DXN Holdings Bhd.

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

and its subsidiaries

Unaudited Interim Financial Report for the First Quarter Ended 31 May 2026

DXN Holdings Bhd.
(Registration No. 199501033918 (363120 - V))
(Incorporated in Malaysia)
and its subsidiaries

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2026

	31.05.2026 Unaudited RM'000	28.02.2026 Audited RM'000
Assets		
Property, plant and equipment	837,086	807,522
Right-of-use assets	125,599	97,445
Investment properties	5,926	6,007
Intangible assets	19,150	19,427
Deferred tax assets	113,472	115,438
Prepayments	20,244	40,010
Total non-current assets	**1,121,477**	1,085,849
Biological assets	287	152
Inventories	301,774	284,045
Contract assets	434	1,328
Trade and other receivables, including derivatives	139,639	148,112
Current tax assets	14,502	12,189
Short term investments	12,250	12,399
Cash and cash equivalents	609,510	617,376
Total current assets	**1,078,396**	1,075,601
Total assets	**2,199,873**	2,161,450

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2026 (CONTINUED)

	31.05.2026 Unaudited RM'000	28.02.2026 Audited RM'000
Equity		
Share capital	214,620	214,620
Reserves	1,165,842	1,150,088
Equity attributable to owners of the Company	**1,380,462**	1,364,708
Non-controlling interests	66,927	71,479
Total equity	**1,447,389**	1,436,187
Liabilities		
Loans and borrowings	161	202
Employee benefits	5,914	5,736
Lease liabilities	25,532	32,048
Deferred tax liabilities	3,092	6,915
Total non-current liabilities	**34,699**	44,901
Loans and borrowings	188,173	177,281
Lease liabilities	10,592	9,063
Trade and other payables	496,389	467,537
Contract liabilities	162	174
Current tax liabilities	22,469	26,307
Total current liabilities	**717,785**	680,362
Total liabilities	**752,484**	725,263
Total equity and liabilities	**2,199,873**	2,161,450
Net assets per share (RM)	*0.29*(ii)	*0.29*(i)

Notes:

(i) Computed based on total equity divided by the total number of ordinary shares in issue of 4,985,000,000 and after deducting the number of treasury shares of 12,738,500.

(ii) Computed based on total equity divided by the total number of ordinary shares in issue of 4,985,000,000 and after deducting the number of treasury shares of 13,478,500.

DXN Holdings Bhd.
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.05.2026 Unaudited RM'000	**31.05.2025 Unaudited RM'000**	**31.05.2026 Unaudited RM'000**	**31.05.2025 Unaudited RM'000**
Revenue	443,030	479,061	443,030	479,061
Other income	5,357	8,178	5,357	8,178
Changes in work-in-progress and manufactured inventories	17,039	13,031	17,039	13,031
Raw materials used and trading inventories sold	(82,241)	(83,010)	(82,241)	(83,010)
Depreciation and amortisation	(18,181)	(16,577)	(18,181)	(16,577)
Employee benefits expense	(55,966)	(50,686)	(55,966)	(50,686)
Net (loss)/gain on impairment of financial assets	(9)	22	(9)	22
Other expenses	(208,584)	(227,117)	(208,584)	(227,117)
Results from operating activities	**100,445**	**122,902**	**100,445**	**122,902**
Finance income	3,686	2,536	3,686	2,536
Finance costs	(3,243)	(2,314)	(3,243)	(2,314)
Profit before tax	**100,888**	**123,124**	**100,888**	**123,124**
Tax expense	(40,731)	(46,636)	(40,731)	(46,636)
Profit for the period	**60,157**	**76,488**	**60,157**	**76,488**

DXN Holdings Bhd.
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.05.2026 Unaudited RM'000	31.05.2025 Unaudited RM'000	31.05.2026 Unaudited RM'000	31.05.2025 Unaudited RM'000
Total other comprehensive income/(expense), net of tax:				
Item that may be reclassified subsequently to profit or loss				
- Foreign currency translation differences for foreign operations	(10,735)	(42,678)	(10,735)	(42,678)
Total comprehensive income/(expense) for the period	**49,422**	**33,810**	**49,422**	**33,810**
Profit/(Loss) for the period attributable to:				
Owners of the Company	58,533	73,913	58,533	73,913
Non-controlling interests	1,624	2,575	1,624	2,575
	60,157	**76,488**	**60,157**	**76,488**
Total comprehensive income/(expense) for the period attributable to:				
Owners of the Company	50,856	32,594	50,856	32,594
Non-controlling interests	(1,434)	1,216	(1,434)	1,216
	49,422	**33,810**	**49,422**	**33,810**
Basic/Diluted earnings per ordinary share (sen)	1.18	1.49	1.18	1.49

DXN Holdings Bhd.
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← *Attributable to owners of the Company*						→	
	← *Non-distributable*			→	*Distributable*			
	Share capital RM'000	**Treasury shares RM'000**	**Translation reserve RM'000**	**Share options reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 March 2025	214,620	(8,077)	(116,446)	1,363	1,168,001	1,259,461	78,037	1,337,498
Profit for the period	-	-	-	-	73,913	73,913	2,575	76,488
Foreign currency translation differences for foreign operations representing total other comprehensive expense for the period	-	-	(41,319)	-	-	(41,319)	(1,359)	(42,678)
Total comprehensive (expense)/income for the period	**-**	**-**	**(41,319)**	**-**	**73,913**	**32,594**	**1,216**	**33,810**
Share-based payment transactions	-	-	-	57	-	57	-	57
Dividends paid to owners of the Company	-	-	-	-	(49,723)	(49,723)	-	(49,723)
Total transactions with owners of the Company	**-**	**-**	**-**	**57**	**(49,723)**	**(49,666)**	**-**	**(49,666)**
At 31 May 2025	**214,620**	**(8,077)**	**(157,765)**	**1,420**	**1,192,191**	**1,242,389**	**79,253**	**1,321,642**

DXN Holdings Bhd.
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to owners of the Company							
	Non-distributable				*Distributable*			
	Share capital RM'000	**Treasury shares RM'000**	**Translation reserve RM'000**	**Share options reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 March 2026	214,620	(8,077)	(108,735)	1,611	1,265,289	1,364,708	71,479	1,436,187
Profit for the period	-	-	-	-	58,533	58,533	1,624	60,157
Foreign currency translation differences for foreign operations representing total other comprehensive expense for the period	-	-	(7,677)	-	-	(7,677)	(3,058)	(10,735)
Total comprehensive (expense)/income for the period	**-**	**-**	**(7,677)**	**-**	**58,533**	**50,856**	**(1,434)**	**49,422**
Share-based payment transactions	-	-	-	39	-	39	-	39
Purchase of treasury shares	-	(335)	-	-	-	(335)	-	(335)
Dividends paid to owners of the Company	-	-	-	-	(34,806)	(34,806)	(3,118)	(37,924)
Total transactions with owners of the Company	**-**	**(335)**	**-**	**39**	**(34,806)**	**(35,102)**	**(3,118)**	**(38,220)**
At 31 May 2026	**214,620**	**(8,412)**	**(116,412)**	**1,650**	**1,289,016**	**1,380,462**	**66,927**	**1,447,389**

DXN Holdings Bhd.
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	31.05.2026	**31.05.2025**
	Unaudited	**Unaudited**
	RM'000	**RM'000**
Cash flows from operating activities		
Profit before tax	100,888	123,124
Adjustments for :		
Depreciation of :		
- Property, plant and equipment	14,570	13,192
- Right-of-use assets	3,125	3,275
- Investment properties	58	60
Amortisation of intangible assets	428	50
Fair value changes on biological assets	(72)	(78)
Retirement benefits expense	391	31
Property, plant and equipment written off	12	44
Gain on derecognition of right-of-use assets and lease liabilities	-	(10)
Finance income	(3,686)	(2,536)
Finance costs	3,243	2,314
Net impairment loss/(gain) on financial assets	9	(22)
Share-based payments	39	57
Operating profit before working capital changes	119,005	139,501
Changes in :		
Inventories	(17,728)	(22,445)
Biological assets	(63)	-
Trade and other receivables	8,465	(22,128)
Contract assets	894	(912)
Trade and other payables	17,194	9,289
Contract liabilities	(12)	(2,277)
Cash generated from operations	127,755	101,028
Tax paid	(53,440)	(46,016)
Retirement benefits paid	(12)	(341)
Net cash from operating activities	74,303	54,671

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	3 months ended 31.05.2026 Unaudited RM'000	3 months ended 31.05.2025 Unaudited RM'000
Cash flows from investing activities		
Purchase of :		
- Property, plant and equipment	(27,052)	(13,171)
- Right-of-use assets (leasehold land)	(8,125)	(5,073)
- Intangible assets	(30)	(19)
Proceeds from disposal of property, plant and equipment	-	8
Finance income received	3,686	2,536
Withdrawal of short-term investments	103	329
Net cash used in investing activities	(31,418)	(15,390)
Cash flows from financing activities		
Dividends paid to owners of the Company	(34,806)	(99,446)
Dividends paid to non-controlling interests	(3,118)	-
Finance costs paid	(3,243)	(2,314)
(Repayment)/Drawdown of :		
- Lease liabilities	(3,992)	(3,260)
- Hire purchase liabilities	(41)	(347)
- Revolving credits	10,903	(1,996)
- Term loans	-	(87)
Purchase of treasury shares	(335)	-
Net cash used in financing activities	(34,632)	(107,450)
Net increase/(decrease) in cash and cash equivalents	8,253	(68,169)
Effect of exchange rate fluctuations on cash and cash equivalents	(16,117)	(57,316)
Cash and cash equivalents at beginning of the period	616,795	671,025
Cash and cash equivalents at end of the period	608,931	545,540

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

A. Cash and Cash Equivalents

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

	31.05.2026 Unaudited RM'000	31.05.2025 Unaudited RM'000
Cash and cash equivalents	609,510	546,868
Less: Pledged deposits	(579)	(576)
Less: Bank overdraft	-	(752)
	608,931	545,540

B. Purchase of Property, Plant and Equipment

	31.05.2026 Unaudited RM'000	31.05.2025 Unaudited RM'000
Total additions	46,818	33,972
Less:		
Amount financed through hire purchase	-	(291)
Changes in prepayment for purchase of property, plant and equipment	(19,766)	(20,510)
	27,052	13,171

C. Dividends paid to owners of the Company

	31.05.2026 Unaudited RM'000	31.05.2025 Unaudited RM'000
Dividends declared during the period	34,806	49,723
Amount paid for dividend declared in prior year	-	49,723
	34,806	99,446

PART A: NOTES TO THE CONDENSED CONSOLIDATION INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MAY 2026

A1. Basis of Preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), requirements of MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

These condensed consolidated interim financial statements do not include all the information required for an annual financial statements and should be read in conjunction with the Group's audited financial statements for the financial year ended 28 February 2026. These notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of DXN Holdings Bhd. ("DXNH" or the "Company") and its subsidiaries (the "Group") for the individual and cumulative quarters presented.

A2. Significant Accounting Policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's audited consolidated financial statements for the financial year ended 28 February 2026.

As at the date of authorisation of these condensed consolidated interim financial statements, the following Standards and Amendments to MFRS Accounting Standards have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group:

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

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments *to MFRS 121, The Effects of changes in Foreign Exchange Rates-Translation to a Hyperinflationary Presentation Currency*

MFRS Accounting Standards and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

PART A: NOTES TO THE CONDENSED CONSOLIDATION INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MAY 2026 (continued)

A3. Auditors' Report

The audited consolidated financial statements of the Company for the financial year ended 28 February 2026 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The nature of the Group's business was not subject to any significant seasonal or cyclical factors.

A5. Unusual Items

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the financial period under review.

A6. Changes in Estimates

There were no material changes in estimates for the financial period under review.

A7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review.

A8. Dividends Paid

On 29 April 2026, the Board of Directors declared a fourth interim dividend of 0.70 sen per ordinary share totalling RM34.81 million for the financial year ended 28 February 2026. The dividend was paid on 29 May 2026.

PART A: NOTES TO THE CONDENSED CONSOLIDATION INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MAY 2026 (continued)

A9. Operating Segments

The Group has the following reportable segments as described below. The segments offer different products or services, and are managed separately because they require different technology, operational and marketing strategies, For each of the segment, the Group's Chief Executive Officer (the chief operating decision maker ("CODM")) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments :

(i) Health and wellness consumer products
Manufacture and sale of fortified food and beverages, health and dietary supplements, personal care products, skin care and cosmetics and other related products

(ii) Investment holding
Investment holding and provision of management services

(iii) Other non-reportable segments
Other non-reportable segments mainly comprise the provision of lab test services, provision of consultation and treatment services with ganotherapy, operating of a café, glamping resort, tourism village complex, marine sanctuary and related tour activities, forest plantation and related forestry support services, grapes planting and gold exploration and mining. None of these segments met the quantitative threshold for reporting segment for financial period ended 31 May 2026 and 31 May 2025.

PART A: NOTES TO THE CONDENSED CONSOLIDATION INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MAY 2026 (continued)

A9. Operating Segments (continued)

	Manufacture and sale of health and wellness consumer products RM'000	Investment holding RM'000	Other non-reportable segments RM'000	Elimination RM'000	Consolidated RM'000
Unaudited					
31.05.2026					
Revenue					
Revenue from external customers	434,583	-	8,447	-	443,030
Inter-segment revenue	1,309	40,595	2,058	(43,962)	-
Total revenue	**435,892**	**40,595**	**10,505**	**(43,962)**	**443,030**
Segment profit	**111,642**	**22,828**	**(33)**	**(33,549)**	**100,888**
Included in the measure of segment profit are:					
- Property, plant and equipment written off	(12)	-	-	-	(12)
- Inventories written off	(1,875)	-	-	-	(1,875)
- Depreciation of property, plant and equipment	(12,212)	(442)	(1,916)	-	(14,570)
- Depreciation of right-of-use assets	(3,007)	-	(118)	-	(3,125)
- Depreciation of investment properties	(58)	-	-	-	(58)
- Amortisation of intangible assets	(42)	(31)	(355)	-	(428)
- (Impairment)/Reversal of impairment on trade and other receivables	54	(63)	-	-	(9)
Segment assets	**1,900,204**	**78,390**	**93,305**	**-**	**2,071,899**

A9. Operating Segments (continued)

	Manufacture and sale of health and wellness consumer products RM'000	Investment holding RM'000	Other non-reportable segments RM'000	Elimination RM'000	Consolidated RM'000
Unaudited					
31.05.2025					
Revenue					
Revenue from external customers	469,021	-	10,040	-	479,061
Inter-segment revenue	3,465	116,754	2,509	(122,728)	-
Total revenue	**472,486**	**116,754**	**12,549**	**(122,728)**	**479,061**
Segment profit	**133,421**	**94,236**	**1,520**	**(106,053)**	**123,124**
Included in the measure of segment profit are:					
- Property, plant and equipment written off	(33)	(6)	(5)	-	(44)
- Inventories written off	(893)	-	-	-	(893)
- Depreciation of property, plant and equipment	(10,855)	(513)	(1,824)	-	(13,192)
- Depreciation of right-of-use assets	(3,199)	-	(76)	-	(3,275)
- Depreciation of investment properties	(52)	-	(8)	-	(60)
- Amortisation of intangible assets	(18)	(29)	(3)	-	(50)
- Reversal of impairment/(Impairment) on trade and other receivables	62	(40)	-	-	22
Segment assets	**1,679,871**	**93,307**	**82,319**	**-**	**1,855,497**

PART A: NOTES TO THE CONDENSED CONSOLIDATION INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MAY 2026 (continued)

A10. Property, Plant and Equipment

The Group acquired property, plant and equipment amounting to RM27.05 million during the financial period under review.

A11. Impairment Losses

Save as disclosed in Note B4, there were no impairment losses or reversal of impairment losses arising from property, plant and equipment, financial assets, assets arising from contracts with customers or other assets during the financial period under review.

A12. Material Events Subsequent to the Statement of Financial Position Date

There were no material events subsequent to the end of the financial period under review that have not been reflected in the interim financial report.

A13. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the financial period ended 31 May 2026.

A14. Changes in Contingent Assets and Contingent Liabilities

There were no material contingent assets and liabilities arising since the last audited consolidated financial statements for the financial year ended 28 February 2026.

A15. Capital Commitments

	31.05.2026 Unaudited RM'000	28.02.2026 Audited RM'000
Contracted but not provided for:		
- Property, plant and equipment	143,313	162,238

PART A: NOTES TO THE CONDENSED CONSOLIDATION INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MAY 2026 (continued)

A16. Related Party Transactions

The significant related party transactions of the Group are shown below:

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.05.2026 Unaudited RM'000	**31.05.2025 Unaudited RM'000**	**31.05.2026 Unaudited RM'000**	**31.05.2025 Unaudited RM'000**
Transactions with companies in which certain Directors have a substantial financial interest				
Aircraft chartering fees(i)	6,069	6,823	6,069	6,823
Purchase of trading goods	1,454	221	1,454	221
Rental expense (premises)	156	153	156	153
Purchase of air tickets	97	172	97	172
Transaction with the Foundation (ii)				
Donation and Corporate Social Responsibility contribution paid	663	679	663	679

Note:

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

(ii) A foundation in which a Director of the Company is a patron, and a Director of a subsidiary and his spouse are Directors of the Foundation.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group's Performance

Comparison with Corresponding Quarter

Financial review for current quarter compared with corresponding quarter:

	Individual quarter		
	31.05.2026 Unaudited RM'000	**31.05.2025 Unaudited RM'000**	**Change %**
Revenue	443,030	479,061	(7.5)
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	118,626	139,479	(15.0)
Profit before tax ("PBT")	100,888	123,124	(18.1)
Profit for the period	60,157	76,488	(21.4)
Profit for the period attributable to owners of the Company ("PATAMI")	58,533	73,913	(20.8)
EBITDA margin (%)	26.8	29.1	(7.9)
PBT margin (%)	22.8	25.7	(11.3)
PATAMI margin (%)	13.2	15.4	(14.3)

The Group recorded revenue of RM443.0 million for the current quarter, representing a 7.5% decrease from RM479.1 million in the corresponding quarter of the previous year. The decline was primarily attributed to lower exports to the Middle East, where the Group distributes its products exclusively through an External Distribution Agency ("the Agency"). The lower exports during the quarter were mainly due to the timing of stock replenishment by the Agency, while underlying demand in the Middle East market remained resilient. In addition, softer market conditions in Africa also contributed to the lower revenue.

In line with the lower revenue, EBITDA decreased to RM118.6 million, resulting in an EBITDA margin of 26.8%, compared with 29.1% in the corresponding quarter last year. The lower margin was primarily attributed to the disproportionate impact of lower revenue on profitability, as the Group's fixed operating cost base was largely unchanged, while the Group also continued to incur expenses in upstream and downstream business initiatives.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

B1. Review of Group Performance (continued)

Comparison with Immediate Preceding Quarter

Financial review for current quarter compared with immediate preceding quarter:

	Current quarter 31.05.2026 Unaudited RM'000	**Preceding Quarter 28.02.2026 Unaudited RM'000**	**Change %**
Revenue	443,030	474,912	(6.7)
EBITDA	118,626	114,378	3.7
PBT	100,888	96,113	5.0
Profit for the period	60,157	63,315	(5.0)
PATAMI	58,533	62,588	(6.5)
EBITDA margin (%)	26.8	24.1	11.2
PBT margin (%)	22.8	20.2	12.9
PATAMI margin (%)	13.2	13.2	0.0

The Group's consolidated net sales for the current quarter stood at RM443.0 million, representing a decrease of 6.7% from RM474.9 million recorded in the preceding quarter. The lower revenue was mainly attributed to softer sales across several markets, as customers continued to hold elevated inventory levels following stock replenishments undertaken ahead of the price increase in a number of major markets during the quarter.

While consolidated revenue softened, EBITDA increased by 3.7% quarter-on-quarter to RM118.6 million, resulting in an EBITDA margin of 26.8%, compared with 24.1% in the preceding quarter. The improvement was mainly attributed to lower promotional expenses incurred following seasonal marketing activities and reduced foreign exchange losses compared with the preceding quarter.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

B2. Prospects

The global operating environment in FY2027 continues to be shaped by geopolitical developments, particularly in the Middle East. While these conditions introduce demand uncertainty and upward pressure on energy prices across certain markets, the Group's geographically diversified presence and vertically integrated supply chain provide resilience and reduce exposure to market-specific disruptions.

The structural growth opportunity within the nutraceuticals sector is substantial and growing. The World Health Organization projects that by 2030, one in six people globally will be aged 60 or older, a demographic that is a natural and growing consumer for the health and wellness products the Group offers. Across Latin America and Asia Pacific, the Group's two largest revenue regions, nutraceuticals demand continues to expand, underpinned by rising health consciousness, an expanding middle class, and growing preference for natural and preventive health solutions.

Against this backdrop, the Group enters FY2027 with a clear focus on raising capacity to meet growing demand across its key markets. The Group has committed a meaningful amount in capital investment, including new manufacturing facilities in Malaysia, Morocco, and Peru, with progressive commissioning expected through FY2027 and FY2028, as well as capacity expansion of its facility in Nepal. Upon full completion, total installed production capacity will increase by approximately 500%, reducing lead times to key markets and improving cost efficiency across the supply chain. Each facility has been evaluated against a minimum return threshold, which is consistent with the Group’s historical approach to capital allocation discipline.

These initiatives are increasingly important as global energy and freight costs remain elevated, reinforcing the need for a more localised and efficient production network that can mitigate supply chain disruptions.

At the same time, the Group’s coffee plantation development in Malaysia, Brazil and Bolivia is advancing as planned. As these estates mature, they will meet a growing share of the Group’s own coffee requirements, reducing its reliance on third-party suppliers and its exposure to movements in global bean prices.

In parallel, newer markets across Africa and Europe, including Egypt, the United Kingdom, Ghana, and Zambia, are steadily building member networks, which will broaden the Group's revenue base in the years ahead.

Underpinning this next phase of growth is a leadership structure that is increasingly aligned with the Group’s operational ambitions. The appointment of Mr. Prajith Pavithran as Executive Director, effective 6 April 2026, reflects the Board’s confidence in his leadership and marks an important step in aligning strategy and execution at the highest level of governance. Having served as Chief Executive Officer since June 2024, Mr. Prajith has been central to the sharpening of DXN’s commercial operations across key markets. His elevation to the Board ensures that operational priorities and market realities are represented directly in the Group’s strategic deliberations as we enter our next phase of growth.

With this foundation in place, the Group will continue to maintain a disciplined approach to capital allocation, balancing ongoing investment in infrastructure with its commitment to delivering consistent and sustainable returns to shareholders.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

B3. Profit Forecast

Not applicable as the Group did not issue any profit forecast during the financial period under review.

B4. Profit Before Taxation

Profit before taxation is arrived at after charging/(crediting):

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.05.2026 Unaudited RM'000	**31.05.2025 Unaudited RM'000**	**31.05.2026 Unaudited RM'000**	**31.05.2025 Unaudited RM'000**
Finance income	(3,686)	(2,536)	(3,686)	(2,536)
Finance costs	3,243	2,314	3,243	2,314
Depreciation and amortisation	18,181	16,577	18,181	16,577
Net loss/(gain) on impairment of financial assets	9	(22)	9	(22)
Foreign exchange loss	6,460	9,649	6,460	9,649
(Gain)/Loss on derivatives	(66)	56	(66)	56
Written off:				
- Property, plant and equipment	12	44	12	44
- Inventories	1,875	893	1,875	893

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

B5. Tax Expense

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.05.2026 Unaudited RM'000	31.05.2025 Unaudited RM'000	31.05.2026 Unaudited RM'000	31.05.2025 Unaudited RM'000
Current tax expense				
- Current period	43,066	44,750	43,066	44,750
- Prior year	921	364	921	364
	43,987	45,114	43,987	45,114
Withholding taxes	1,109	5,091	1,109	5,091
Deferred tax expense				
- Current period	(7,149)	(3,367)	(7,149)	(3,367)
- Prior year	2,784	(202)	2,784	(202)
	(4,365)	(3,569)	(4,365)	(3,569)
	40,731	46,636	40,731	46,636
Effective tax rate for current period	36.7%	37.7%	36.7%	37.7%

The Group's effective tax rates for both quarters are higher than the statutory tax rate of 24% mainly due to the higher tax rates applicable to certain foreign subsidiaries and certain non-deductible expenses incurred.

The effective tax rate for the current quarter includes withholding tax of RM1.1 million (Q1FY2026: RM5.0 million) on dividend received from foreign subsidiaries. The effective tax rate excluding the withholding taxes is 35.6% (Q1FY2026: 33.6%).

B6. Status of Corporate Proposals

There is no corporate proposal announced or not completed by the Group as at the date of this report.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

B7. Loans and Borrowings

The Group's loans and borrowings are as follows:

	31.05.2026 Unaudited RM'000	28.02.2026 Audited RM'000
Non-current		
Hire purchase liabilities	161	202
Current		
Hire purchase liabilities	115	127
Revolving credits, secured	87,058	148,919
Revolving credits, unsecured	101,000	28,235
	188,173	177,281
Total loans and borrowings	**181,334**	**177,483**
Currency profile of borrowings:		
United States Dollar	141,375	127,941
EURO	46,682	49,213
Others	277	329
Total	**188,334**	**177,483**

B8. Derivatives

	31.05.2026		28.02.2026	
	Nominal value Unaudited RM'000	**(Liabilities) Unaudited RM'000**	**Nominal value Audited RM'000**	**Assets Audited RM'000**
Derivatives at fair value through profit or loss - Forward exchange contracts (less than 1 year)	27,680	(10)	4,059	56

The risks associated with the derivatives, policies to mitigate those risks, cash requirements of the derivatives and related accounting policies are unchanged since the financial year ended 28 February 2026.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

B9. Material Litigation

As at the date of this report, the Group is not engaged in any material litigation which may have material or significant effects on the Group's financial position or business.

The tax-related matters, which are not individually material to the Group as at the date of this report, have been disclosed in the Company's Annual Report issued on 29 June 2026.

B10. Dividend Proposed or Declared

On 27 July 2026, the Board of Directors declared a first interim dividend of 0.60 sen per ordinary share totalling RM29.83 million for the financial year ending 28 February 2027 which will be paid on 28 August 2026 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 13 August 2026.

B11. Earnings per Ordinary Share ("EPS")

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.05.2026 Unaudited	31.05.2025 Unaudited	31.05.2026 Unaudited	31.05.2025 Unaudited
PATAMI (RM'000)	58,533	73,913	58,533	73,913
Weighted average number of ordinary shares ('000)	4,972,195	4,972,261	4,972,195	4,972,261
Basic earnings per ordinary share (sen)	1.18	1.49	1.18	1.49

Diluted earnings per ordinary share

The diluted earnings per ordinary share is assumed to be the same as basic earnings per ordinary share as the potential new ordinary shares from the exercise of ESOS are deemed to be anti-dilutive since the market share price of the Company is lower than the exercise price of the ESOS.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

B12. Fair Value of Financial Liabilities

There was no gain or loss arising from fair value changes of the Group's financial liabilities measured at fair value through profit or loss (other than derivative financial instruments as disclosed in Note B8).

BY ORDER OF THE BOARD

Lim Yew Lin
Tan Ley Theng
Yeow Sze Min
Company Secretaries

27 July 2026