

**THIS CIRCULAR & STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has only perused the contents of Part A of this Circular & Statement in respect of the proposed new shareholders' mandate for additional recurrent related party transactions on a limited review basis pursuant to the provisions of the Practice Note 18 of the Main Market Listing Requirements of Bursa Securities ("**MMLR**"). Bursa Securities has not perused the contents of Part A of this Circular & Statement in respect of the proposed renewal of shareholders' mandate and Part B of this Circular & Statement in respect of the proposed renewal of authority for share buy-back prior to its issuance as it is exempted pursuant to the provisions of Practice Note 18 of the MMLR.

Bursa Securities takes no responsibility for the contents of this Circular & Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular & Statement.

Shareholders of DXN Holdings Bhd. should rely on their own evaluation to assess the merits and risks of the Proposed Shareholders' Mandate and Proposed Renewal of Shareholders' Mandate for Share Buy-Back.



**DXN HOLDINGS BHD.**

Registration No.: 199501033918 (363120-V)

(Incorporated in Malaysia)

**PART A**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE 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")**

**AND**

**PART B**

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO BUY-BACK ITS OWN SHARES ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK")**

The resolutions in respect of the above proposals will be tabled as Special Business at the 28<sup>th</sup> Annual General Meeting ("**AGM**") of DXN Holdings Bhd. ("**the Company**"). The notice convening the 28<sup>th</sup> AGM of the Company together with the Proxy Form are set out in the Annual Report 2024.

If you are unable to attend and vote in person at the 28<sup>th</sup> AGM, you are entitled to appoint a proxy by completing the Proxy Form for the 28<sup>th</sup> AGM and deposit it 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.

The lodging of the Proxy Form will not preclude you from attending and voting at the meeting if you subsequently wish to do so.

Date and time of the 28 <sup>th</sup> AGM	: Monday, 12 August 2024 at 10.00 am
Venue of the 28 <sup>th</sup> AGM	: DXN Cyberville, Jalan Teknokrat 1, Cyberjaya, 63000 Cyberjaya, Selangor, Malaysia
Last date and time for lodging of the Proxy Form	: Saturday, 10 August 2024 at 10.00 am (Prior to 10.00 am)

This Circular & Statement is dated 28 June 2024

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular & Statement:

Act	: Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	: Annual General Meeting
Bursa Securities	: Bursa Malaysia Securities Berhad
Board	: The Board of Directors of DXN
Code	: Malaysian Code on Take-Overs and Mergers 2016 including any amendments that may be made from time to time
Director(s)	: Shall have the meaning given in Section 2 of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Director or a chief executive of DXN, its subsidiary or holding company.
DXN or the Company	: DXN Holdings Bhd.
DXN Group or Group	: DXN and its subsidiaries and sub-subsidiaries, collectively, as listed in item 2.2 (including all future subsidiaries which are acquired/incorporated by DXN before the next AGM of our Company) as defined in the Act.
ESOS	: Employees Share Option Scheme
EPS	: Earnings per Share
Listing Requirements or MMLR	: Main Market Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof
LPD	: 31 May 2024, being the latest practicable date prior to the printing of this Circular & Statement
Major Shareholder(s)	: A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in the Company; or  (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company  For the purpose of this definition, "interest" shall have meaning of "interest in shares" given in Section 8 of the Act. A major shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of DXN or any other company which is its subsidiary or holding company.
NA	: Net assets
Person(s) Connected	: Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements
Proposed Shareholders' Mandate for Share Buy-Back	: Proposed renewal of authority to buy-back its own shares by the Company of up to maximum of ten per centum (10%) of total number of issued shares of the Company

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**DEFINITIONS (cont'd)**

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Proposed Shareholders' Mandate	: 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 to be entered into by the Group from the date of the upcoming 28 <sup>th</sup> AGM to the 29 <sup>th</sup> AGM
Purchased Shares	: Shares that have been purchased by the Company pursuant to the Proposed Share Buy-Back
Related Party Transaction	: A transaction entered into by DXN or any of its subsidiaries which involves the interest, direct or indirect, of a Related Party
Recurrent Related Party Transactions or RRPTs	: Related Party Transaction(s) involving recurrent transactions of a revenue or trading in nature that are necessary for the day-to-day operations and are in the ordinary course of business of the Group
Related Party(ies)	: Director(s), Major Shareholder(s) and/or Person(s) Connected with such Director or Major Shareholder
RM and sen	: Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia
SC	: Securities Commission Malaysia
Shares	: Ordinary shares
Substantial Shareholder	: Shall have the meaning given in Section 136 of the Act
Treasury Shares	: Purchased Shares which are or will be retained in treasury by the Company and shall have the meaning given under Section 127 of the Act

Words importing the singular shall, where applicable include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

References to persons shall include corporations, unless otherwise specified. Any reference to a time of day in this Statement is a reference to Malaysia time, unless otherwise stated. Any reference in this Statement to any legislation is a reference to that legislation as for the time being amended or re-enacted. Certain figures in this Statement have been subject to rounding adjustments.

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### **APPENDIX I – FURTHER INFORMATION**

**PART A**

**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**



## **DXN HOLDINGS BHD.**

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

Registered Office:  
170-09-01, Livingston Tower, Jalan Argyll  
10050 George Town, Pulau Pinang

28 June 2024

### **Board of Directors:**

Datuk Lim Siow Jin (Non-Independent Executive Chairman)  
Dato' Lim Boon Yee (Non-Independent Non-Executive Director)  
Vibhav Panandiker (Non-Independent Non-Executive Director)  
Datuk Noripah Binti Kamso (Senior Independent Non-Executive Director)  
Abraham Verghese A/L T V Abraham (Independent Non-Executive Director)  
YM Tunku Afwida Binti Tunku A. Malek (Independent Non-Executive Director)  
Stefan Heitmann (Independent Non-Executive Director)  
Ong Huey Min (Independent Non-Executive Director)

### **To: The Shareholders of DXN**

Dear Sir/Madam

### **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")**

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#### **1 INTRODUCTION**

At the Company's 27<sup>th</sup> AGM held on 21 August 2023, the shareholders had, inter-alia, approved:

- (a) a mandate for the Company and its subsidiaries to enter into arrangements or recurrent transactions with Related Parties which are necessary for DXN Group's day to day operations, in the ordinary course of business, and on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to the interests of the minority shareholders.
- (b) authority to the Company to purchase and/or hold from time to time and at any time up to ten per centum (10%) of its own shares in the total number of issued shares of the Company.

The Shareholders' Mandate shall, in accordance with the Listing Requirements, and the approval of the shareholders obtained on 21 August 2023, lapse at the conclusion of the forthcoming 28<sup>th</sup> AGM to be held on 12 August 2024. The Board therefore proposes to seek a renewal of the Shareholders' Mandate from the shareholders at the forthcoming 28<sup>th</sup> AGM to enable the DXN Group to enter into and/or continue entering into Recurrent Transactions with Related Parties. This Shareholders' Mandate, if approved by the Shareholders, will be subject to annual renewal.

On 19 June 2024, DXN announced its intention to seek Shareholders' approval for the 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 to be entered into from the date of the forthcoming 28<sup>th</sup> AGM to be held on 12 August 2024 until:

- (a) the conclusion of the next AGM of the Company following the forthcoming 28<sup>th</sup> AGM at which the Proposed Shareholders' Mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolutions passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

The purpose of this Circular is to provide shareholders with the relevant information on the Proposed Shareholders' Mandate and to seek the shareholders' approval for the ordinary resolution to be tabled at the forthcoming 28<sup>th</sup> AGM of the Company which will be convened and held at DXN Cyberville, Jalan Teknokrat 1, Cyberjaya, 63000 Cyberjaya, Selangor, Malaysia on Monday, 12 August 2024 at 10.00 am.

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR INCLUDING THE APPENDIX CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING 28<sup>TH</sup> AGM.**

## **2 DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE**

### **2.1 Provisions under the Listing Requirements**

Paragraph 10.09(2) of the Listing Requirements provides that a listed issuer may seek a shareholders' mandate in respect of recurrent transactions with related parties which are of a revenue or trading nature and are necessary for its day-to-day operations subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where in relation to a listed issuer with a share capital of RM60 million and above:
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
  - (ii) the percentage ratio of such RRPT is 1% or more,

whichever is the higher;

- (c) the issuance of circular to shareholders for shareholders' mandate shall include information as may be prescribed by the Bursa Securities;

- (d) in a meeting to obtain the shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of a person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

## 2.2 The principal business activities of the Company and its subsidiaries, joint venture and associate company

DXN is principally involved in investment holding and provision of management services whilst the principal activities of its subsidiaries and sub-subsidiaries are more particularly, as set out below:

Name of companies	Country of Incorporation	Interest held	Principal activities
Amazing Discovery Sdn. Bhd. (" <b>Amazing Discovery</b> ")	Malaysia	100%	Operating a glamping resort, namely Boulder Valley.
Bio Synergy Laboratories Sdn. Bhd. (" <b>Bio Synergy</b> ")	Malaysia	100%	Research and development, analytical lab tests, experimental work in relation to pharmaceutical and biological products.
DXN Agro Park Sdn. Bhd. (" <b>DXN Agro Park</b> ")	Malaysia	100%	Inactive.
DXN Agrotech Sdn. Bhd. (" <b>DXN Agrotech</b> ")	Malaysia	100%	Operating a marine sanctuary and provision of tour activities. Discontinued its agricultural and forest plantation and processing of virgin palm oil activities during the year.
DXN Biofuels Sdn. Bhd. (" <b>DXN Biofuels</b> ")	Malaysia	100%	Processing, manufacturing, selling, distributing, trading of biodiesel products and other related businesses.
DXN Biogreen Sdn. Bhd. (" <b>DXN Biogreen</b> ")	Malaysia	100%	Inactive.
DXN Biotech Consultants Sdn. Bhd. (" <b>DXN Biotech</b> ")	Malaysia	100%	Research and development and experimental work in relation to biotechnology, bio-chemical and agricultural products and trading of agricultural products and manufacturing of food products.
DXN Cafe Sdn. Bhd. (" <b>DXN Cafe</b> ")	Malaysia	100%	Operating a café.
DXN Industries (M) Sdn. Bhd. (" <b>DXN Industries</b> ")	Malaysia	100%	Manufacture and distribution of health food supplements and other products.
DXN Materials Sdn. Bhd. (" <b>DXN Materials</b> ")	Malaysia	100%	Property holding.



Name of companies	Country of Incorporation	Interest held	Principal activities
DXN Marketing Sdn. Bhd. (“ <b>DXN Marketing</b> ”)	Malaysia	100%	Sales of health supplements and other products on direct sales basis.
DXN Pharmaceutical Sdn. Bhd. (“ <b>DXN Pharma</b> ”)	Malaysia	100%	Manufacture of health food supplements and other products.
DXN Safari Eco Park Sdn. Bhd. (“ <b>DXN Safari</b> ”)	Malaysia	100%	Plantation and cultivation of rubber trees and cash crops.
DXN Solutions Sdn. Bhd. (“ <b>DXN Solutions</b> ”)	Malaysia	100%	Information technology adviser and consultant and trading in computer hardware and software equipment.
PT. Daehsan Indonesia (“ <b>Daehsan Indonesia</b> ”) <sup>(1)</sup>	Indonesia	99.9%	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
PT. Suryasoft Konsultama (“ <b>Suryasoft</b> ”) <sup>(2)</sup>	Indonesia	99%	Provision of information technology (“IT”) services including IT systems, IT consultancy and customised software development systems.
PT. Daxen Agrotech Nusantara (“ <b>Daxen Agrotech</b> ”) <sup>(3)</sup>	Indonesia	90%	Inactive.
Daxen Logistic LLC (“ <b>Daxen Logistic</b> ”) <sup>(4)</sup>	United States of America	100%	Inactive.
DXN Marketing Bangladesh Ltd. (“ <b>DXN Bangladesh</b> ”) <sup>(5)</sup>	Bangladesh	99%	Manufacturing, marketing, sales and distribution of health food, non-alcoholic drinks and associated products.
Esen Lifesciences Private Limited (“ <b>Esen Lifesciences</b> ”) <sup>(6)</sup>	India	99.9%	Commenced operation on 15 March 2023 in manufacturing of health food supplements, spirulina cereals and cordyceps cereal products.
DXN International Holding Limited (“ <b>DXN BVI</b> ”)	British Virgin Islands	100%	Investment holding and provision of management services.
DXN Corporation (Ningxia) Co., Ltd. (“ <b>DXN Corporation Ningxia</b> ”)	People’s Republic of China	100%	Investment holding, research and development and experimental works in biotechnology. Processing and trading of food and beverages, food supplements and consumer products.
Dexin Manufacturing Nepal Private Limited (“ <b>Dexin Nepal</b> ”)	Nepal	100%	Manufacturing, sales and distribution of food and beverages and personal care products.
DXN Bangladesh Industries Pvt. Ltd. (“ <b>DXN Bangladesh Industries</b> ”) <sup>(7)</sup>	Bangladesh	99.8%	Manufacturing, marketing, sales and distribution of health food, non-alcoholic drinks and associated products.
DXN Korea Co., Ltd. (“ <b>DXN Korea</b> ”)	Korea	100%	Inactive.

Name of companies	Country of Incorporation	Interest held	Principal activities
DXN Food Tech Sdn. Bhd. (“ <b>DXN Food Tech</b> ”) <sup>(8)</sup>	Malaysia	80%	Confectionery and biscuits manufacturer.
Daxen Middle East Food Manufacturing L.L.C. (“ <b>Daxen Middle East</b> ”)	Dubai	100%	Manufacturing of natural (organic) food, instant and liquid coffee and food supplements.
DXN (Fujian) Group Co., Ltd. (“ <b>DXN Fujian</b> ”)	People’s Republic of China	100%	Inactive.
DEXIN Morocco S.A. (“ <b>DEXIN Morocco</b> ”) <sup>(9)</sup>	Morocco	99.9%	Inactive.
DXN Mycotech Sdn. Bhd. (“ <b>DXN Mycotech</b> ”) <sup>(10)</sup>	Malaysia	70%	Property investment.
DXN Global (Singapore) Pte Ltd (“ <b>DXN Global Singapore</b> ”)	Singapore	100%	Inactive.
EURL DXN Algeria	Algeria	100%	Inactive.
DXN (Fujian) Tourism Development Co., Ltd. (“ <b>DXN Fujian Tourism</b> ”)	People’s Republic of China	100% by DXN Fujian	Inactive.
Fujian DXN International Trade Co., Ltd. (“ <b>Fujian DXN International</b> ”)	People’s Republic of China	100% by DXN Fujian	Inactive.
PT. Daxen Agri Pratama (“ <b>Daxen Agri</b> ”) <sup>(11)</sup>	Indonesia	90% by Daxen Agrotech	Inactive.
PT. Daxen KJP Agro (“ <b>Daxen KJP</b> ”) <sup>(12)</sup>	Indonesia	90% by Daxen Agri	Inactive.
Daehsan Europe Export-import Korlátolt Felelősségű Társaság (“ <b>Daehsan Hungary</b> ”)	Hungary	100% by DXN BVI	Investment holding, trading and distribution of food and beverages, food supplements and consumer products.
Daxen Agritech India Private Limited (“ <b>Daxen Agritech</b> ”) <sup>(13)</sup>	India	99% by DXN BVI	Manufacturing of health food, traditional medicine, all kinds of confectioneries and other food products and agro farming of mushrooms.
Daehsan Mexico Import & Export, S.A. de C.V. (“ <b>Daehsan Mexico</b> ”) <sup>(14)</sup>	Mexico	99.9% by DXN BVI	Under liquidation.
Daxen Mexico, S.A. DE C.V. (“ <b>Daxen Mexico</b> ”) <sup>(15)</sup>	Mexico	99% by DXN BVI	Inactive.
DXN International Private Ltd. (“ <b>DIPL</b> ”)	Labuan, Malaysia	100% by DXN BVI	Investment holding, trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
DXN International (Australia) Pty. Ltd. (“ <b>DXN Australia</b> ”)	Australia	100% by DXN BVI	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.

Name of companies	Country of Incorporation	Interest held	Principal activities
DXN Bolivia S.R.L. (“ <b>DXN Bolivia</b> ”) <sup>(16)</sup>	Bolivia	99.9% by DXN BVI	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
DXN International Chile S.p.A. (“ <b>DXN Chile</b> ”)	Chile	100% by DXN BVI	Inactive.
DXN Colombia SAS (“ <b>DXN Colombia</b> ”)	Colombia	100% by DXN BVI	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
DXN International (Hong Kong) Limited (“ <b>DXN HK</b> ”) <sup>(17)</sup>	Hong Kong	99.9% by DXN BVI	Direct selling of health care products.
DXN Mauritania SARL (“ <b>DXN Mauritania</b> ”)	Mauritania	100% by DXN BVI	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
DXN Mexico, S.A. DE C. V. (“ <b>DXN Mexico</b> ”) <sup>(18)</sup>	Mexico	99.9% by DXN BVI	Manufacturing and distribution of food and beverages, food supplements and consumer products.
Golden Health Trading Limited (“ <b>Golden Health Trading</b> ”)	Hong Kong	100% by DXN BVI	Provision of marketing consultancy services and general trading.
DXN International Peru S.A.C. (“ <b>DXN Peru</b> ”) <sup>(19)</sup>	Peru	98.9% by DXN BVI	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
DXN (Singapore) Pte Ltd (“ <b>DXN Singapore</b> ”)	Singapore	100% by DXN BVI	Direct sales and trading in health products and provision of related services and investment holding.
DXN International (UK) Limited (“ <b>DXN UK</b> ”)	United Kingdom	100% by DXN BVI	Inactive.
DXN-Niger SA (“ <b>DXN Niger</b> ”)	Niger	100% by DXN BVI	Inactive.
DXN International Pakistan (Private) Limited (“ <b>DXN Pakistan</b> ”) <sup>(20)</sup>	Pakistan	99.9% by DXN BVI	Trading and distribution of food and beverages, food supplements and consumer products.
PT. Daxen Indonesia (“ <b>Daxen Indonesia</b> ”) <sup>(21)</sup>	Indonesia	99% by DXN BVI	Manufacturing of traditional medicine, cosmetics and beverages.
DXN International (Thailand) Co., Ltd. (“ <b>DXN Thailand</b> ”) <sup>(22)</sup>	Thailand	49% by DXN BVI	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
FE LLC “DAXEN UBZ” (“ <b>Daxen Uzbekistan</b> ”)	Uzbekistan	100% by DXN Singapore	Importation and distribution of food and beverages, food supplements and consumer products.
“DAXEN” LLC (“ <b>Daxen Mongolia</b> ”)	Mongolia	100% by DXN Singapore	Trading and distribution of food and beverages, food supplements and consumer products.

<b>Name of companies</b>	<b>Country of Incorporation</b>	<b>Interest held</b>	<b>Principal activities</b>
DXN Trading Ecuador CIA. LTDA. (" <b>DXN Ecuador</b> ") <sup>(23)</sup>	Ecuador	99.9% by DXN Singapore	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
DXN International Panama S.A. (" <b>DXN Panama</b> ")	Panama	100% by DXN Singapore	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
DXN Argentina S.R.L. (" <b>DXN Argentina</b> ") <sup>(24)</sup>	Argentina	95% by DXN Singapore	Inactive.
DXN Marketing (Brasil) LTDA (" <b>DXN Brazil</b> ") <sup>(25)</sup>	Brazil	99.9% by DXN Singapore	Inactive.
DXN Kyrgyzstan LLC (" <b>DXN Kyrgyzstan</b> ") <sup>(26)</sup>	Kyrgyzstan	99.9% by DXN Singapore	Inactive.
Daxen Morocco LLC (" <b>Daxen Morocco</b> ") <sup>(27)</sup>	Morocco	99% by Daehsan Hungary	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
Daxen Slovakia s.r.o. (" <b>Daxen Slovakia</b> ") <sup>(28)</sup>	Slovakia	97.5% by Daehsan Hungary	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
Daxen, Inc. (" <b>Daxen USA</b> ")	United States of America	100% by Daehsan Hungary	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
DXN Greece EPE (" <b>DXN Greece</b> ") <sup>(29)</sup>	Greece	99.3% by Daehsan Hungary	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
DXN International CZ s.r.o. (" <b>DXN Czech</b> ") <sup>(30)</sup>	Czech Republic	96% by Daehsan Hungary	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
DXN Italy SRL (" <b>DXN Italy</b> ")	Italy	100% by Daehsan Hungary	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
DXN International Poland Sp.z.o.o (" <b>DXN Poland</b> ")	Poland	100% by Daehsan Hungary	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
DXN Internacional Spain S.L. Unipersonal (" <b>DXN Spain</b> ")	Spain	100% by Daehsan Hungary	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.

<b>Name of companies</b>	<b>Country of Incorporation</b>	<b>Interest held</b>	<b>Principal activities</b>
DXN Marketing Private İthalat Ve Pazarlama Limited Şirketi (" <b>DXN Turkey</b> ")	Turkey	100% by Daehsan Hungary	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
DXN Bulgaria Ltd. (" <b>DXN Bulgaria</b> ")	Bulgaria	100% by Daehsan Hungary	Inactive.
DXN Agrotech (Ningxia) Co., Ltd. (" <b>DXN Agrotech Ningxia</b> ")	People's Republic of China	100% by DXN Corporation Ningxia	Research, cultivation, manufacture and trading of mushroom and Spirulina.
DXN Biotechnology (Ningxia) Co., Ltd. (" <b>DXN Biotechnology Ningxia</b> ")	People's Republic of China	100% by DXN Corporation Ningxia	Inactive.
DXN International Trading (Ningxia) Co., Ltd. (" <b>DXN Trading Ningxia</b> ")	People's Republic of China	100% by DXN Corporation Ningxia	Trading and distribution of food and beverages, food supplements, cosmetics and consumer products.
DXN Healthtech (Guangzhou) Co., Ltd. (" <b>DXN Healthtech Guangzhou</b> ") <sup>(31)</sup>	People's Republic of China	60% by DXN Corporation Ningxia	Inactive.
Florin (Fujian) Integrated Agricultural Science and Technology Co., Ltd. (" <b>Florin Fujian</b> ") <sup>(32)</sup>	People's Republic of China	80% by DXN Corporation Ningxia	Investment holding.
DXN Clinics Private Limited (" <b>DXN Clinics</b> ") <sup>(33)</sup>	India	99.9% by DXN Manufacturing India	Provision of consultation and treatment services using ganotherapy.
DXN Manufacturing (India) Private Limited (" <b>DXN Manufacturing India</b> ") <sup>(34)</sup>	India	99.9% by DIPL	Manufacturing of health food, traditional medicine, all kinds of confectioneries and food products.
DXN Global Marketing Nigeria Limited (" <b>DXN Nigeria</b> ") <sup>(35)</sup>	Nigeria	99% by DXN Italy	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
DXN Marketing India Private Limited (" <b>DXN Marketing India</b> ") <sup>(36)</sup>	India	50% by Daxen Agritech	Trading and distribution of food and beverages, food supplements and consumer products on direct sales basis.
Anxi Gande Foluohua Integrated Agricultural Science and Technology Co., Ltd. (" <b>Anxi Gande Foluohua</b> ")	People's Republic of China	100% by Florin Fujian	Tea plantation, processing, research and development, wholesale trading and retailing of tea, pre-packaged food and beverages and other products.
Box Park Management Sdn. Bhd. (" <b>Box Park Management</b> ") <sup>(37)</sup>	Malaysia	40%	Venture into the business of management of real estate on a fee or contract basis.
DNC Food Industries Sdn. Bhd. (" <b>DNC Food Industries</b> ") <sup>(38)</sup>	Malaysia	50%	Venture into the business of manufacturing of spices and curry powder.

**Notes:**

- (1) Our Company holds 99.9% equity interest in Daehsan Indonesia while DXN BVI holds the remaining equity interest in Daehsan Indonesia which is less than 0.01%.
- (2) Our Company and DXN BVI hold 99.0% and 1.0% equity interest respectively in Suryasoft.
- (3) Our Company and DXN BVI hold 90.0% and 10.0% equity interests respectively in Daxen Agrotech.
- (4) The entire 100.0% equity interest in Daxen Logistic is held on trust by the shareholders of Daxen Logistic for our Company.
- (5) Our Company and DXN BVI hold 99.0% and 1.0% equity interests respectively in DXN Bangladesh.
- (6) Our Company holds 99.9% in Esen Lifesciences while DXN Manufacturing India holds the remaining equity interest in Esen Lifesciences which is less than 0.1%.
- (7) Our Company holds less than 99.8% in DXN Bangladesh Industries while DXN BVI holds the remaining equity interest of 0.2% in DXN Bangladesh Industries.
- (8) The remaining 20.0% equity interest in DXN Food Tech is held by Leong Why Sheng, the nephew of Datin Leong Bee Ling.
- (9) Our Company holds 99.9% equity interest in Dexin Morocco, the remaining equity interest of less than 0.1% is equally held by DXN BVI, Lim Yew Lin, Foo Wai Leong and Jijith Nellyyote Kakkunnath.
- (10) The remaining 30.0% equity interest in DXN Mycotech is held by Norikmazaton Binti Mohd Zali.
- (11) The remaining 10.0% equity interest in Daxen Agri is held by PT Kirana Investama Nusantara.
- (12) The remaining 10.0% equity interest in Daxen KJP is held by PT KJP Cipta Desa Sejahtera.
- (13) DXN BVI and our Company hold 99.0% and 1.0% equity interests respectively in Daxen Agritech.
- (14) DXN BVI holds 99.9% equity interest in Daehsan Mexico while our Company holds the remaining equity interest in Daehsan Mexico which is less than 0.1%.
- (15) DXN BVI and our Company hold 99.0% and 1.0% equity interests respectively in Daxen Mexico.
- (16) DXN BVI and DXN Peru hold 99.9% and 0.1% equity interests respectively in DXN Bolivia.
- (17) DXN BVI holds 99.9% equity interest in DXN HK while our Company holds the remaining equity interest in DXN HK which is less than 0.1%.
- (18) DXN BVI holds 99.9% equity interest in DXN Mexico while our Company holds the remaining equity interest in DXN Mexico which is less than 0.1%.
- (19) DXN BVI and our Company hold 98.9% and 1.1% equity interests respectively in DXN Peru.
- (20) DXN BVI holds 99.9% equity interest in DXN Pakistan while DLBY and Lim Yew Lin hold the remaining equity interest in DXN Pakistan which is less than 0.1%.
- (21) The remaining 1.0% equity interest in Daxen Indonesia is held by Jong Sui Shia, the director of Daxen Indonesia.
- (22) The remaining 51.0% equity interest in DXN Thailand is held by Anong Phoungtong and Nongluck Wongworn with shareholdings of 26.0% and 25.0% respectively. Our Company regards DXN Thailand as subsidiary by virtue of having board control and being the single largest shareholder in this entity. The remaining voting rights in this entity are held by individual investors and there is no indication that other shareholders exercise their votes collectively.
- (23) DXN Singapore holds 99.9% equity interest in DXN Ecuador while DXN Bolivia holds the remaining equity interest in DXN Ecuador which is less than 0.1%.
- (24) DXN Singapore and our Company hold 95.0% and 5.0% equity interests respectively in DXN Argentina.
- (25) DXN Singapore and DXN Peru hold 99.99% and 0.01% equity interest respectively in DXN Brazil.
- (26) DXN Singapore holds 99.9% equity interest in DXN Kyrgyzstan while the remaining equity interest which is less than 0.01% held by Padinharu Valappil Asik Rehman.

- (27) Daehsan Hungary and Daxen Slovakia hold 99.0% and 1.0% equity interests respectively in Daxen Morocco.
- (28) Daehsan Hungary and DXN Peru hold 97.5% and 2.5% equity interests respectively in Daxen Slovakia.
- (29) Daehsan Hungary holds 99.3% equity interest in DXN Greece while DXN Peru holds the remaining equity interest in DXN Greece which is less than 0.7%.
- (30) Daehsan Hungary and DXN Peru hold 96.0% and 4.0% equity interests respectively in DXN Czech.
- (31) The remaining 40.0% equity interest in DXN Healthtech Guangzhou is held by Lin Jiming and Zhang Jingjun with shareholdings of 27.3% and 12.7% respectively.
- (32) The remaining 20.0% equity interest in Florin Fujian is held by Fujian Anxi Jinjiang Source Tea Technology Co., Ltd..
- (33) The remaining equity interest in DXN Clinics which is less than 0.1% is held by TH Strategic Investment Pvt Ltd..
- (34) DIPL holds 99.9% equity interest in DXN Manufacturing India while DXN BVI holds the remaining equity interest in DXN Manufacturing India which is less than 0.1%.
- (35) DXN Italy and DIPL hold 99.0% and 1.0% equity interests respectively in DXN Nigeria.
- (36) The remaining 50.0% equity interest in DXN Marketing India is held by Jacob Antony and Jipna Jijith with shareholdings of 24.5% and 25.5% respectively. Our Company regards DXN Marketing India as subsidiary by virtue of having board control and being the single largest shareholder in this entity. The remaining voting rights in this entity are held by individual investors and there is no indication that other shareholders exercise their votes collectively.
- (37) The remaining 60.0% equity interest in Box Park Management is held by Aman Infrastructure Development Sdn. Bhd..
- (38) DNC Food Industries is our joint venture company. The remaining 50.0% equity interest in DNC Food Industries is held by CSC Food Industries Sdn. Bhd..

### 2.3 The principal activities of the other related transacting parties

The principal activities of the other related transacting parties which are not part of DXN Group that are involved in the RRPT with the DXN Group are set out below:-

Related transacting parties	Principal activities
DCT Tours Sdn. Bhd. (" <b>DCT Tours</b> ")	Travel agents and tour operators, provides flights and hotel booking services, inbound and outbound tour packages.
Nores Holdings Sdn. Bhd. (" <b>Nores Holdings</b> ")	Investment holding.
Nores Industries Sdn. Bhd. (" <b>Nores Industries</b> ")	Manufacturing of beverages and food.
Nores Marketing Sdn. Bhd. (" <b>Nores Marketing</b> ")	Marketing of beverages and food.
Tastiway Sdn Bhd. (" <b>Tastiway</b> ") <sup>(1)</sup>	Manufacture and distribution of food and beverage ingredients.
Tastiway Marketing Sdn. Bhd. (" <b>Tastiway Marketing</b> ") <sup>(1)</sup>	Distribution of health care and food products.
SLM Packaging Sdn. Bhd. (" <b>SLM Packaging</b> ") <sup>(1)</sup>	Printing and packaging.
Kholin Sdn Bhd (" <b>Kholin</b> ") <sup>(1)</sup>	Manufacturing of cosmetic and skin care products.
Lim Yew Lin (Insurance Agency)	Management services.
LSJ Global Sdn. Bhd. (" <b>LSJ Global</b> ") <sup>(2)</sup>	Engaged in investment holding activities.

<b>Related transacting parties</b>	<b>Principal activities</b>
LSJ Plantation Sdn. Bhd. (" <b>LSJ Plantation</b> ") <sup>(2)</sup>	Timber logging, agricultural farming and crops plantation, trading timber and its related products and all kinds of agricultural produce and crops.
Yiked-LSJ Stargate Sdn. Bhd. (" <b>Yiked</b> ") <sup>(2)</sup>	Property development and property investment, buying, selling, renting and operating of self-owned or leased real estate – residential buildings.
Datuk Lim Siow Jin (" <b>DLSJ</b> ")	-
Datin Leong Bee Ling (" <b>DLBL</b> ")	-
Dato' Lim Boon Yee (" <b>DLBY</b> ")	-
LSJ Biotech Private Limited (formerly known as Daehsan Biotech Private Limited) (" <b>LSJ Biotech</b> ")	Manufacturing, trading, export and import and dealing in Ganoderma mushroom, Cordyceps mushroom and similar mushroom products and producing RG and GL capsules and powder.
Zaman Biotech Sdn. Bhd. (" <b>Zaman Biotech</b> ")	General trading.
Stargate Land Sdn. Bhd. (" <b>Stargate Land</b> ")	Construction and property development and trading in construction material.
Pusat Rawatan Komplementari LSJ Sdn. Bhd. (" <b>Pusat Rawatan</b> ")	Provision of therapeutic and herbal treatments through traditional Chinese methods, medicine and herbs and also conducting courses on homeopathy and nutrilogy.
Sunyatee International Foundation	Non-governmental organisation to spread mindfulness and sunya meditation as well as to work for the poor internationally.
Sunyatee Products Private Limited (" <b>Sunyatee Products</b> ")	Food, beverages and tobacco products.
Soundarya & Prasadhan India Pvt Ltd (" <b>Soundarya &amp; Prasadhan</b> ")	To carry on business as manufacture of cosmetic products.
Nagajiva Agro Farms Private Limited (" <b>Nagajiva Agro Farms</b> ")	Wholesale Trading.
LSA Biotech Sdn Bhd (" <b>LSA Biotech</b> ")	General Trading.

**Notes:**

(1) Tastiway, Tastiway Marketing, SLM Packaging and Kholin are collectively referred to as "**Tastiway Group**".

(2) LSJ Global, LSJ Plantation and Yiked are collectively referred to as "**LSJ Global Group**".

The details of the direct and indirect interests of the Directors and Major Shareholders and Person Connected with them in DXN are indicated in Sections 2.4 and 2.5 below.

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## 2.4 Nature of the RRPT - Proposed Renewal of Existing Shareholders' Mandate for the RRPT

The details of the nature and estimated annual value of the RRPT in respect of which the Company is seeking renewal of mandate from its shareholders as contemplated under the Proposed Shareholders' Mandate are as follows:

Related Transacting Parties	Nature of Transaction	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 June 2023 ("Estimated Value") (RM' 000)	Actual value transacted from the last AGM to the LPD (RM' 000)	Estimated aggregate value of the transactions from the forthcoming AGM on 12 August 2024 to the next AGM in 2025 <sup>(1)</sup> (RM' 000)	Class and relationship of the Related Parties
DCT Tours	Purchase of air tickets and related travel expenses from DCT Tours	700	439	1,000	<p><b>Interested Director:</b></p> <ul style="list-style-type: none"> <li>● DLBY</li> </ul> <p>[See Note (2) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]</p>
Nores Industries	Payment of labour charges for packing of products by Nores Industries	7,000	413	7,000	<p><b>Interested Director and Major Shareholder:</b></p> <ul style="list-style-type: none"> <li>● DLSJ</li> </ul> <p><b>Interested Director:</b></p> <ul style="list-style-type: none"> <li>● DLBY</li> </ul> <p>[See Note (3) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]</p>

2.4 Nature of the RRPT - Proposed Renewal of Existing Shareholders' Mandate for the RRPT (cont'd)

Related Transacting Parties	Nature of Transaction	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 June 2023 ("Estimated Value") (RM' 000)	Actual value transacted from the last AGM to the LPD (RM' 000)	Estimated aggregate value of the transactions from the forthcoming AGM on 12 August 2024 to the next AGM in 2025 <sup>(1)</sup> (RM' 000)	Class and relationship of the Related Parties
Tastiway Group (comprising Tastiway, Tastiway Marketing, SLM Packaging and Kholin)	Sale of Gano liquid mycelium, Spirulina powder, Reishi Gano ("RG") powder, Gano Lucelium ("GL") powder, RG & GL mixed powder, vinegar, talcum powder and Cordypine cups to the Tastiway Group	200	54	200	<b>Interested Director and Major Shareholder:</b> ● DLSJ  <b>Interested Director:</b> ● DLBY  [See Note (4) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]
	Purchase of Zhi-Mint products, menthol, peppermint oil, aluminium foil packaging, fresh perfume and sanitiser liquid from the Tastiway Group	24,000	2,727	15,000	
	Payment of labour charges for packing of our products to Tastiway	6,000	-	3,000	
	Rental of 40-foot reefer container from Tastiway	300	20	150	

2.4 Nature of the RRPT - Proposed Renewal of Existing Shareholders' Mandate for the RRPT (cont'd)

Related Transacting Parties	Nature of Transaction	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 June 2023 ("Estimated Value") (RM' 000)	Actual value transacted from the last AGM to the LPD (RM' 000)	Estimated aggregate value of the transactions from the forthcoming AGM on 12 August 2024 to the next AGM in 2025 <sup>(1)</sup> (RM' 000)	Class and relationship of the Related Parties
"Lim Yew Lin" sole proprietorship	Payment of insurance premium to "Lim Yew Lin" sole proprietorship	4,500	1,408	4,500	<p><b>Interested Director and Major Shareholder:</b></p> <ul style="list-style-type: none"> <li>● DLSJ</li> </ul> <p><b>Interested Director:</b></p> <ul style="list-style-type: none"> <li>● DLBY</li> </ul> <p>[See Note (5) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]</p>
LSJ Global Group (comprising LSJ Global and Yiked)	Rental payable to the LSJ Global Group (landlords)  [See Note (6)(b) for the salient terms of the tenancy agreements between DXN Group and the LSJ Global Group]	1,100	462	1,100	<p><b>Interested Major Shareholder:</b></p> <ul style="list-style-type: none"> <li>● LSJ Global</li> </ul> <p><b>Interested Director and Major Shareholder:</b></p> <ul style="list-style-type: none"> <li>● DLSJ</li> </ul> <p><b>Interested Director:</b></p> <ul style="list-style-type: none"> <li>● DLBY</li> </ul> <p>[See Note (6)(a) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.]</p>

2.4 Nature of the RRPT - Proposed Renewal of Existing Shareholders' Mandate for the RRPT (cont'd)

Related Transacting Parties	Nature of Transaction	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 June 2023 ("Estimated Value") (RM' 000)	Actual value transacted from the last AGM to the LPD (RM' 000)	Estimated aggregate value of the transactions from the forthcoming AGM on 12 August 2024 to the next AGM in 2025 <sup>(1)</sup> (RM' 000)	Class and relationship of the Related Parties
DLSJ	Rental payable to DLSJ in respect of the rental at Unit F1-002, Happy Apartment, Jalan 17/22, 46400 Petaling Jaya, Selangor  [See Note (7)(a) for the salient terms of the tenancy agreements between DXN Marketing and DLSJ]	24	20	30	<b>Interested Director and Major Shareholder:</b> ● DLSJ
DLSJ	Rental payable to DLSJ in respect of the rental at Unit B1-05-03, Bukit Utama Condominium, Changkat Bukit Utama, 47800 Petaling Jaya, Selangor  [See Note (7)(b) for the salient terms of the tenancy agreements between DXN Marketing and DLSJ]	40	32	45	<b>Interested Director and Major Shareholder:</b> ● DLSJ

2.4 Nature of the RRPT - Proposed Renewal of Existing Shareholders' Mandate for the RRPT (cont'd)

Related Transacting Parties	Nature of Transaction	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 June 2023 ("Estimated Value") (RM' 000)	Actual value transacted from the last AGM to the LPD (RM' 000)	Estimated aggregate value of the transactions from the forthcoming AGM on 12 August 2024 to the next AGM in 2025 <sup>(1)</sup> (RM' 000)	Class and relationship of the Related Parties
DLBL	Rental payable to DLBL in respect of the two units of 3-storey shop offices at 189 and 190, Jalan BSG 5, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah  [See Note (8)(b) for the salient terms of the tenancy agreements between our Group and DLBL.]	40	39	60	<b>Interested Major Shareholder:</b> ● DLBL  <b>Interested Director and Major Shareholder:</b> ● DLSJ  <b>Interested Director:</b> ● DLBY  [See Note (8)(a) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.]
LSJ Biotech	Purchase of finished goods being RG and GL 90 and 30 capsules and powders from LSJ Biotech	20,000	6,006	15,000	<b>Interested Director and Major Shareholder:</b> ● DLSJ  [See Note (9) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]
LSJ Biotech	Sale of GL powder, empty vegetable capsules and machineries to LSJ Biotech	3,500	872	3,500	<b>Interested Director and Major Shareholder:</b> ● DLSJ  [See Note (9) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]

2.4 Nature of the RRPT - Proposed Renewal of Existing Shareholders' Mandate for the RRPT (cont'd)

Related Transacting Parties	Nature of Transaction	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 June 2023 ("Estimated Value") (RM' 000)	Actual value transacted from the last AGM to the LPD (RM' 000)	Estimated aggregate value of the transactions from the forthcoming AGM on 12 August 2024 to the next AGM in 2025 <sup>(1)</sup> (RM' 000)	Class and relationship of the Related Parties
Nores Industries, Nores Marketing, Tastiway, Kholin and SLM Packaging	Sale of laboratory tests on food & beverages to Nores Industries, Nores Marketing, Tastiway, Kholin and SLM Packaging	350	190	350	<p><b>Interested Director and Major Shareholder:</b></p> <ul style="list-style-type: none"> <li>● DLSJ</li> </ul> <p><b>Interested Director:</b></p> <ul style="list-style-type: none"> <li>● DLBY</li> </ul> <p>[See Notes (3) and (4) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]</p>
DCT Tours, Stargate Land, Nores Marketing and the Tastiway Group	Sale of computer hardware, provision of domain and email hosting subscription as well as website service to DCT Tours, Stargate Land, Nores Marketing and the Tastiway Group	25	10	25	<p><b>Interested Director and Major Shareholder:</b></p> <ul style="list-style-type: none"> <li>● DLSJ</li> </ul> <p><b>Interested Director:</b></p> <ul style="list-style-type: none"> <li>● DLBY</li> </ul> <p>[See Notes (2), (3), (4) and (11) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]</p>
LSJ Plantation	Sale of various seeds and saplings to LSJ Plantation	500	2	500	<p><b>Interested Director and Major Shareholder:</b></p> <ul style="list-style-type: none"> <li>● DLSJ</li> </ul> <p>[See Note (12) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]</p>
	Purchase of bamboo salt and black ginger seedling from LSJ Plantation	4,000	93	4,000	

2.4 Nature of the RRPT - Proposed Renewal of Existing Shareholders' Mandate for the RRPT (cont'd)

Related Transacting Parties	Nature of Transaction	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 June 2023 ("Estimated Value") (RM' 000)	Actual value transacted from the last AGM to the LPD (RM' 000)	Estimated aggregate value of the transactions from the forthcoming AGM on 12 August 2024 to the next AGM in 2025 <sup>(1)</sup> (RM' 000)	Class and relationship of the Related Parties
Nores Holdings	Rental payable to Nores Holdings in respect of a vacant land held under H.S(D) 21026, PT 2597, Bandar Alor Setar, Daerah Kota Setar, Kedah  [See Note (13)(b) for the salient terms of the tenancy agreement between DXN Marketing and Nores Holdings]	45	30	45	<b>Interested Director and Major Shareholder:</b> ● DLSJ  <b>Interested Director:</b> ● DLBY  [See Note (13)(a) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]

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## 2.5 Nature of the RRPT - Proposed New Shareholders' Mandate for the RRPT

The details of the nature and estimated annual value of the RRPT in respect of which DXN Group is seeking fresh mandate from its shareholders as contemplated under the Proposed Shareholders' Mandate are as follows:

Provider of goods and services	Recipients of goods and services	Nature of Transaction	Estimated aggregate value of the transactions from the forthcoming AGM on 12 August 2024 to the next AGM in 2025 <sup>(1)</sup> (RM' 000)	Class and relationship of the Related Parties
DXN Group	Zaman Biotech Sdn. Bhd.	Sales of white oyster mushroom bag logs.	50	<p><b>Interested Director and Major Shareholder:</b></p> <ul style="list-style-type: none"> <li>● DLSJ</li> </ul> <p>[See Notes (10) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]</p>
DXN Group	Pusat Rawatan	<p>Rental income receivable from Pusat Rawatan in respect of the rental at an office suite located at Level 1, DXN Cyberville, Jalan Teknokrat 1, 63000 Cyberjaya, Selangor.</p> <p>i. Build up area : 479 sq feet Monthly rental : RM1,300 (Payment of rental commenced on October 2023)</p> <p>ii. Build up area : 960 sq feet, monthly rental : RM2,600 (still under renovation. Payment of rental shall commence following the completion of renovation work)</p>	60	<p><b>Interested Director and Major Shareholder:</b></p> <ul style="list-style-type: none"> <li>● DLSJ</li> </ul> <p><b>Interested Director:</b></p> <ul style="list-style-type: none"> <li>● DLBY</li> </ul> <p>[See Note (14) and (15) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]</p>



2.5 Nature of the RRPT - Proposed New Shareholders' Mandate for the RRPT (cont'd)

Provider of goods and services	Recipients of goods and services	Nature of Transaction	Estimated aggregate value of the transactions from the forthcoming AGM on 12 August 2024 to the next AGM in 2025 <sup>(1)</sup> (RM' 000)	Class and relationship of the Related Parties
DXN Group	Pusat Rawatan	Sale of Himalayan salt, soap, hand wash, skin care, Gano massage oil, Spirulina powder, computer hardware to Pusat Rawatan.	30	<p><b>Interested Director and Major Shareholder:</b></p> <ul style="list-style-type: none"> <li>● DLSJ</li> </ul> <p><b>Interested Director:</b></p> <ul style="list-style-type: none"> <li>● DLBY</li> </ul> <p>[See Note (14) and (15) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]</p>
Sunyatee Products	DXN Group	Purchase of staff uniform.	300	<p><b>Interested Director:</b></p> <ul style="list-style-type: none"> <li>● Dr. Rajesh Sikka Savera (“Dr. Rajesh”)</li> </ul> <p>[See Note (16) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]</p>
DXN Group	Sunyatee Products	Sales of Noni dry powder.	10	<p><b>Interested Director:</b></p> <ul style="list-style-type: none"> <li>● Dr. Rajesh</li> </ul> <p>[See Note (16) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]</p>
Sunyatee International Foundation	DXN Group	Purchase of staff uniform.	300	<p><b>Interested Director:</b></p> <ul style="list-style-type: none"> <li>● Dr. Rajesh</li> </ul> <p>[See Note (17) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]</p>
Soundarya & Prasadhan	DXN Group	Purchase of raw material and packaging materials.	1,000	<p><b>Interested Director:</b></p> <ul style="list-style-type: none"> <li>● Dr. Rajesh</li> </ul> <p>[See Note (16) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]</p>

## 2.5 Nature of the RRPT - Proposed New Shareholders' Mandate for the RRPT (cont'd)

Provider of goods and services	Recipients of goods and services	Nature of Transaction	Estimated aggregate value of the transactions from the forthcoming AGM on 12 August 2024 to the next AGM in 2025 <sup>(1)</sup> (RM' 000)	Class and relationship of the Related Parties
Nagajiva Agro Farms	DXN Group	Purchase of raw material – Spirulina powder.	1,000	<b>Interested Director:</b> ● Dr. Rajesh  [See Note (16) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]
DXN Group	LSA Biotech	Sales of white oyster mushroom.	1,500	<b>Interested Director and Major Shareholder:</b> ● DLSJ  [See Note (18) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.]

Notes accompanying Section 2.4 and Section 2.5 are as follows:

- (1) From the date of forthcoming AGM up to date of the next AGM. The estimated value for mandate is based on management forecast of transaction value that have been undertaken and anticipated. The estimated value is subject to changes.
- (2) DLBY, our Non-Independent Non-Executive Director, is the director and a shareholder of DCT Tours holding 10.0% equity interest in DCT Tours. He is the brother of DLSJ, our Non-Independent Executive Chairman and our major shareholder by virtue of his interest in LSJ Global and his beneficial ownership representing approximately 0.28% equity interest in our Company that is held on trust by LSJ Global.
- (3) Lim Chea Lin and Lee Chiew Khim are the directors and shareholders of Nores Industries and Nores Marketing. Lim Chea Lin and Lee Chiew Khim each hold 30.0% equity interest in Nores Industries, and 40.0% equity interest respectively in Nores Marketing. Lim Chea Lin is the sister of DLSJ and DLBY. Lee Chiew Khim is the spouse of Lim Chea Lin and the brother in-law of DLSJ and DLBY.
- (4) Lim Beng Lee and Khor Yuan Ning are the directors and shareholders of Tastiway, which is the holding company of Tastiway Marketing, SLM Packaging and Kholin. Lim Beng Lee and Khor Yuan Ning each hold 50.0% equity interest in Tastiway. Lim Beng Lee is the brother of DLSJ and DLBY. Khor Yuan Ning is the spouse of Lim Beng Lee and the sister in-law of DLSJ and DLBY.
- (5) Lim Yew Lin is the owner of "Lim Yew Lin" sole proprietorship. Lim Yew Lin is the sister of DLSJ and DLBY, our Non-Independent Executive Chairman and Non-Independent Non-Executive Director respectively. Lim Yew Lin is the Chief Financial Officer of our Company.

## 2.5 Nature of the RRPT - Proposed New Shareholders' Mandate for the RRPT (cont'd)

- (6) LSJ Global
- (a) LSJ Global is our major shareholder. DLSJ and DLBL are the major shareholders of LSJ Global holding 49.9% and 50.0% equity interest respectively in LSJ Global and our indirect major shareholders by virtue of their interests in LSJ Global. DLSJ and DLBY are our Non-Independent Executive Chairman and Non-Independent Non-Executive Director respectively. DLSJ and DLBY are also directors of LSJ Global. Lim Yew Lin, our Chief Financial Officer and Company Secretary is also a director of LSJ Global.
- (b) The salient terms of the tenancy agreements between our Group and the LSJ Global Group are as follows:
- (i) in respect of the tenancy agreement dated 12 October 2015 which was subsequently renewed by the letters of extension dated 29 September 2017, 9 October 2019, 14 December 2020, 28 February 2021 and 14 February 2022, and the renewal tenancy agreement dated 14 March 2023 which was subsequently further renewed by the letter of extension dated 22 January 2024 between DXN and Yiked for the rental of the premise at 2<sup>nd</sup> Floor of Nos. 109 to 116, Jalan BSG 2, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah ("Lot 109 to 116"), and 1<sup>st</sup> Floor of Nos. 111 to 112, Jalan BSG 2, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for one year commencing from 1 March 2024 to 28 February 2025. The monthly rental rate is RM12,500;
  - (ii) in respect of the tenancy agreement dated 1 March 2019 which was subsequently renewed by the letters of extension dated 28 February 2021, 4 January 2022, 16 March 2023 and 23 January 2024 between DXN Pharma and LSJ Global for the rental of premise known as GM 1613, Lot 2269, Tempat Bukit Tok Iting, Mukim Binjal, Daerah Kubang Pasu, Kedah, the tenure of the tenancy is for one year commencing from 1 March 2024 to 28 February 2025. The monthly rental rate is RM10,500;
  - (iii) in respect of the tenancy agreement dated 8 July 2020 which was subsequently renewed by the letter of extension dated 30 June 2021 and the renewal tenancy agreement dated 14 February 2022 between DXN Pharma and Yiked for the rental of the premise at Nos. 232 – 235, Jalan BSG 10, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for eight months commencing from 1 March 2022 to 28 February 2023. The monthly rental rate was RM5,200;
  - (iv) in respect of the tenancy agreement dated 16 January 2020 which was subsequently renewed by the letters of extension dated 14 December 2020, 28 February 2021 and 14 February 2022, and the renewal tenancy agreement dated 14 March 2023 which was subsequently further renewed by the letter of extension dated 22 January 2024 between DXN Industries and Yiked for the rental of the premise at Ground Floor of Nos. 115 and 116, Jalan BSG 2, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for one year commencing from 1 March 2024 to 28 February 2025. The monthly rental rate is RM2,500;
  - (v) in respect of the tenancy agreement dated 12 October 2015 which was subsequently renewed by the letters of extension dated 2 October 2017, 9 October 2019, 14 December 2020, 28 February 2021 and 14 February 2022, the renewal tenancy agreement dated 14 March 2023 which was subsequently further renewed by the letter of extension dated 22 January 2024 between DXN Marketing and Yiked for the rental of the premise at Ground Floor of Nos. 112, 113 and 114, and 1<sup>st</sup> Floor of Nos. 110 and 114 -116, Jalan BSG 2, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for one year commencing from 1 March 2024 to 28 February 2025. The monthly rental rate is RM11,800;
  - (vi) in respect of the tenancy agreement dated 7 August 2020 which was subsequently renewed by the letter of extension dated 31 May 2021 between DXN Biotech and Yiked for the rental of the premise at Nos. 230 & 231, Jalan BSG 10, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy was for one year commencing from 1 June 2021 to 28 February 2022. The monthly rental rate was RM2,500. We ended the tenancy of this premise starting from August 2021;
  - (vii) in respect of the tenancy agreement dated 12 April 2021 which was subsequently renewed by the tenancy agreement dated 14 February 2022 and further renewed by the letter of extension dated 14 March 2023 between DXN Food Tech and Yiked for the rental of the premise at No. 228, Jalan BSG 9, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for one year commencing from 1 March 2023 to 29 February 2024. The tenancy has been renewed vide a letter of extension dated 22 January 2024 for a further period of one year commencing from 1 March 2024 to 28 February 2025. The monthly rental rate is RM2,500.

## 2.5 Nature of the RRPT - Proposed New Shareholders' Mandate for the RRPT (cont'd)

- (viii) in respect of the tenancy agreement dated 5 April 2021 between DXN and Yiked for the rental of the premise at Ground Floor of Nos. 109 and 110, Jalan BSG 2, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah ("Lot 109 and 110"), the tenure of the tenancy is for one year commencing from 1 March 2021 to 28 February 2022. Subsequently, DXN Cafe entered into a tenancy agreement dated 14 February 2022 with Yiked for the renewal of the rental for Lots 109 and 110 and the inclusion of the rental of the premise at Ground Floor of No. 111, Jalan BSG 2, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah ("Lot 111"), both for a tenure of one year commencing from 1 March 2022 to 28 February 2023. The tenancies for Lots 109, 110 and 111 have been renewed vide a letter of extension dated 14 March 2023 for a further period of one year commencing from 1 March 2023 to 29 February 2024. Subsequently further renewed vide a letter of extension dated 22 January 2024 for a further period of one year commencing from 1 March 2024 to 28 February 2025. The monthly rental rate for Lot 109 and 110 is RM2,500 while the monthly rental rate for Lot 111 is RM600.
  - (ix) in respect of the tenancy agreement dated 28 December 2021 which was subsequently renewed by the letter of extension dated 14 March 2023 between Bio Synergy and Yiked for the rental of the premise at Nos. 213 to 220, Jalan BSG 9, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is from the date of renovation up to 29 February 2024. The monthly rental rate is RM18,000. As at the LPD, renovation work has not completed and hence, no payment has been made to Yiked in respect of this tenancy agreement;
  - (x) in respect of the tenancy agreement dated 29 August 2022 which was subsequently renewed by the letter of extension dated 14 March 2023 and 22 January 2024 between Yiked and DXN Pharma for the rental of the premise at Nos. 237-239, Jalan BSG 10, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for one year commencing from 1 March 2024 to 28 February 2025. The monthly rental rate is RM6,300; and
  - (xi) in respect of the tenancy agreement dated 11 August 2023 which was subsequently renewed by the letter of extension dated 22 January 2024 between Yiked and DXN Biotech for the rental of the premise at Nos. 312, Jalan BSG 11, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for one year commencing from 1 March 2024 to 28 February 2025. The monthly rental rate is RM2,900.
- (7) The salient terms of the tenancy agreements between our Group and DLSJ are as follows:
- (a) in respect of the tenancy agreement dated 15 March 2019 which was subsequently renewed by the tenancy agreement dated 21 December 2021 between DXN Marketing and DLSJ for the rental of the premise at Unit F1-002, Happy Apartment, Jalan 17/22, 46400, Petaling Jaya, Selangor, the tenure is for three years commencing from 1 November 2021 to 31 October 2024. The monthly rental rate is RM2,500; and
  - (b) in respect of the tenancy agreement dated 14 September 2022 between DXN Marketing and DLSJ for the rental of the premise at Unit B1-05-03, Bukit Utama Condominium, Changkat Bukit Utama, 47800 Petaling Jaya, Selangor, the tenure is for two years commencing from 1 August 2022 to 31 July 2024. The monthly rental rate is RM3,200.
- (8) The relationship and transactions between our Group and DLBL are as follows:
- (a) DLBL is our major shareholder by virtue of her interest in LSJ Global and her beneficial ownership representing approximately 25.23% equity interest in our Company that is held in trust by LSJ Global. DLBL is also the spouse of DLSJ and the sister-in-law of DLBY, our Non-Independent Executive Chairman and Non-Independent Non-Executive Director respectively.
  - (b) The salient terms of the tenancy agreements between our Group and DLBL are as follows:
    - (i) in respect of the tenancy agreement dated 19 July 2022 which was subsequently renewed by the letter of extension dated 20 June 2023 between DXN Pharma and DLBL for the rental of the 3-storey shop office having postal address at 189, Jalan BSG 5, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for one year commencing from 1 July 2023 to 30 June 2024. The monthly rental rate is RM2,500; and
    - (ii) in respect of the tenancy agreement dated 3 September 2019 which was subsequently renewed by the letter of extension dated 22 June 2023 between DXN Pharma and DLBL for the rental of the 3-storey shop office having postal address at 190, Jalan BSG 5, Bandar Stargate, Lebuhraya Sultanah Bahiyah, 05400 Alor Setar, Kedah, the tenure of the tenancy is for one year commencing from 1 July 2023 to 30 June 2024. The monthly rental rate is RM1,800.
- (9) DLSJ is a director and shareholder of LSJ Biotech holding 95.0% equity interest in LSJ Biotech.

## 2.5 Nature of the RRPT - Proposed New Shareholders' Mandate for the RRPT (cont'd)

- (10) DLSJ is a director and shareholder of Zaman Biotech holding 40.0% equity interest in Zaman Biotech.
- (11) DLBY is our Non-Independent Non-Executive Director and brother of DLSJ, our Non-Independent Executive Chairman and our major shareholder. DLBY and his spouse, Datin Kee Yew Oi are the directors and shareholders of Stargate Land holding 85.0% and 15.0% equity interest respectively in Stargate Land.
- (12) DLSJ is a director of LSJ Plantation as at the LPD.
- (13) The relationship between our Group and Nores Holdings are as follows:
- (a) Lim Chea Lin and Lee Chiew Khim are the directors and shareholders of Nores Holdings. Lim Chea Lin and Lee Chiew Khim each hold 40.0% equity interest respectively in Nores Holdings. Lim Chea Lin is the sister of DLSJ and DLBY, our Non-Independent Executive Chairman and Non-Independent Non-Executive Director respectively. Lee Chiew Khim is the spouse of Lim Chea Lin and the brother in-law of DLSJ and DLBY.
- (b) In respect of the tenancy agreement dated 12 May 2022, which was subsequently renewed automatically between DXN Marketing and Nores Holdings for the rental of vacant land held under HS(D) 21026, PT 2597, Bandar Alor Setar, Daerah Kota Setar, Kedah, the tenure of the tenancy is for one year, commencing from 1 May 2023 to 30 April 2024. The monthly rental rate is RM3,000.
- (14) DLSJ is a director and shareholder of Pusat Rawatan Komplementari holding 33.3% equity interest in Pusat Rawatan.
- (15) DLBY is our Non-Independent Non-Executive Director and brother of DLSJ, our Non-Independent Executive Chairman and our major shareholder. DLBY is a Director and shareholder of Pusat Rawatan holding 33.3% equity interest.
- (16) Dr. Rajesh is a Director of DXN Manufacturing (India) Private Ltd., Esen Lifesciences Private Ltd., and DXN Clinics Private Ltd., all of which are subsidiaries within the DXN Group. He also serves as the Special Assistant to DLSJ. Additionally, Dr. Rajesh is a director and shareholder of Sunyatee Products, Soundarya & Prasadhan, and Nagajiva Agro Farms, where he holds a 50% equity interest each in these companies.
- (17) Dr. Rajesh is a director and shareholder of Sunyatee International Foundation holding 99% equity interest.
- (18) DLSJ is a director and shareholder of LSA Biotech holding 70% equity interest in LSA Biotech.

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## **2.6 Amount Due and Owing by Related Parties**

As at the LPD, there was no amount due and owing by the Related Parties to the DXN Group that has exceeded the credit term for the RRPTs.

## **2.7 Guidelines and Review Procedures**

The Group had established the guidelines and procedures to ensure that the RRPT contemplated under the Proposed Shareholders' Mandate are undertaken on transaction prices and terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders:

### **(a) Methods for Determination of Transaction Price**

- (i) The transaction prices and the terms and conditions are determined by current market forces under similar commercial terms and normal trade practices for transactions with third parties.
- (ii) The Group shall ensure that at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, whenever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.
- (iii) In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the Group's pricing for the products/services to be supplied/provided and/or purchased/received will be determined in accordance with the Group's usual business practices and policies, which are on terms not more favourable to the related parties than those extended to third parties/public and not to the detriment of minority shareholders of the Company.
- (iv) The rental rates for the properties were determined based on the valuation report from professional valuer and/or conducting an internal market survey and comparison with the rental rate at the adjacent properties.

### **(b) Thresholds for Approval of RRPT**

There are no specific thresholds for the approval of RRPT within the Group. All the RRPT will be reviewed by the Board Audit Committee and approved by the Board (excluding the interested Directors).

### **(c) Monitoring of RRPT**

- (i) An updated list of related parties shall be circulated within the Group from time to time for reference and at the same time, the related party will be notified to ensure that all RRPT are undertaken in accordance with the policies.
- (ii) All operating divisions and subsidiary companies shall review the existing information systems to ensure that information on Related Party Transactions are captured at source.
- (iii) Records will be maintained by the Company for Board Audit Committee's review in order to capture all RRPT which are entered into pursuant to the shareholders' mandate.

- (iv) The Board Audit Committee shall review the internal audit reports as and when required to ascertain that the guidelines and procedures established to monitor RRPT have been complied with.
- (v) The Board and the Board Audit Committee shall have overall responsibility for the determination of the review procedures with authority to sub-delegate to individuals or committees within the Company as they deem appropriate. If a member of the Board or Board Audit Committee has an interest, as the case may be, he will abstain from any decision making by the Board and the Board Audit Committee respectively in respect of the said transaction.
- (vi) Additional quotations, if relevant, from third parties will be obtained and will be evaluated based on ranking on the price, delivery, services and other terms and conditions before entering into such transactions.

If it is determined that the guidelines and/or procedures stated in this Circular are inadequate and to ensure that:

- (a) the RRPT will be conducted at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (b) such transactions are not to the detriment of the minority shareholders of the Company or prejudicial to the interests of the shareholders

the Company will obtain a fresh shareholders' mandate based on new guidelines and procedures. The Board Audit Committee shall also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such a request to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

## **2.8 Disclosure of Annual Report**

Disclosure will be made in the Company's Annual Report 2024 in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT made during the financial year pursuant to the Proposed Shareholders' Mandate based on the following information:-

- (a) the type of RRPT made; and
- (b) the names of the Related Parties involved in each type of the RRPT made and their relationship with the Company.

## **2.9 Deviation from Mandate**

The actual value of RRPT did not exceed ten per centum (10%) of the estimated value as approved under the previous shareholders' mandate granted to the Company at the last AGM.

## **3 STATEMENT BY BOARD AUDIT COMMITTEE**

The Board Audit Committee, is of the opinion that the Proposed Shareholders' Mandate is fair, reasonable and is in the best interest of the Company and its shareholders.

The Board Audit Committee of the Company, with the overall responsibility in determining the procedures for reviewing all RRPT, will at least once a year, conduct a review and ascertain that the guidelines and procedures established to monitor the RRPTs have been complied with.

The Board Audit Committee of the Company has seen and reviewed the procedure mentioned in Section 2.7 above and is of the view that:

- (a) The procedures and processes are sufficient to ensure that the RRPT are carried out on terms that are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders; and
- (b) The Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever the need arises.

## **4 RATIONALE FOR AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE**

### **4.1 Rationale for the Proposed Shareholders' Mandate**

The rationale for the Proposed Shareholders' Mandate is to enable DXN Group to obtain general mandate from its shareholders for the RRPT. On the whole, the RRPT are considered by the Board to be beneficial to the DXN Group as they constitute recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations of DXN Group, and which contribute to the generation of their turnover.

It is envisaged that in the normal course of business of DXN Group, transactions in respect of goods or services with the Related Parties will occur with some degree of frequency from time to time and may arise at any time.

Some of these RRPT may be time-sensitive and it may be impractical to seek shareholders' approval on a case to case basis before entering into such RRPT.

The obtaining of the shareholders' mandate and the renewal thereof on an annual basis would eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT arise, thereby reducing administrative time and cost associated with the corporate objectives or adversely affecting the business opportunities available to DXN Group.

### **4.2 Benefits of the Proposed Shareholders' Mandate**

Some of the benefits to be derived from the Proposed Shareholders' Mandate are:

- (a) flexibility and choice of parties to enter into such transactions, whether with Related Parties or Non-Related Parties;
- (b) facilitate transactions with Related Parties which are in the ordinary course of business of DXN Group undertaken at arm's length basis, normal commercial terms and 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;
- (c) facilitate transactions with Related Parties in an expeditious manner to meet business needs for the supply and/or provision of goods and services which are necessary for its day-to-day operations, particularly business needs which are time sensitive in nature; and
- (d) eliminate the need to announce and convene separate general meetings to seek shareholders' mandate for each transaction and as such, substantially reduce expenses, time and other resources associated with the making of announcements and convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow financial and manpower resources to be channeled to attain more productive objectives.

In addition to the above benefits, the Related Parties had also proven to be reliable in its delivery of services and products as well as fulfilling the quality expectations of the DXN Group.



Due to previous business dealings with the Related Parties, the Related Parties are familiar with the Group's operations and are able to meet the Group's business requirements even when short notice is given. This has allowed the Group to benefit from sudden business opportunities that had arisen.

## 5 EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is not expected to have any effect on the total number of issued shares, the substantial shareholders' shareholdings of the Company, the NA per Share and gearing of the Group for the financial year ending 29 February 2025.

## 6 APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of the shareholders of DXN at the forthcoming 28<sup>th</sup> AGM.

## 7 DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

The direct and indirect interest of the interested Directors and/or the interested Major Shareholders of DXN and/or Persons Connected with them as at LPD are summarised below:

Interested Directors and/or Major Shareholders and/or Persons Connected	Shareholdings			
	Direct		Indirect	
	No. of shares	%	No. of shares	%
<b>Director and Major Shareholder</b>				
DLSJ	938,800	0.019	<sup>(1)</sup> 3,394,780,805	<sup>(1)</sup> 68.268
<b>Director</b>				
DLBY	1,715,000	0.034	-	-
<b>Major Shareholders</b>				
LSJ Global	3,394,780,805	68.268	-	-
DLBL	-	-	<sup>(1)</sup> 3,395,719,605	<sup>(1)</sup> 68.286
<b>Persons Connected to Directors and/or Major Shareholders</b>				
Lim Yew Lin <sup>(2)</sup>	5,800,000	0.117	-	-
Lim Chea Lin <sup>(2)</sup>	104,023,100	2.092	<sup>(7)</sup> 300,000	<sup>(7)</sup> 0.006
Lee Chiew Khim <sup>(3)</sup>	300,000	0.006	<sup>(7)</sup> 104,023,100	<sup>(7)</sup> 2.092
Lim Beng Lee <sup>(4)</sup>	700	0.000	<sup>(8)</sup> 1,254,000	<sup>(8)</sup> 0.025
Khor Yuan Ning <sup>(5)</sup>	935,000	0.019	<sup>(8)</sup> 319,700	<sup>(8)</sup> 0.006
Kee Yew Oi <sup>(6)</sup>	-	-	<sup>(7)</sup> 1,715,000	<sup>(7)</sup> 0.034

<sup>(1)</sup> Deemed interested by virtue of his shareholding in LSJ Global, applying Section 8(4) of the Act. LSJ Global held 3,394,780,805 ordinary shares in the Company ("DXN Shares") as at 31 May 2024, out of which 14,140,105 DXN Shares are held in trust for Datuk Lim Siow Jin and 1,254,500,000 DXN Shares are held on trust for his spouse, Datin Leong Bee Ling.

<sup>(2)</sup> Deemed interested by virtue of her shareholding in LSJ Global, applying Section 8(4) of the Act and via her spouse pursuant to Section 59(11)(c) of the Act.

<sup>(3)</sup> Lim Yew Lin and Lim Chea Lin are the sister of both DLSJ and DLBY. Lim Yew Lin is the Chief Financial Officer of the Company. Lee Chiew Khim is the spouse of Lim Chea Lin.

<sup>(4)</sup> Lim Beng Lee is the brother of DLSJ and DLBY.

<sup>(5)</sup> Khor Yuan Ning is the spouse of Lim Beng Lee.

<sup>(6)</sup> Datin Kee Yew Oi is the spouse of DLBY.

<sup>(7)</sup> Deemed interested via spouse pursuant Section 59(11)(c) of the Act.

<sup>(8)</sup> Deemed interested pursuant to Section 8(4) and Section 59(11)(c) of the Act.

The above interested Directors and Major Shareholders have abstained and will continue to abstain from all deliberations and voting on the RRPT involving them as comprised in the Proposed Shareholders' Mandate at the relevant Board meetings and will abstain from voting in respect of their direct and indirect shareholdings (if any) in the Company at the forthcoming AGM on the resolution approving the Proposed Shareholders' Mandate.

In addition, the above interested Directors and Major Shareholders have undertaken and will ensure that the Persons Connected with them (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the ordinary resolution deliberating or approving the Proposed Shareholders' Mandate at the 28<sup>th</sup> AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholders of the Group and/or Persons Connected to them, have any interest, direct or indirect, in the Proposed Shareholders' Mandate.

## **8 DIRECTORS' RECOMMENDATION**

Having considered the rationale for the Proposed Shareholders' Mandate and deliberated on the same, the Board, with the exception of Datuk Lim Siow Jin and Dato' Lim Boon Yee, is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Group.

With the exception of Datuk Lim Siow Jin and Dato' Lim Boon Yee who are interested in the Proposed Shareholders' Mandate in the manner disclosed in the tables under Section 2.4 and Section 2.5 of Part A of this Circular, and have therefore abstained from making any recommendation in respect of the RRPT in which they are involved, the Board recommends that you vote in favour of the Ordinary Resolution on the Proposed Shareholders' Mandate to be tabled at the forthcoming 28<sup>th</sup> AGM.

## **9 AGM**

The 28<sup>th</sup> AGM, the notice of which is enclosed in the Annual Report of the Company for the financial year ended 29 February 2024, will be convened at DXN Cyberville, Jalan Teknokrat 1, Cyberjaya, 63000 Cyberjaya, Selangor, Malaysia on Monday, 12 August 2024 at 10.00 am for the purpose of considering and, if thought fit, passing with or without any modifications to the ordinary resolution so as to give effect to the Proposed Shareholders' Mandate under the Special Business in the 28<sup>th</sup> AGM.

If you are unable to attend the 28<sup>th</sup> AGM in person, you are requested to complete the enclosed Proxy Form in accordance with the instructions contained therein and forward it 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 time appointed for holding the meeting or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the 28<sup>th</sup> AGM should you subsequently wish to do so.

## **10 FURTHER INFORMATION**

Shareholders of DXN are requested to refer to the attached Appendix I accompanying this Circular for further information.

Yours faithfully  
for and on behalf of the Board of  
**DXN HOLDINGS BHD.**

**Abraham Verghese A/L T V Abraham**  
Independent Non-Executive Director  
Chairman of the Board Audit Committee

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**PART B**

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED  
RENEWAL OF AUTHORITY FOR THE COMPANY TO BUY-BACK ITS  
OWN SHARES (“PROPOSED RENEWAL OF SHAREHOLDERS’  
MANDATE FOR SHARE BUY-BACK”)**



## **DXN HOLDINGS BHD.**

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

### **STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO BUY-BACK ITS OWN SHARES (“PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR SHARE BUY-BACK”)**

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#### **1. INTRODUCTION**

The Company proposes to seek renewal of the authority from shareholders for DXN to purchase and/or hold from time to time and at any time up to ten per centum (10%) of its own Shares in the total number of issued shares of the Company.

On 19 June 2024, DXN announced its intention to seek Shareholders’ approval for the Proposed Renewal of Authority for the Company to buy-back its own Shares at the forthcoming 28th AGM to be held on 12 August 2024.

The purpose of this Statement is to provide you with the details of the Proposed Renewal of Shareholders’ Mandate for Share Buy-Back and to seek your approval for the ordinary resolution to be tabled at the forthcoming 28<sup>th</sup> AGM.

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS STATEMENT INCLUDING THE APPENDIX CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR SHARE BUY-BACK TO BE TABLED AT THE FORTHCOMING 28<sup>TH</sup> AGM**

#### **2. INFORMATION ON THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR SHARE BUY-BACK**

##### **2.1 Details of the Proposed Renewal of Shareholders’ Mandate for Share Buy-Back**

The Company proposes to seek the renewal of the authority from shareholders of DXN to purchase and/or hold from time to time and at any time up to ten per centum (10%) of the total number of issued shares of the Company at the point of purchase. In accordance with Section 127 of the Act, the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase, the Company is allowed to purchase its own Shares on the Bursa Securities through its appointed stockbroker(s) as approved by Bursa Securities.

As at LPD, the Company has bought back 12,238,500 Shares from the open market.

As at LPD, the total number of issued shares of DXN before adjusting for Treasury Shares comprises 4,985,000,000 shares (“**DXN Shares**”). A total of up to 498,500,000 DXN Shares may be purchased by the Company. As such, the balance of DXN Shares that can be purchased as at to-date is 486,261,500. None of the DXN Shares bought back have been cancelled.

The Company also has ESOS (excluding treasury shares, if any) at any point of time during the duration of the scheme to the eligible Directors and employees, which is in force for a period of five (5) years from the effective date of implementation of the ESOS on 19 May 2023. Should the total number of issued Shares increase due to the implementation exercise of the ESOS, the maximum number of DXN Shares that can be purchased is up to ten percent (10%) of the enlarged total number of issued Shares at the time of purchase.

The Proposed Renewal of Shareholders' Mandate for Share Buy-Back, if approved, will be effective upon the passing of the ordinary resolution at the forthcoming AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the authority will lapse unless by ordinary resolution passed at that 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 by law to be held; or
- (c) revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting,

whichever occurs first.

The approval from the shareholders for the Proposed Renewal of Shareholders' Mandate for Share Buy-Back does not impose an obligation on the Company to purchase its own Shares on Bursa Securities. The Proposed Renewal of Shareholders' Mandate for Share Buy-Back will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

## **2.2 Purchase, Resale or Transfer Price**

Pursuant to the Listing Requirements, the Company may only purchase its own Shares on the Bursa Securities at a price not more than fifteen per centum (15%) above the weighted average market price for the Shares for the five (5) market days immediately before the purchase.

The Company may only resell the Treasury Shares on the Bursa Securities or transfer Treasury Shares pursuant to section 127(7) of the Act at –

- (a) a price which is not less than the weighted average market price for the Shares for the past five (5) market days immediately before the resale; or
- (b) a discounted price of not more than five per centum (5%) to the weighted average market price of the Shares for the five (5) market days immediately before the resale or transfer provided that:
  - (i) the resale or transfer takes place no earlier than thirty (30) days from the date of purchase; and
  - (ii) the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

### **2.3 Treatment of Shares Purchased**

Pursuant to the provisions of Section 127 of the Act, the Board may resolve, at its discretion, to deal with the purchased Shares ("Purchased Shares"), in the following manner:

- (a) retain the Purchased Shares as Treasury Shares; or
- (b) cancel the Purchased Shares; or
- (c) a combination of both.

Accordingly, the Board may, at its discretion, deal with the Purchased Shares held as Treasury Shares, as follows:

- (a) distribute as share dividends to shareholders, such dividend to be known as "share dividends";
- (b) resell on Bursa Securities in accordance with the relevant rules of Bursa Securities;
- (c) transfer the Treasury Shares, or any of the Treasury Shares as purchase consideration;
- (d) cancel the Treasury Shares; or
- (e) sell transfer or otherwise use the Treasury Shares for such other purposes as the Minister may by order prescribe.

The distribution of Treasury Shares as share dividends may be applied as a reduction of the retained profits or share premium account of the Company subject to any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase.

To date, the Company has yet to determine the manner of which the Purchased Shares are to be treated. However, the Board will deal with the Purchased Shares in accordance with Section 127 of the Act and will make an immediate announcement to Bursa Securities regarding the treatment of the Purchased Shares, whether the Shares purchased will be cancelled, retained as Treasury Shares, distributed as dividend to the shareholders and/or resold on Bursa Securities, or a combination of above, once determined.

### **2.4 Ranking**

While the Purchased Shares are held as Treasury Shares, Section 127(9) of the Act states that the rights attached to them as to voting, dividends and participation in other distribution and otherwise are suspended. The Treasury Shares shall not be taken into account in calculating the number or percentage of DXN Shares or of a class of DXN Shares for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

## **3. SOURCES OF FUND**

The Proposed Renewal of Shareholders' Mandate for Share Buy-Back will be financed through internally generated funds and/or bank borrowings. The maximum amount of funds to be utilised by the Company for the Proposed Renewal of Shareholders' Mandate for Share Buy-Back shall not exceed the retained profits of the Company.

The retained profit of the Company, based on the latest audited financial statements of the Company as at 29 February 2024 is RM194,408,000.

In the event that the Company intends to purchase its own Shares using bank borrowings, the Board shall ensure that the Company shall have sufficient funds to repay the external borrowings and that the repayment would not have any material effect on the cash flow of the Group.

The actual number of the Shares to be purchased, and the timing of such purchases will depend on, among others, the market conditions and sentiments of the stock market as well as the Company's financial resources and retained earnings.

#### **4. RATIONALE/POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK**

The Proposed Renewal of Shareholders' Mandate for Share Buy-Back, if implemented, will enable DXN to utilise any of its surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the market.

Any share buy-back, if implemented pursuant to the Proposed Renewal of Shareholders' Mandate for Share Buy-Back, is likely to potentially benefit DXN and its shareholders in the following manner:

- (a) The Purchased Shares may be held as treasury shares and distributed to shareholders as share dividends and/or resell or partially resell in the open market with the intention of realising a potential capital gain if the Purchased Shares are resell at price(s) higher than their purchase price(s);
- (b) The Purchased Shares may be held as treasury shares and to be transferred for the purpose of or under the employees' share grant scheme to be established by the Company without the necessity of appointing a trustee, thus, saving costs; and
- (c) Allow the Company to take preventive measures against speculation particularly when its Shares are undervalued which would in turn stabilise the supply and demand of its Shares in the open market and thereby supporting its fundamental values.

The potential disadvantages of the Proposed Renewal of Shareholders' Mandate for Share Buy-Back to the Company and its shareholders are as follows:

- (a) The Proposed Renewal of Shareholders' Mandate for Share Buy-Back, if exercised, is expected to temporarily reduce the financial resources of the Group and may represent an opportunity cost to the Group in respect of its ability to undertake other investment opportunities and/or to earn any income that may be derived from other alternative use of such funds such as deposits in interest bearing instruments; and
- (b) As the Proposed Renewal of Shareholders' Mandate for Share Buy-Back must be made wholly out of the retained earnings of the Company, it may result in the reduction of financial resources available for distribution to the shareholders in the form of cash dividends as the funds are utilised to purchase the Company's own Shares.

Nevertheless, the Board is of the view that the Proposed Renewal of Shareholders' Mandate for Share Buy-Back is not expected to have any potential material disadvantage to Company and its shareholders as it will be implemented only after in-depth consideration of the financial resources of the Company and the resultant impact on the shareholders. The Board will be mindful of the interest of DXN and its shareholders in undertaking the Proposed Renewal of Shareholders' Mandate for Share Buy-Back and in the subsequent cancellation of the Purchased Shares.



## 5. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK

Assuming that the Proposed Renewal of Shareholders' Mandate for Share Buy-Back is implemented in full, by the Company, the effects of the Proposed Renewal of Shareholders' Mandate for Share Buy-Back on the number of issued shares, EPS, NA, working capital, gearing and dividend are as set out below:

### 5.1 Issued Share Capital

The effects of the Proposed Renewal of Shareholders' Mandate for Share Buy-Back on the share capital of the Company will depend on the intention of the Board as to the treatment of the Shares purchased.

If the Purchased Shares are retained as Treasury Shares, the issued Shares will not be reduced but the rights attaching to the Treasury Shares as to voting, dividends and participation in other distributions or otherwise will be suspended. While these Shares remain as Treasury Shares, the Act prohibits the taking into account of such Shares in calculating the number of percentage of Shares for a purpose whatsoever including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

On the assumption that the Share Buy-Back is carried out in full and the Purchased Shares are fully cancelled, the effects of the Share Buy-Back on the total number of issued Shares of the Company are as follows:

	<b>Minimum Scenario<sup>(1)</sup> Number of Shares</b>	<b>Maximum Scenario<sup>(2)</sup> Number of Shares</b>
Existing total number of issued Shares	4,985,000,000	4,985,000,000
Assuming full exercise of ESOS	-	249,250,000
Total number of issued Shares	4,985,000,000	5,234,250,000
Maximum number of Shares that may be purchased pursuant to the Proposed Renewal of Shareholders' Mandate for Share Buy-Back	498,500,000	523,425,000
Total number of issued Shares after cancellation of Purchased Shares under the Proposed Renewal of Shareholders' Mandate for Share Buy-Back	4,486,500,000	4,710,825,000

Note:

(1) Assuming no new Share is issued pursuant to the ESOS

(2) Assuming maximum number of Shares is issued pursuant to the full exercise / implementation of the ESOS

### 5.2 EPS

The effect of the Proposed Renewal of Shareholders' Mandate for Share Buy-Back on the EPS of the Group will depend on the purchase price(s) of the Shares and the actual number of Shares bought back. The reduced number of issued shares subsequent to the Proposed Renewal of Shareholders' Mandate for Share Buy-Back will generally have a positive impact, all else being equal, on the Group's EPS.

### **5.3 NA, Gearing and Working Capital**

The effect of the Proposed Renewal of Shareholders' Mandate for Share Buy-Back on the NA per Share of the Group is dependent on the purchase price(s) of the Shares purchased. If the purchase price is less than the audited NA per Share of the Group at the time of purchase, the NA per Share will increase. Conversely, if the purchase price exceeds the audited NA per Share of the Group at the time of purchase, the NA per Share will decrease.

The Proposed Renewal of Shareholders' Mandate for Share Buy-Back is likely to reduce the working capital of the Group, the quantum of which depends on, amongst others, the number of Shares purchased, the purchase price of the Shares and any associated costs incurred in making the purchase.

However, if the Purchased Shares kept as Treasury Shares are resold on Bursa Securities, the working capital of the Group would increase if the Company realises a gain from the resale. The quantum of the increase in the working capital will depend on the actual selling price of the Treasury Shares and the number of Treasury Shares resold.

Assuming that the Treasury Shares are being retained by the Company and no borrowing is being used to fund any purchase of the Purchased Shares, the Proposed Renewal of Shareholders' Mandate for Share Buy-Back may increase the gearing of the Group as the Purchased Shares will reduce the equity by the cost of Shares acquired and held as Treasury Shares. The Proposed Renewal of Shareholders' Mandate for Share Buy-Back may further increase the gearing of the Company if borrowing is used to fund any purchase of the Purchased Shares.

However, at this juncture, the Company does not foresee to use any borrowing to purchase any Shares under the Proposed Renewal of Shareholders' Mandate for Share Buy-Back. The Proposed Renewal of Shareholders' Mandate for Share Buy-Back, when implemented, will reduce the working capital and cash flow of the Group, the quantum of which will depend on the purchase prices of the Shares and the number of Purchased Shares.

### **5.4 Dividend**

The Proposed Renewal of Shareholders' Mandate for Share Buy-Back is not expected to have any material impact on the policy of the Board in recommending future dividends. Nonetheless, the Proposed Renewal of Shareholders' Mandate for Share Buy-Back may reduce the amount of distributable reserves for dividend payment in the immediate future.

## **6. IMPLICATION OF THE CODE**

In the event that the Company acquires the full number of the DXN Shares authorised under the Proposed Renewal of Shareholders' Mandate for Share Buy-Back and all the DXN Shares so acquired are held as Treasury Shares, the equity interest of the substantial shareholders and their respective parties acting in concert triggering the obligation to undertake mandatory offer under Rule 4 of Part B of the Code, an exemption will be sought from the SC under Paragraph 4.15 of Part B of the Code before the purchase is made.

Pursuant to Paragraph 4.01 of Part B of the Code, if the equity interest of any one of the substantial shareholders and their respective parties acting in concert increases to more than 33% but not more than 50% of the voting shares of DXN and such that their shareholdings of DXN increases in a period of six (6) months from the dates of purchase by more than 2%, the affected substantial shareholder and parties acting in concert would be obliged to undertake a mandatory offer for the remaining DXN Shares not held by the said affected substantial shareholder and parties acting in concert.

SC may grant a waiver to undertake a mandatory offer under Paragraph 4.15 of Part B of the Code, subject to the affected substantial shareholder and parties acting in concert complying with certain conditions, if obligation is triggered as a result of any action outside its direct participation. The Substantial Shareholders of DXN as disclosed in Section 9 herein have indicated that they intend to apply for the proposed exemption under Paragraph 4.15 of Part B of the Code, if the obligation is expected to be triggered as a result of the Proposed Renewal of Shareholders' Mandate for Share Buy-Back. The effects of the Proposed Renewal of Shareholders' Mandate for Share Buy-Back on their shareholdings are set out in Section 9 herein.

## 7. PURCHASE, RESALE AND CANCELLATION OF DXNH SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS

DXN has made the following purchase of DXN Shares in the preceding twelve (12) months from June 2023 to May 2024:

Date of Purchased	No. of Shares Purchased	Highest Price (RM)	Lowest Price (RM)	Average Price (RM)	Total Consideration Paid (RM)
26 October 2023	178,000	0.675	0.660	0.668	119,499.39
27 October 2023	190,000	0.685	0.670	0.678	129,097.45
30 October 2023	670,200	0.680	0.660	0.670	448,028.70
31 October 2023	189,000	0.675	0.655	0.665	124,815.60
1 November 2023	200,000	0.665	0.660	0.663	132,600.00
2 November 2023	30,000	0.675	0.665	0.670	20,100.00
22 February 2024	746,800	0.640	0.640	0.640	477,952.00
23 February 2024	1,660,000	0.640	0.635	0.638	1,056,092.00
26 February 2024	4,437,800	0.635	0.630	0.633	2,815,340.32
27 February 2024	2,242,600	0.630	0.630	0.630	1,412,838.00
28 February 2024	1,694,100	0.630	0.630	0.630	1,067,283.00

As at LPD, the Company has bought back 12,238,500 Shares from the open market. There was no cancellation of DXN Shares held as Treasury Shares in the preceding twelve (12) months. The entire Shares bought back were retained as Treasury Shares.

## 8. PUBLIC SHAREHOLDING SPREAD

The Proposed Renewal of Shareholders' Mandate for Share Buy-Back will be carried out in compliance with the prevailing laws at the time of purchase including compliance with Paragraph 8.02(1) of the Listing Requirements which requires at least 25% of the total number of issued Shares (excluding Treasury Shares) of the Company to be in the hands of public shareholders.

Bursa Securities has, vide its letter dated 10 February 2023, resolved to accept the Company's expected level of public shareholding spread of 15% upon listing of the Company, as in compliance with Paragraph 3.06(1) of the Listing Requirements.

As at LPD, the public shareholding spread of the Company is approximately 16.01%.

The Board is mindful of the compliance with the public shareholding spread as required by the Listing Requirements and will take into consideration the requirement when making any purchase of DXN Shares pursuant to the Proposed Renewal of Shareholders' Mandate for Share Buy-Back.

**9. INTEREST OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED**

The Directors, Substantial Shareholders and persons connected to the Directors and/or Substantial Shareholders of DXN Group have no direct or indirect interest in the Proposed Renewal of Shareholders' Mandate for Share Buy-Back and/or the resale of Treasury Shares, if any.

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The proforma table below shows the equity interests held directly and indirectly in DXN by the Directors and Substantial shareholders of DXN as at LPD before and after the Proposed Renewal of Shareholders' Mandate for Share Buy-Back:

	Before Proposed Renewal of Shareholders' Mandate for Share Buy-Back				After Proposed Renewal of Shareholders' Mandate for Share Buy-Back				After Proposed Renewal of Shareholders' Mandate for Share Buy-Back & full implementation of ESOS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Directors</b>												
Datuk Lim Siow Jin	938,800	0.019	3,394,780,805 <sup>(1)</sup>	68.268	938,800	0.021	3,394,780,805 <sup>(1)</sup>	75.667	3,938,800	0.084	3,394,780,805 <sup>(1)</sup>	72.063
Dato' Lim Boon Yee	1,715,000	0.034	-	-	1,715,000	0.038	-	-	1,965,000	0.042	-	-
Vibhav Panandiker	-	-	-	-	-	-	-	-	-	-	-	-
Datuk Noripah Binti Kamsu	200,000	0.004	-	-	200,000	0.004	-	-	400,000	0.008	-	-
Tunku Afwida Binti Tunku A. Malek	-	-	-	-	-	-	-	-	200,000	0.004	-	-
Stefan Heitmann	-	-	-	-	-	-	-	-	200,000	0.004	-	-
Abraham Verghese A/L T V Abraham	-	-	-	-	-	-	-	-	-	-	-	-
Ong Huey Min	-	-	140,000 <sup>(2)</sup>	0.003	-	-	140,000 <sup>(2)</sup>	0.003	200,000	0.004	140,000 <sup>(2)</sup>	0.003
<b>Substantial Shareholders</b>												
LSJ Global Sdn. Bhd.	3,394,780,805	68.268	-	-	3,394,780,805	75.667	-	-	3,394,780,805	72.063	-	-
Gano Global Supplements Pte. Ltd.	661,859,895	13.310	-	-	661,859,895	14.752	-	-	661,859,895	14.050	-	-
Datin Leong Bee Ling	-	-	3,395,719,605 <sup>(3)</sup>	68.286	-	-	3,395,719,605 <sup>(3)</sup>	75.687	-	-	3,395,719,605 <sup>(3)</sup>	72.083
Datuk Lim Siow Jin	938,800	0.019	3,394,780,805 <sup>(1)</sup>	68.268	938,800	0.021	3,394,780,805 <sup>(1)</sup>	75.667	3,938,800	0.084	3,394,780,805 <sup>(1)</sup>	72.063
KV Asia Capital Fund I L.P.	-	-	661,859,895 <sup>(4)</sup>	13.310	-	-	661,859,895 <sup>(4)</sup>	14.752	-	-	661,859,895 <sup>(4)</sup>	14.050
KV Asia Capital Master Fund I Pte. Ltd.	-	-	661,859,895 <sup>(4)</sup>	13.310	-	-	661,859,895 <sup>(4)</sup>	14.752	-	-	661,859,895 <sup>(4)</sup>	14.050

Notes:

- (1) Deemed interested by virtue of their shareholding in LSJ Global Sdn. Bhd. ("**LSJ Global**"), applying Section 8(4) of the Act. LSJ Global held 3,390,465,105 ordinary shares in the Company ("**DXN Shares**") as at 31 May 2024, out of which 14,140,105 DXN Shares are held on trust for Datuk Lim Siow Jin and 1,254,500,000 DXN Shares are held on trust for his spouse; Datin Leong Bee Ling.
- (2) Indirect shares via spouse and /or children pursuant to Section 59(11)(c) of the Act.
- (3) Deemed interested by virtue of her shareholding in LSJ Global, applying Section 8(4) of the Act and via her spouse pursuant to Section 59(11)(c) of the Act.
- (4) Deemed interest pursuant to Section 8 of the Act.

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## DEFINITIONS

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### 10. SHARE PRICES

The monthly highest and lowest prices of the Shares traded on the Bursa Securities for the last twelve (12) months from June 2023 to May 2024 are as follows:

Year	Month	Highest price (RM)	Lowest price (RM)
2023	June	0.75	0.64
	July	0.77	0.70
	August	0.75	0.68
	September	0.70	0.67
	October	0.69	0.61
	November	0.69	0.64
	December	0.67	0.63
2024	January	0.72	0.63
	February	0.67	0.62
	March	0.64	0.60
	April	0.66	0.61
	May	0.70	0.62

(Source: Investing.com)

The last transacted price of DXN Shares on LPD, being the LPD prior to the printing of this Circular was RM0.64.

### 11. APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate for Share Buy-Back is subject to the approval of the shareholders of DXN at the forthcoming 28<sup>th</sup> AGM.

### 12. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Shareholders' Mandate for Share Buy-Back, is of the opinion that the Proposed Renewal of Shareholders' Mandate for Share Buy-Back is in the best interests of the Group. Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate for Share Buy-Back to be tabled at the forthcoming 28<sup>th</sup> AGM.

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## **DEFINITIONS**

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### **13. AGM**

The 28<sup>th</sup> AGM, the notice of which is enclosed in the Annual Report of the Company for the financial year ended 29 February 2024, will be convened at DXN Cyberville, Jalan Teknokrat 1, Cyberjaya, 63000 Cyberjaya, Selangor, Malaysia on Monday, 12 August 2024 at 10.00 am for the purpose of considering and, if thought fit, passing with or without any modifications to the ordinary resolution so as to give effect to the Proposed Renewal of Shareholders' Mandate for Share Buy-Back under the Special Business in the 28<sup>th</sup> AGM.

If you are unable to attend the 28<sup>th</sup> AGM in person, you are requested to complete the enclosed Proxy Form in accordance with the instructions contained therein and forward it 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 time appointed for holding the meeting or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the 28<sup>th</sup> AGM should you subsequently wish to do so.

### **14. FURTHER INFORMATION**

Shareholders of DXN are requested to refer to the attached Appendix I accompanying this Statement for further information.

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**FURTHER INFORMATION****1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular & Statement have been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this Circular & Statement misleading.

**2. MATERIAL CONTRACTS**

Save as disclosed below, neither the Company nor its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business of the DXN Group) within two (2) years preceding the date of the Circular & Statement.

**(1) Lock-up agreement dated 13 April 2023 in relation to our initial public offering ("IPO") and Listing in the Main Market Bursa Securities**

Lock-up agreement dated 13 April 2023 issued by our Company to the Joint Bookrunners in relation to the lock-up arrangement for our IPO and Listing (including the Over-allotment Option which may be exercised), details of which are set out in Section 4.8.3 of the Prospectus.

**(2) Other prepayment**

During the financial year, the Company entered into an agreement to invest in a corporation in the People's Republic of China for a total purchase consideration of Chinese Yuan ("RMB") 14.4 million (equivalent to RM9.275 million). The acquisition has yet to be completed as at the end of the financial year.

**3. MATERIAL LITIGATION**

Save as disclosed below, DXN nor any of its subsidiary companies are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant and the Board is not aware and do not have any knowledge of any proceedings pending or threatened against the Company and/ or its subsidiaries or of any facts likely to give rise to any proceeding which may materially or adversely affect the financial position or business of the Company and/ or its subsidiary companies:

DXN Corporation Ningxia Co., Ltd. ("**DXN Ningxia**"), a wholly-owned subsidiary of the Company had on 3 July 2023 terminated a Share Sale Agreement ("**SSA**") entered on 17 May 2022 with Fujian Anxi Jinjiang Source Tea Technology Co., Ltd ("**Fujian Jinjiang**") for the disposal of the entire equity interest in Florin (Fujian) Integrated Agricultural Science and Technology Co., Ltd. ("**Florin Fujian**") and its subsidiary, Anxi Gande Foluohua Intergated Agricultural Science and Technology Co., Ltd, ("**Anxi Gande**"), for a total consideration of RMB58.7 million (equivalent to RM38.8 million). Fujian Jinjiang paid a deposit of RMB10.0 million (equivalent to RM6.7 million) as the first instalment for the purchase.

Following the termination of the SSA on 5 July 2023, DXN Ningxia commenced civil proceedings against Fujian Jinjiang on 31 October 2023 to recoup the official seals and business licenses of Florin Fujian and Anxi Gande, and for Fujian Jinjiang to cooperate with the registration procedures for the change of legal representatives. DXN Ningxia also claimed several reliefs against Fujian Jinjiang including damages for breach of contract.

On 6 November 2023, Fujian Jinjiang commenced civil proceedings against DXN Ningxia to claim the sum of RMB10.0 million (equivalent to RM6.7 million) paid under the SSA.

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

- (1) Fujian Jinjiang shall pay DXN Ningxia an interest of RMB318,000 (equivalent to RM211,500) within 10 days from the date of judgement;
- (2) Fujian Jinjiang shall pay DXN Ningxia a penalty for the breach of SSA amounting to RMB564,000 (equivalent to RM375,250) within 10 days from the date of judgement;
- (3) DXN Ningxia shall refund the deposit received under the SSA of RMB10.0 million (equivalent to RM6.7 million) to Fujian Jinjiang within 1 month from the date of judgement; and
- (4) All other claims initiated by DXN Ningxia and Fujian Jinjiang were rejected by the Court.

DXN Ningxia has filed an appeal on the above judgement before the Quanzhou Intermediate People's Court ("**QIPC**") on 20 June 2024. The lawyer advising DXN Ningxia on this matter is of the opinion that DXN Ningxia has a fair chance of a favorable decision from the QIPC.

#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular & Statement up to the time set for convening the 28<sup>th</sup> AGM:

- (a) Constitution of the Company;
- (b) Material contracts as referred to in Section 2 above;
- (c) The SSA and Civil Judgement as referred to in Section 3 above; and
- (d) Audited Financial Statements of the Company for the past two (2) financial years ended 28 February 2023 and 29 February 2024.