAL MEETING

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 of the Act and Clause 37 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.

FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company, or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier, unless such authority is revoked or varied by resolution passed by the shareholders in general meeting;

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."

7. **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")** **Ordinary Resolution 8**

"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 Section 2.4 and Section 2.5 of the Part A of the Circular & Statement to Shareholders dated 30 June 2025 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 or unrelated third 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 FURTHER 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."

NOTICE OF ANNUAL GENERAL MEETING

8. Proposed Renewal of Authority for the Company to Purchase its Own Shares ("Proposed Share Buy-Back") Ordinary Resolution 9

"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 ("MMLR") 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 best interest of the Company provided that the aggregate number of ordinary shares to be 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 to be utilised for the purpose of the Proposed Share Buy-Back shall not exceed the aggregate retained profits of the Company based on the latest audited financial statements for the financial year ended 28 February 2025.

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.

FURTHER THAT such authority shall commence immediately upon the passing of this resolution until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company in 2026 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, 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;

whichever occurs first."

9. To transact any other business of which due notice shall have been given.

NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board,

Lim Yew Lin (SSM PC NO. 202008001679) (MIA 20906)
Yeow Sze Min (SSM PC NO. 201908003120) (MAICSA 7065735)
Poh Ming Yi (SSM PC NO. 202408000861) (LS0010863)
Joint Company Secretaries

30 June 2025
Kuala Lumpur

(A) NOTES: -

1. In respect of deposited securities, only members whose names appear on the Record of Depositors as at 6 August 2025 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the 29th AGM of the Company or to appoint proxy or proxies to attend, speak and vote on his/her behalf.
2. A member entitled to attend, speak and vote at the 29th AGM of the Company shall be entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead.
3. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. A proxy appointed by the member shall have the same rights as the member to attend, speak, and vote at the Meeting.
4. 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.
5. 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.
6. 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.
7. 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.
8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy.
9. The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so. However, the appointment of the proxy will be treated as terminated once that member attends that meeting.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), all resolutions set out in this Notice of the 29th AGM will be put to vote by way of a poll.

NOTICE OF ANNUAL GENERAL MEETING

(B) EXPLANATORY NOTES: -

1. The first agenda of this meeting is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval for the Audited Financial Statements from the shareholders. Hence, this Agenda is not put forward to shareholders for voting.

2. **Ordinary Resolution 1 to 3 - Re-election of Directors**

Clause 188 of the Company's Constitution states that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. All the Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Datuk Lim Siow Jin, Datuk Noripah binti Kamso and Mr. Abraham Verghese A/L T V Abraham who retire in accordance with Clause 188 of the Company's Constitution and being eligible, have offered themselves for re-election.

In determining the eligibility of the Directors to stand for re-election at the 29th AGM of the Company, the Board Nomination and Remuneration Committee ("BNRC") has considered the following:

- (i) satisfactory performance and have met the criteria of Fit and Proper Policy of the Company in terms of character, experience, integrity, competence and time in discharging their duties and responsibilities; and
- (ii) for Independent Directors, the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Company in decision-making by providing an annual declaration of independence.

The Board (save for the retiring Directors who had abstained from deliberation and voting in respect of their own re-election) accepted the BNRC's recommendation that the Directors who retire in accordance with Clause 188 of the Company's Constitution are eligible to stand for re-election.

3. **Ordinary Resolution 4 and 5 – Proposed Payment of Directors' Remuneration**

Section 230(1) of the Act provides amongst others, that the fee of the Directors and any benefits payable to the Directors of a listed company shall be approved at the general meeting. Pursuant thereto, shareholders' approval is sought for the payment of fees and benefits payable to Directors as follows: -

Resolution 4 – Payment of Directors' fees in respect of the period from the conclusion of this AGM until the next AGM; and

Resolution 5 – Payment of Benefit to Directors for the period from the conclusion of this AGM until the next AGM.

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).

The Board of Directors at its meeting held on 9 June 2025 agreed as a whole to the BNRC's recommendation of the proposed Directors' fee of up to RM600,000 only and have reviewed the benefit payable to the Directors of up to RM400,000 wherein the benefits payable is in the best interest of the Company.

4. **Ordinary Resolution 6 - Re-appointment of Auditors**

Pursuant to Section 271(3)(b) of the Act, shareholders shall appoint auditors who shall hold office until the conclusion of the next AGM in year 2026. The current auditors, Messrs. KPMG PLT has expressed their willingness to continue in office.

The Board Audit Committee ("BAC") has assessed the suitability, effectiveness, and independence of KPMG PLT based on the annual assessment and was satisfied with their independence and performance. The BAC had recommended the re-appointment of KPMG PLT as external auditors of the Company to the Board for their recommendation to the shareholders for re-appointment at the 29th AGM of the Company until the conclusion of the AGM in the year 2026.

The Board, at the recommendation of the BAC, endorsed the re-appointment of KPMG PLT as external auditors of the Company for the financial year 2026, to be presented to the shareholders for approval.

5. **Ordinary Resolution 7 - Authority to Issue and Allot Shares and Waiver of Pre-Emptive Rights**

The proposed Ordinary Resolution 7 is for the purpose of waiving the statutory pre-emptive rights of shareholders of the Company ("Waiver of Pre-Emptive Rights") and granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to 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 ten per centum (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 conclusion of the next AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING

The Waiver of Pre-emptive Rights 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.

The Company had been granted a general mandate by its shareholders at the last AGM held on 12 August 2024 of which will lapse at the conclusion of the 29th AGM (hereinafter referred to as the “**Previous Mandate**”).

As at the date of this Notice, the Previous Mandate granted by the shareholders had not been utilised and hence, no proceeds were raised therefrom.

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.

6. Ordinary Resolution 8 - Proposed Shareholders' Mandate

The proposed Ordinary Resolution 8, if approved by shareholders, will authorise the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 and Section 2.5 of the Part A of the Circular & Statement to the Shareholders dated 30 June 2025, with the related parties in the ordinary course of business which are necessary for the day-to-day operations based on terms which are 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. This approval shall continue to be in force until the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the meeting; or 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 Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or revoked/ varied by resolutions passed by the shareholders of the Company in general meeting; whichever is the earlier. Further information on the Proposed Shareholders' Mandate is set out in Part A the Circular & Statement to the Shareholders dated 30 June 2025.

7. Ordinary Resolution 9 - Proposed Share Buy-Back

The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company to exercise the power of the Company to purchase the Company Shares of not more than 10% of the total number of issued shares (excluding treasury shares) of the Company at any time within the time period stipulated in the MMLR by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a meeting of members, shall continue to be in full force until the conclusion of the next AGM.

Further information on the Proposed Share Buy-Back is set out in Part B of the Circular & Statement to the Shareholders dated 30 June 2025.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak, and vote at the forthcoming 29th AGM of the Company and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”);
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, claims, demands, losses, and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Listing Requirements)

1. Details of individuals who are standing for election as Directors

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming 29th AGM.

2. General mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements

Details of the general mandate to issue securities in the Company pursuant to Section 75 and Section 76 of the Act are set out in Explanatory Note (B)(5) of the Notice of the 29th AGM.

ADMINISTRATIVE GUIDE TO THE TWENTY-NINTH (29TH) ANNUAL GENERAL MEETING

Administrative Guide for the Twenty-Ninth (29th) Annual General Meeting (“AGM”) of DXN Holdings Bhd. (“the Company”)

Day & Date : Wednesday, 13 August 2025

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 8.30 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 **6 August 2025** (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 Monday, 11 August 2025, at 10.00 a.m.

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 29th 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 Monday, 11 August 2024, at 10.00 a.m.

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

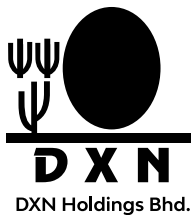
T: +603 7890 4700

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 29th Annual General Meeting of the Company and any adjournment thereof.

PROXY FORM



DXN HOLDINGS BHD.

Registration No.: 199501033918 (363120-V)
(Incorporated in Malaysia)

CDS Account No.	
No. of Shares Held	

29th Annual General Meeting

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 (if more than one (1) proxy) (*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 Twenty-Ninth Annual General Meeting ("29th AGM") of the Company to be convened and held at DXN Cyberville, Jalan Teknokrat 1, Cyberjaya, 63000 Cyberjaya, Selangor on Wednesday, 13 August 2025 at 10.00 a.m. or at any adjournment thereof.

* My/our proxy is to vote on the resolutions referred to in the Notice of the 29th AGM as indicated below: -

ORDINARY BUSINESS:			
Ordinary Resolution		For	Against
1	To re-elect Datuk Lim Siow Jin as Director.		
2	To re-elect Datuk Noripah binti Kamso as Director.		
3	To re-elect Mr. Abraham Verghese A/L T V Abraham as Director.		
4	To approve the payment of Directors' fees for the period from the conclusion of this AGM until the next AGM of the Company in the year 2026.		
5	To approve the payment of benefits for the period from the conclusion of this AGM until the next AGM of the Company in the year 2026.		
6	To re-appoint KPMG PLT as Auditors of the Company.		
SPECIAL BUSINESS:			
Ordinary Resolution			
7	Authority for the Directors to issue and allot shares and waiver of pre-emptive rights.		
8	Proposed Renewal of Shareholders' Mandate for existing Recurrent Related Party Transactions ("RRPT") and New Shareholders' Mandate for Additional RRPT.		
9	Proposed Renewal of Share Buy-Back Authority.		

*Strike out whichever is not applicable.

(Please indicate with an "X" in the appropriate box how you wish your proxy(ies) to vote. If no instruction is given, the proxy(ies) will vote or abstain at his/her/their discretion.)

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the **Notice of the 29th AGM** for the full purpose and intent of the Resolutions to be passed.

Signed this _____ day of _____ 2025

Signature of Shareholder

Common Seal to be affixed here if
Shareholder is a Corporation

Notes:

1. In respect of deposited securities, only members whose names appear on the Record of Depositors as at 6 August 2025 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the 29th AGM of the Company or to appoint proxy or proxies to attend, speak and vote on his/her behalf.
2. A member entitled to attend, speak and vote at the 29th AGM of the Company shall be entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead.
3. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. A proxy appointed by the member shall have the same rights as the member to attend, speak, and vote at the Meeting.
4. 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.
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6. 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.
7. 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.
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9. The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so. However, the appointment of the proxy will be treated as terminated once that member attends that meeting.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements"), all resolutions set out in this Notice of the 29th AGM will be put to vote by way of a poll.
11. Any alteration in this form must be initialed.

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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