DKSH Holdings (Malaysia) Berhad
Annual Report 2024

DKSH

Delivering Growth – in Asia and Beyond.

Enriching People's Lives

We provide access to high quality products, services, and insights, creating sustainable value for our partners and generating jobs.

Contents

Corporate Information

Board of Directors

Stephen John Ferraby (Retired on November 21, 2024)	Non-Independent Non-Executive Chairman
Oh Sae Ung (Appointed on July 5, 2024 and Redesignated as Chairman on November 21, 2024)	Non-Independent Non-Executive Chairman
Richard Lai Tak Loi	Independent Non-Executive Director
Dr. Leong Yuen Yoong	Independent Non-Executive Director
Fa'izah binti Mohamed Amin (Demised on September 8, 2024)	Independent Non-Executive Director
Datin Suryani binti Ahmad Sarji (Appointed on November 21, 2024)	Independent Non-Executive Director
Jaclyn Ang Swee Yin (Resigned on July 5, 2024)	Non-Independent Executive Director/ Senior Director, Country Finance, Malaysia
Senthilathiban A/L Thirunilakantan (Appointed on November 21, 2024)	Non-Independent Executive Director/ Senior Director, Country Finance, Malaysia
Sandeep Tewari	Non-Independent Executive Director/ Vice President, Healthcare

Audit Committee

Richard Lai Tak Loi	Chairman of the Audit Committee
Dr. Leong Yuen Yoong	Member
Fa'izah binti Mohamed Amin (Demised on September 8, 2024)	Member
Datin Suryani binti Ahmad Sarji (Appointed on November 21, 2024)	Member

Nomination and Remuneration Committee

Dr. Leong Yuen Yoong	Chairman of the Nomination and Remuneration Committee
Datin Suryani binti Ahmad Sarji (Appointed on November 21, 2024)	Member
Fa'izah binti Mohamed Amin (Demised on September 8, 2024)	Member
Oh Sae Ung (Appointed on November 21, 2024)	Member

Registered Office

Address: B-11-01, The Ascent, Paradigm, No.1, Jalan SS 7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan	Phone +60 3 7882 8888 Fax +60 3 7882 8899 Email dksh.malaysia.country.communications@dksh.com

Auditors

Ernst & Young PLT, Chartered Accountants Address: Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur	Phone +60 3 7495 8000 Fax +60 3 2095 9076 / 2095 9078

Corporate Information (continued)

Share Registrar

Tricor Investor & Issuing House Services Sdn Bhd Address: Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur	Phone +60 3 2783 9299 Fax +60 3 2783 9222 Email is.enquiry@vistra.com

Stock Exchange Listing

Listed on Bursa Malaysia Securities Berhad (Main Market) since December 13, 1994	Stock name: DKSH Stock code: 5908

Company Secretary

Serene Lee Huey Fei, SSM Practising No. 202208000450, LS 0009912

Principal Bankers

Deutsche Bank (Malaysia) Berhad

HSBC Bank Malaysia Berhad

Malayan Banking Berhad

Management Discussion and Analysis

The management review of DKSH Holdings (Malaysia) Berhad and its subsidiaries ("the Group" or "DKSH") outlines an in-depth analysis of the financial year 2024 and provides an outlook into DKSH's further growth.

Management Discussion and Analysis

DKSH's Resilient Performance in a Challenging Economic Landscape

In 2024, DKSH experienced a strong year amidst fluctuating macroeconomic conditions. This was driven by resilient consumer spending fueled by the economic recovery seen in 2024, despite an easing trend in the last quarter and a high household debt resulting in shifting consumer priorities.

DKSH demonstrated a robust financial performance in 2024. Leveraging its diversified portfolio, the company has shown growth in all segments, bolstered by strong Healthcare and Consumer Goods growth, both organically and via new business developments.

The Group's revenue increased from MYR 7.5 billion in 2023 to MYR 7.9 billion in 2024. Our operating profit after tax grew from MYR 110.5 million in 2023 to MYR 123.1 million in 2024.

Driven by the company's solid performance, the Board has recommended a single tier final dividend of 19.0 sen per ordinary share for the financial year ended December 31, 2024, to be fully paid by July 2025.

Consumer Goods Segment

The Consumer Goods segment's focus on core activities resulted in a revenue growth of 3.1%, increasing from MYR 4.2 billion in 2023 to MYR 4.3 billion in 2024. Segment profit increased by 7.9% from MYR 100.7 million in 2023 to MYR 108.6 million in 2024. Market demand continued to show seasonality throughout the year in-line with the major Malaysian festive periods, characterized by a surge in the first quarter, followed by a downturn in the second and third quarters, and a strong performance in the fourth quarter. The Consumer Goods segment successfully gained several new clients to drive their topline growth. The segment profit grew faster than topline through operational efficiencies led by streamlining our route-to-market and warehouses, and improved collections.

We continue our focus on route-to-market optimization and sales force efficiency, coupled with working capital management to fuel our growth.

Management Discussion and Analysis (continued)

Healthcare Segment
The Healthcare segment demonstrated a strong performance, with revenue growing from MYR 3.3 billion in 2023 to MYR 3.6 billion in 2024, marking an 8.4% increase. Segment profit also increased by 2.3%, rising from MYR 77.4 million in 2023 to MYR 79.2 million in 2024. The strong result was driven by a combination of organic growth and new clients secured in the segment, offsetting increased advertising and promotion expenses.

This segment is projected to grow fueled by the rise in healthcare spending over the medium to long term. This outlook presents strong business development opportunities as the Group expands its value-added services offering to drive profitability.

Segment "Others"
The segment comprises one of our more well-known brand Famous Amos. The segment continues its strong growth via strong sales, outlet expansion and rationalization. This led to a revenue increase of 17.2%, from MYR 88.1 million in 2023 to MYR 103.2 million in 2024.

Well Positioned To Manage Changes Impacting Consumer Demand
The outlook remains uncertain with global trade policy shifts and subsidy rationalization policies that could potentially affect consumer spending patterns. The Group is well positioned, with its diversified portfolio, to navigate these challenges through our focus on enhancing the capabilities of our people and accelerating digitalization and automations.

Our strategy of growing our existing base by securing new businesses to complement our current portfolio, increasing our value-added service offering to our clients, improving our cost and resource efficiency and managing our working capital remains unchanged.

DKSH at a Glance

We help companies to grow their business in new and existing markets. We expand their access to knowledge, their sourcing base, their revenue opportunities, and their market shares. Providing business partners with a comprehensive package of services to reach their individual goals is what we call Market Expansion Services.

Financial Highlights

Consolidated Results of DKSH Holdings (Malaysia) Berhad Group (RM'000)

	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Net sales	6,355,699	6,738,388	7,162,687	7,524,314	7,943,356
Earnings before interest, tax, depreciation and amortisation	169,589	214,406	233,458	235,366	240,899
Profit before tax	74,510	126,883	145,262	147,203	162,630
Net profit attributable to owners of the parent	48,888	91,275	104,214	110,515	123,124
Exceptional items	-	-	-	-	-
Net profit excluding exceptional items	48,888	91,275	104,214	110,515	123,124
Total assets employed	2,702,520	2,680,128	2,931,010	3,070,922	3,480,725
Shareholders' equity	669,147	744,658	831,556	891,633	987,947

Corporate Profile

Headquartered in Switzerland, DKSH operates in 36 markets with 28,060 specialists.

DKSH is one of the oldest and largest Market Expansion Services providers in Malaysia. Having established its first branch office in 1923 in Penang, the company has gone from strength to strength since then. Today, it employs a workforce of about 3,700 specialists. Headquartered in Petaling Jaya, Selangor with 20 other business locations nationwide, DKSH provides unparalleled market coverage, serving more than 170 clients and thousands of customers across Malaysia.

As the leader in the Market Expansion Services sector with a focus on Asia, DKSH helps other companies and brands to grow their business in new or existing markets. We do this by offering our business partners tailor-made solutions along the entire value chain to support them in successfully achieving their business objectives. As a company, our services give people in Asia access to important daily products, create sustainable value for our partners, and generate jobs across the region.

DKSH Holdings (Malaysia) Berhad was incorporated on December 24, 1991. On December 13, 1994, the Company was publicly listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

Since 2019, we strengthened our presence in the fast-moving consumer goods industry with the additional distribution service of chilled and frozen products. We also gained a strong foothold in the confectionery market segment with house brands SCS and Buttercup. At the same time, we expanded our business offering to include Food Services to serve new markets in the hotel, restaurant, and café industries.

DKSH Holdings (Malaysia) Berhad is majority-owned by the DKSH Holding Ltd. of Switzerland.

DKSH Holding Ltd., Switzerland
Founded in 1865, DKSH Holding Ltd. has a strong Swiss heritage coupled with a long tradition of doing business in and with Asia Pacific, as well as selected markets in Europe and North America.

Publicly listed on the SIX Swiss Exchange since March 2012, DKSH is a global company headquartered in Zurich and operates in 36 markets with 28,060 specialists. In 2024, DKSH generated net sales of CHF 11.1 billion.

Corporate Profile (continued)

DKSH offers a tailor-made, integrated portfolio of sourcing, marketing, sales, distribution, and after-sales services. It provides business partners with expertise as well as on-the-ground logistics based on a comprehensive network of unique size and depth. Business activities are organized into four (4) specialized Business Units that mirror DKSH's fields of expertise: Consumer Goods, Healthcare, Performance Materials, and Technology.

Our Business Segments

In Malaysia, our business focuses on the fields of consumer goods and healthcare, offering a comprehensive range of Market Expansion Services to business partners in their respective areas.

Business Unit Consumer Goods focuses on fast moving consumer goods, food services, luxury goods as well as fashion and lifestyle products.

Business Unit Healthcare provides access to high-quality products ranging from pharmaceuticals, over-the-counter & consumer health, and medical devices.

Consumer Goods Segment

Under this business segment, DKSH provides a comprehensive portfolio of services ranging from marketing to providing sales force, distribution and logistics, invoicing and credit control, handling of inventory, and returned goods as well as other value-added services. The businesses represented in this segment are Fast Moving Consumer Goods and Food Services.

The keystone to DKSH's full-service business model lies in its broad range of sales and marketing services, deep market-access insights and knowledge, long-established relationships in the market and unique distribution reach achieved through an extensive and experienced sales force network of 21 business offices covering key market locations in Peninsular and East Malaysia as well as Brunei.

Core to DKSH's Marketing and Distribution infrastructure is an ISO- and TAPA-certified 510,000-square foot distribution center at Jalan Sungai Jati in Klang which has a capacity of 55,000 pallets for ambient and temperature-controlled products catering for Consumer Goods.

DKSH's manufacturing plant in Shah Alam manufactures its Own Brands of butter and mélange products, including Buttercup which is a leading brand of mélange products in Malaysia.

The strength of our sales force is reinforced by an extensive supply chain infrastructure that is unique in size and depth, while local distribution teams ensure products represented by DKSH are widely accessible in hypermarkets and supermarkets, shops, kiosks, medical halls, and pharmacies throughout Malaysia.

The majority of DKSH's sales team is equipped with hand-held devices using a powerful web-based IT application that is linked directly to DKSH's SAP system to access live inventory information and remotely process orders at any time. Alternatively, orders are also placed by customers directly through the centralized call center.

Healthcare Segment

Under the Healthcare segment, DKSH provides a wide range of integrated and customized solutions, including registration, market entry studies, marketing and sales, redressing, physical distribution, as well as invoicing and cash collection.

DKSH's 220,000-square foot healthcare distribution center in Shah Alam serves customers, including hospitals, clinics, dental centers, pharmacies, and retail outlets throughout Malaysia. The Shah Alam distribution center is a leading service provider for clinical trials, specializing in supply chain services that address the increasingly complex requirements for clinical supply packaging, labeling, and distribution. Its technologically advanced cold chain and redressing facilities have industry-standard storage for vaccines and bio-tech products. In 2019, this healthcare distribution center received a top-level certification from the Transported Asset Protection Association ("TAPA") for its Facility Security Requirements.

DKSH further expands its presence in East Malaysia with the establishment of a 207,000-square foot distribution center in Kota Kinabalu, which serves both Consumer Goods and Healthcare segments. This larger and more advanced distribution center represents a significant capacity upgrade in DKSH's infrastructure.

It is strategically located in Kota Kinabalu Industrial Park ("KKIP") with easy access to Sepanggar Bay Container Port and the city center. This location enjoys high connectivity via various transportation networks, allowing DKSH to directly serve its consumer goods and healthcare customers in the region, including modern and traditional retail outlets, hospitals, clinics, and pharmacies.

Corporate Profile (continued)

In line with DKSH's commitment to quality and compliance, both the Shah Alam and Kota Kinabalu facilities comply with Good Distribution Practice ("GDP") and Good Distribution Practice for Medical Device ("GDPMD") requirements and adhere to strict ISO 9001:2015 and ISO 13485:2016 international standards.

DKSH's four ISO-certified distribution centers in both Peninsular and East Malaysia serve as the "nerve centers" of our supply chain services.

Segment "Others"

The primary business activity in this segment is the Famous Amos chocolate chip cookie business. Famous Amos is a retailer of freshly baked cookies and confectionery items. In 2024, there were a total of 97 Famous Amos outlets located in Peninsular and East Malaysia as well as two outlets in Brunei. This segment also includes central overheads including rental.

Famous Amos actively collaborates with various brands to create delightful treats for Malaysians and to amplify its brand presence.

Our Core Business: Market Expansion Services

DKSH helps companies grow in existing markets and expand into new ones by providing a complete range of specialized services along the entire value chain. From sourcing, market analysis and research, marketing and sales to distribution and logistics as well as after-sales services, our services are precisely tailored to the exact needs of our clients and customers.

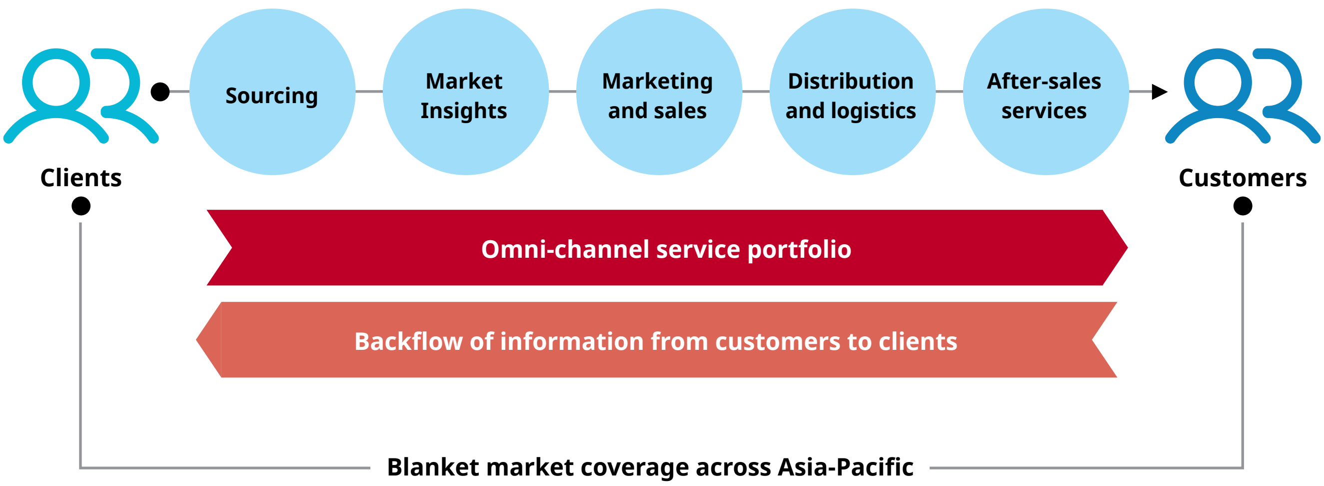
We offer intelligently integrated and tailored services to deliver seamless end-to-end solutions, no matter how big or small the requirements. To do this, we draw on 160 years of experience, deep industry expertise, extensive on-the-ground logistics, and our vast network of business and personal relationships throughout Asia Pacific.

We Provide Access to a Global Sourcing Network

Our unique sourcing network and a deep industry experience enable us to provide any material and product our customers need. We offer the perfect mix of cost effectiveness, quality, and dependable supply. With DKSH, business partners can expand their sourcing base and focus on growing their business.

We Enable Business Partners to Innovate for Growth

In our application, formulation, and product development laboratories, we generate new product ideas and develop and customize them. We work



Corporate Profile (continued)

on new ingredients and technology applications, provide hands-on training, and run acceptance tests. We turn our market insight into strategic advice for our business partners.

We Open Up New Revenue Opportunities for Business Partners
DKSH offers a complete array of marketing and sales services for consumer goods and healthcare products. We have a long-standing track record in brand-building, and service all relevant channels to market, customers, and outlets. In Malaysia, we offer comprehensive market coverage to help our business partners expand their business.

We Deliver What Our Business Partners Need, at the Right Time and Place
With our unmatched logistics infrastructure and state-of-the-art distribution centers, we transport, store, and distribute clients' products efficiently and professionally across the country. As part of our comprehensive package of Market Expansion Services, we provide many additional specialized services, including supply chain management, regulatory support, logistics, invoicing, and cash collection.

We Are at Our Business Partners' Service Throughout the Entire Lifespan of Their Products
DKSH provides a broad range of after-sales services and support that ensures top-quality standards, fast problem resolution, and the ability to establish a high-value image. We offer real added value to clients and customers.

How We Work with Our Partners
At DKSH, our business partners are either clients or customers, depending on their position in the value chain and the services we provide to them. Our business model is centered on DKSH's role as the key link between clients and customers. We help our partners in growing and adding value to their business and enable them to achieve lasting success.

As a result of our position as a leading company for partners looking to grow their business in Asia Pacific, Europe, and North America, we benefit from economies of scale, unique cross-regional and cross-industry synergies as well as significant bargaining power with the trade.

Leveraging on our strong market presence, clients can capitalize on the superior commercial terms and conditions made available by DKSH. On the other hand, our scope and scale allow us to provide our customers with a comprehensive portfolio of products and services.

Our Clients
Our clients are manufacturers of fast-moving consumer goods, pharmaceuticals, consumer health products, and medical devices, who wish to in markets with high-entry barriers.

Strategically, our clients want to grow their business by increasing sales in existing markets, enhancing efficiency and margins, or launching into new markets.

We support our clients in marketing, selling, and distributing their products as well as providing after-sales services and market insight.

Our Customers
Our customers are manufacturers to whom we provide raw materials which are processed or used in their own production or retailers, such as supermarkets, department stores, bakery ingredient stores, mom-and-pop stores, hospitals, doctors, and pharmacists that resell the products we provide to end consumers. Our customers also include food services distribution channels such as hotels as well as food and beverage establishments.

Strategically, our customers want to increase their sourcing base, market shares, and revenue opportunities.

We support our customers in obtaining the best raw materials, products, and brands at the best price, while providing them with knowledge and market insight.

At DKSH, we have a service philosophy that takes profound responsibility for the goods and brands of our clients. It is about a proactive approach that provides strategic advice based on experience, know-how, and networks of specialists working for DKSH. In striving to be the leading Market Expansion Services provider with a focus on Asia, we stick to what we do best by doing more of the same, more efficiently.

Directors' Profiles

Directors' Profiles

Oh Sae Ung

Aged 58, Male, American
Non-Independent Non-Executive Chairman
Member of the Nomination & Remuneration Committee

Mr. Oh Sae Ung (also known as Sam Oh) was appointed to the Board of DKSH Holdings (Malaysia) Berhad ("the Company") on July 5, 2024, as a Non-Independent Non-Executive Director. On November 21, 2024, he was re-designated as the Non-Independent Non-Executive Chairman of DKSH Holdings (Malaysia) Berhad and was appointed as a Member of the Nomination and Remuneration Committee of the Company.

He holds a bachelor's degree in mathematics and computer science from the University of California, San Diego, United States of America ("USA").

He started his career in the USA in 1990 at Fujitsu Systems of America. From 1998 to 2004, he held various senior positions at Tesco Plc (Tesco Lotus), Thailand before returning to USA in 2004 to rejoin Fujitsu Systems of America as Vice President, Business Development. From 2006 to 2018, he held positions including Chief Information Officer and Vice President at Fresh and Easy Neighbourhood Market Inc. (Tesco Plc.), USA, Chief Information Officer at Fresh and Easy LLC (Yucaipa Private Equity Companies), USA and Group Chief Information Officer and Member of the Executive Leadership at Dairy Farm International, Hong Kong.

Mr. Sam Oh brings to the Board extensive experience spanning 30 years in the areas of business development, e-commerce, and information technology/digital transformation across Asia and USA. He has been a member of the Board of Directors of aCommerce Group Public Company Limited in Thailand since August 2023.

Mr. Sam Oh is currently the Chief Information Officer, Head of eCommerce and a member of the Executive Committee of DKSH Holding Ltd., Switzerland. Prior to this role, he was the Senior Vice President and Head of Global IT of Global Logistic Properties, Hong Kong from 2018 to 2021, where he led significant digital transformation and digital business. Mr Sam Oh has been pivotal in the further development of DKSH Group-wide e-commerce, digital and IT strategy and accelerated DKSH's digital transformation. He also oversees DKSH Corporate Shared Services Center Sdn Bhd, a wholly-owned subsidiary of DKSH Holding Ltd., which comprises the global IT hub and Business Process Operations with around 500 employees.

He does not hold any directorship in other public companies. He does not have any family relationship with any Director and/or major shareholder of DKSH Holdings (Malaysia) Berhad and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

He has no convictions for offences within the past five years nor any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

Mr Sam Oh attended two Board meetings held during the financial year ended December 31, 2024, upon his appointment to the Board on July 5, 2024.

Directors' Profiles (continued)

Sandeep Tewari

Aged 52, Male, Indian
Non-Independent Executive Director
Vice President, Healthcare and Head, Country Leadership, Malaysia

Mr. Tewari was appointed to the Board of DKSH Holdings (Malaysia) Berhad on October 16, 2023, as a Non-Independent Executive Director.

He joined DKSH Holding Ltd. in July 2020 as Vice President, Healthcare, Cambodia and Laos and subsequently assumed the role of Vice President, Healthcare, Malaysia on August 1, 2023. In his current role, he is responsible for leading the Business Unit Healthcare in Malaysia and Brunei and is Head of the Country Leadership at DKSH Malaysia.

Prior to joining DKSH, he served Allergan India Private Ltd for seven years and Alcon Laboratories for 16 years. During his tenure in Alcon, he held various roles with increasing responsibility beginning with leadership positions in sales strategies and business functions and rose to the position of Country General Manager overseeing the operations in Malaysia, Singapore and Brunei.

Mr. Tewari is an experienced professional with a successful track record of growing businesses across the medical devices, vision care, and pharmaceuticals sectors in India and Southeast Asia. During his professional career, he has a myriad of experiences in turning around businesses for India and Southeast Asia markets.

He sits on the board of several subsidiaries of DKSH Holdings (Malaysia) Berhad and does not hold any directorship in other public companies and listed companies. He does not have any family relationship with any Director and/or major shareholder of DKSH Holdings (Malaysia) Berhad and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

He has no convictions for offences within the past five years nor any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

Mr. Tewari attended all of the Board meetings that were held during the financial year ended December 31, 2024.

Directors' Profiles (continued)

Senthilathiban a/l Thirunilakantan

Aged 50, Male, Malaysian
Non-Independent Executive Director
Senior Director, Country Finance, Malaysia and Brunei

Mr. Senthilathiban was appointed to the Board of DKSH Holdings (Malaysia) Berhad on November 21, 2024, as a Non-Independent Executive Director.

Presently, Mr. Senthilathiban holds the position as the Senior Director, Country Finance, Malaysia and Brunei.

Mr. Senthilathiban has a Master's Degree in Accounting and Finance from the University of Southampton. He is also a fellow member of Association of Chartered Certified Accountants ("ACCA") and a member of the Malaysian Institute of Accountants (MIA). He started his career with PwC, moving on to Ernst & Young, and KPMG, which gave him a strong background in audit, accounting, and finance. He is a professional with 26 years of experience, of which 15 years was in finance business partnering having worked for multinationals such as Continental, Hilti Corporation, and British American Tobacco as well as local corporation, Digi. Mr. Senthilathiban has been involved in investment planning, strategic and commercial decision-making, leading finance teams, and overseeing shared services operations.

Currently, Mr. Senthilathiban leads the finance team, build capabilities, and is responsible for the execution of the Group-wide strategic finance initiatives in DKSH Malaysia.

Mr. Senthilathiban sits on the board of several subsidiaries of DKSH Holdings (Malaysia) Berhad and does not hold any directorship in other public companies and listed companies. He does not have any family relationship with any Director and/or major shareholder of DKSH Holdings (Malaysia) Berhad and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

He has no convictions for any offences within the past five years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

There were no Board meetings held subsequent to his appointment to the Board on November 21, 2024.

Directors' Profiles (continued)

Richard Lai Tak Loi

Aged 54, Male, Singaporean
Independent Non-Executive Director
Chairman of the Audit Committee

Mr. Richard Lai Tak Loi was appointed to the Board of DKSH Holdings (Malaysia) Berhad on November 4, 2022, as an Independent Non-Executive Director and Chairman of the Audit Committee.

He graduated with a Bachelor of Arts in Economics majoring in Accounting and Finance from the University of Manchester, United Kingdom. Mr. Richard Lai has more than 30 years of working experience in various industries from financial services, property development and investment to eCommerce, shipping, supply chain and logistics. He started his career as a banker in Kuala Lumpur, Malaysia, before moving to Singapore to join the corporate sector. For the past 20 years, Mr. Richard Lai held various C-suite positions at SGX-listed entities such as CEO at Mapletree Logistics Trust, and Group CFO at GuocoLand Limited and later, Singapore Post Limited. He was last the Group CFO at IMC Pan Asia Alliance Pte Ltd (now known as Tsao Pau Chee), a position he relinquished since June 2023.

Mr. Richard Lai is a seasoned corporate professional with strong entrepreneurial skills and a proven track record in developing strategy, driving business transformation, and establishing and growing financial value of businesses. He has served as a key advisor on various governance committees.

He does not hold any directorship in other public companies. He does not have any family relationship with any Director and/or major shareholder of DKSH Holdings (Malaysia) Berhad and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

He has no convictions for offences within the past five years nor any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

Mr. Richard Lai attended all four Board meeting held during the financial year ended December 31, 2024.

Directors' Profiles (continued)

Dr. Leong Yuen Yoong

Aged 47, Female, Malaysian
Independent Non-Executive Director
Member of the Audit Committee
Chairman of the Nomination & Remuneration Committee

Dr. Leong Yuen Yoong was appointed to the Board of DKSH Holdings (Malaysia) Berhad on June 16, 2021, as an Independent Non-Executive Director and a member of the Audit Committee. Dr. Leong was then appointed as the Chairman of the Nomination & Remuneration Committee. Currently, Dr. Leong is an Independent Non-Executive Director, member of the Audit Committee, and Chairman of the Nomination & Remuneration Committee of the Company.

Dr. Leong is a recognised leader in sustainability, driving Sustainability Studies at the UN Sustainable Development Solutions Network, Asia Headquarters, and serving as a Professor at Sunway University. She cultivates future sustainability leaders through research mentorship and shapes energy policy through rigorous analysis and strategic engagement with policymakers. Her expertise encompasses managing complex, multi-country projects and leading multidisciplinary teams to analyse climate policy, focusing on de-carbonisation pathways and integrating renewable energy solutions, particularly within critical energy systems. She also works on empowering resilient futures by climate-proofing power systems and communities, and on natural ecosystem re-carbonisation, for comprehensive policy recommendations.

Dr. Leong's career is marked by a diverse background, beginning in prominent organizations such as Golden Hope Plantations Berhad, Sime Darby Berhad, and the Malaysian Life Sciences Capital Fund. She further demonstrated her entrepreneurial spirit by co-founding WAYY Consulting and Natural Ease.

Dr. Leong holds a Ph.D. in International Manufacturing Strategy and Network Systems from the University of Cambridge and a Master of Engineering in Electrical and Electronic Engineering from Imperial College London. Her commitment to lifelong learning is further exemplified by her Certificate in Business Sustainability Management from the University of Cambridge Institute for Sustainability Leadership.

Dr. Leong does not hold any directorship in other public companies and listed companies. She does not have any family relationship with any Director and/or major shareholder of DKSH Holdings (Malaysia) Berhad and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Dr. Leong has no convictions for offences within the past five years nor any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

Dr. Leong attended all four Board meetings held during the financial year ended December 31, 2024.

Directors' Profiles (continued)

Datin Suryani binti Ahmad Sarji

Aged 57, Female, Malaysian
Independent Non-Executive Director
Member of the Audit Committee
Member of the Nomination & Remuneration Committee

Datin Suryani binti Ahmad Sarji was appointed as an Independent Non-Executive Director and a member of the Audit Committee and Nomination & Remuneration Committee of DKSH Holdings (Malaysia) Berhad on November 21, 2024.

She graduated with a Bachelor of Science (Hons) in Accounting from the University of Hull, United Kingdom in 1990. She is a corporate member of the Institute of Corporate Directors Malaysia. Datin Suryani started her career with Petronas Carigali Sdn. Bhd. in the Finance Department and later joined Seacorp Schroders Capital Management Bhd. (now MIDF Amanah Asset Management) as an Investment Analyst until 1998. Thereafter, she ventured into entrepreneurship with Digiray (M) Sdn. Bhd. as a retail partner to Caltex. As the owner, she led the business's operations, sales, branding, and financial management. In 2010, she explored further into retail and joined Chopard (Malaysia) Sdn. Bhd. where she eventually became the Customer Relationship Management ("CRM") specialist under Chopard's global CRM system.

Datin Suryani currently serves as an Independent Non-Executive Director ("INED") in MST Golf Group Bhd. and is on the Board of Projek Lintasan Kota Holdings Sdn. Bhd. and a few of its subsidiaries.

She does not have any family relationship with any Director and/or major shareholder of DKSH Holdings (Malaysia) Berhad and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

She has no convictions for offences within the past five years nor any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

There were no Board meetings held subsequent to her appointment to the Board on November 21, 2024.

Key Senior Management's Profiles

Key Senior Management's Profiles (continued)

Sandeep Tewari

Aged 52, Male, Indian
Non-Independent Executive Director
Vice President, Healthcare

For details of Mr. Tewari, please refer to page 14 of this Annual Report.

Key Senior Management's Profiles

Senthilathiban a/l Thirunilakantan

Aged 50, Male, Malaysian
Non-Independent Executive Director
Senior Director, Country Finance, Malaysia and Brunei

For details of Mr. Senthilathiban, please refer to page 15 of this Annual Report.

Key Senior Management's Profiles (continued)

Daniel Schwalb

(Also known as Daniel)

Aged 54, Male, German
Vice President, Fast Moving Consumer Goods ("FMCG")

Mr. Schwalb was appointed as Vice President of the Consumer Goods Business Unit at DKSH Holdings (Malaysia) Berhad in February 2024. In this role, he is responsible for leading the entire FMCG business across Malaysia and Brunei, driving strategic growth initiatives and strengthening market presence.

Mr. Schwalb holds a Bachelor of Science in Economics from the University of Konstanz and a Master of Business Administration from the University of Zurich. Further enhancing his leadership capabilities, he completed the Program for Global Leadership at Harvard Business School and later pursued an Advanced Management Program in Business Administration and Management at IESE Business School.

With 28 years of extensive experience in the FMCG industry, Mr. Schwalb has built a distinguished career marked by business transformations, accelerated growth, and brand building. Prior to joining DKSH, Mr. Schwalb had spent over 18 years in the FMCG industry around the globe. In this process, his proudest career highlights include 8 years with Red Bull, where he held key leadership positions in the UK, USA, and Singapore, solidifying his global business acumen and expanding his experience in the FMCG industry. Prior to joining DKSH, he headed Campari Group's Southeast Asia and India business unit.

Renowned for his entrepreneurial spirit and global perspective, Mr. Schwalb has successfully led teams of over 1,500 members, navigating through complex business landscapes. His strategic leadership style focuses on a strong results-driven mindset, consistently delivering outstanding performance. He has also built strong partnerships with distributors and co-packing partners, reinforcing his reputation as a dynamic and innovative leader.

Mr. Schwalb sits on the board of several subsidiaries of DKSH Holdings (Malaysia) Berhad and does not hold any directorship in other public companies and listed companies. He does not have any family relationship with any Director and/or major shareholder of DKSH Holdings (Malaysia) Berhad and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no convictions for offences within the past five years, nor any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

Key Senior Management's Profiles (continued)

Neil McCann

(Also known as Neil)

Aged 62, Male, British
Vice President, Supply Chain Management, Malaysia and Thailand

Mr. Neil McCann was appointed as the Vice President, Supply Chain Management of DKSH Malaysia Sdn. Bhd., a wholly-owned subsidiary of DKSH Holdings (Malaysia) Berhad on December 1, 2022.

Mr. McCann joined DKSH in 2018 to lead the Supply Chain Management for Thailand. Over the past four years, the Function has benefited from Mr. McCann's over 30 years of leadership experience as he successfully led its transformation by simplifying the distribution center network, closing legacy distribution centers, and successfully opening four new ones. This major accomplishment would not have been possible without a focus on collaboration and partnership with the Business Units, Functions, clients, and customers.

Mr. McCann's track record in successfully transforming Supply Chain in Thailand has resulted in a significant improvement in cost and service metrics. Prior to joining DKSH, Mr. McCann led operations in large 3PL providers, retail, and manufacturing. Since moving to Asia in 1994, Mr. McCann has lived and worked in Hong Kong, Thailand, Singapore, Indonesia, and Kuwait.

Mr. McCann does not hold any directorship in any public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no convictions for any offences within the past five years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Key Senior Management's Profiles (continued)

Arminderpal Singh a/l Gurdial Singh

(also known as Arminder Gill)

Aged 44, Male, Malaysian
Senior Director, Regional IT, South East Asia, India, Australia & New Zealand

Mr. Arminder Gill was appointed as Senior Director, Regional IT, South East Asia, India, Australia & New Zealand of DKSH Corporate Shared Services Center Sdn. Bhd. ("CSSC"), a wholly owned subsidiary of DKSH Holding Ltd. on June 2, 2022.

He is a graduate of Bachelor of Science ("BSc") Computer Science from the University of De Montfort, United Kingdom and holds a Master of Networked Administration, Network and System Administration/Administrator from Jetking College in Bangalore, India.

Mr. Arminder comes with more than 23 years of international technology industry experience. Prior to joining DKSH, Mr. Arminder held the Global Head of IT and Cybersecurity position at PureCircle Trading Sdn. Bhd. Before this, he had worked with Boston Consulting Group, Herbalife International, and Symphony BPO Solutions Sdn. Bhd. Mr. Arminder has led multiple digital initiatives in his previous engagements. These include enhancing business processes through digital applications, enabling end-to-end track and trace of products and fleet management. In addition, Mr. Arminder has implemented a crop monitoring system and multiple ERP systems, allowing the business to have real-time access to crop, financial, and other operational information.

Mr. Arminder does not hold any directorship in any public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no convictions for any offences within the past five years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Key Senior Management's Profiles (continued)

Thamayenthi a/p Narayan @ Narayanan
(also known as Thamayenthi Narayanan)

Aged 47, Female, Malaysian
Director, Country Human Resources

Ms. Thamayenthi was appointed as Director, Country Human Resources of DKSH Malaysia Sdn. Bhd., a wholly-owned subsidiary of DKSH Holdings (Malaysia) Berhad on October 1, 2021. Building on her leadership and impact, she later took on the role of Senior Director, Country Human Resources, Malaysia and Brunei, further strengthening HR's strategic role in driving organizational excellence and business transformation.

Ms. Thamayenthi holds a Degree in Computing (Hons) from the University of Staffordshire. She brings with her over 20 years of human capital management experiences cutting across several industries ranging from broadcast, telco, and facilities management.

Ms. Thamayenthi's current appointment at DKSH Malaysia is her second stint with the organization as she was previously the Associate Director for Talent Management and HR Business Partner to the Business Unit Healthcare in DKSH Malaysia between 2017 and 2020. She brings with her extensive experience in formulating full spectrum HR strategies and solutions, human resources operations management; mergers and acquisition; organization change and restructuring; serving companies like Maxis, MEASAT Broadcast Network Systems ("Astro"), U Mobile, Atalian Global Services, and DKSH Malaysia.

Ms. Thamayenthi plays a pivotal role in shaping the people and culture agenda for DKSH Malaysia and DKSH Brunei Sdn. Bhd., delivering comprehensive HR solutions that empower the business. As a strategic partner to the Country Leadership Team, she champions meaningful transformations that align with business objectives while fostering a dynamic and people-centric workplace. With a deep commitment to driving positive change, she navigates challenges with agility and purpose, ensuring that HR remains a trusted enabler of growth, innovation, and organizational excellence.

Ms. Thamayenthi does not hold any directorship in any public companies and listed issuers. She does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She has no convictions for any offences within the past five years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Key Senior Management's Profiles (continued)

Serene Lee Huey Fei

(also known as Serene Lee)

Aged 44, Female, Malaysian
Director, Legal, Malaysia, Singapore & Brunei

Ms. Lee was appointed as the Director, Legal, Malaysia & Singapore of DKSH Malaysia Sdn. Bhd., a wholly-owned subsidiary of DKSH Holdings (Malaysia) Berhad on February 14, 2022. She later expanded her portfolio to include the business markets in Brunei and took on the role of Director, Legal, Malaysia, Singapore & Brunei on September 1, 2024.

She graduated with a Bachelor of Laws degree from the University of London, United Kingdom in 2002 and was admitted as an Advocate and Solicitor of the High Court of Malaya in February 2006. She started her career as a practising lawyer, handling a wide range of corporate, commercial, banking and conveyancing matters and pursued her career further by joining PETRONAS as a Legal Counsel wherein she held different legal portfolios for the listed entity, PETRONAS Dagangan Berhad and upstream divisions which include legal advisory for operational, corporate, commercial, and management of international oil and gas projects and dealings for Liquefied Natural Gas (LNG).

Ms. Lee has over 21 years of solid experience in handling legal and corporate secretarial matters for various industries such as infrastructure, building materials, industrial, oil & gas, logistics and supply chain management. Ms. Lee specializes in leadership roles, personnel management, legal advisory, negotiating and administering legal, contractual, corporate, and commercial documents/agreements for both stakeholders' and clients' businesses. Prior to joining the Company, Ms. Lee held the position of Senior Manager, Legal & Joint Company Secretary at Malayan Cement Berhad (formerly known as Lafarge Malaysia Berhad).

In addition to her legal advisory and practising qualification, she is a licensed secretary under Section 20(G) of the Companies Commission of Malaysia Act 2001. She was appointed as Company Secretary of the Company on August 24, 2022.

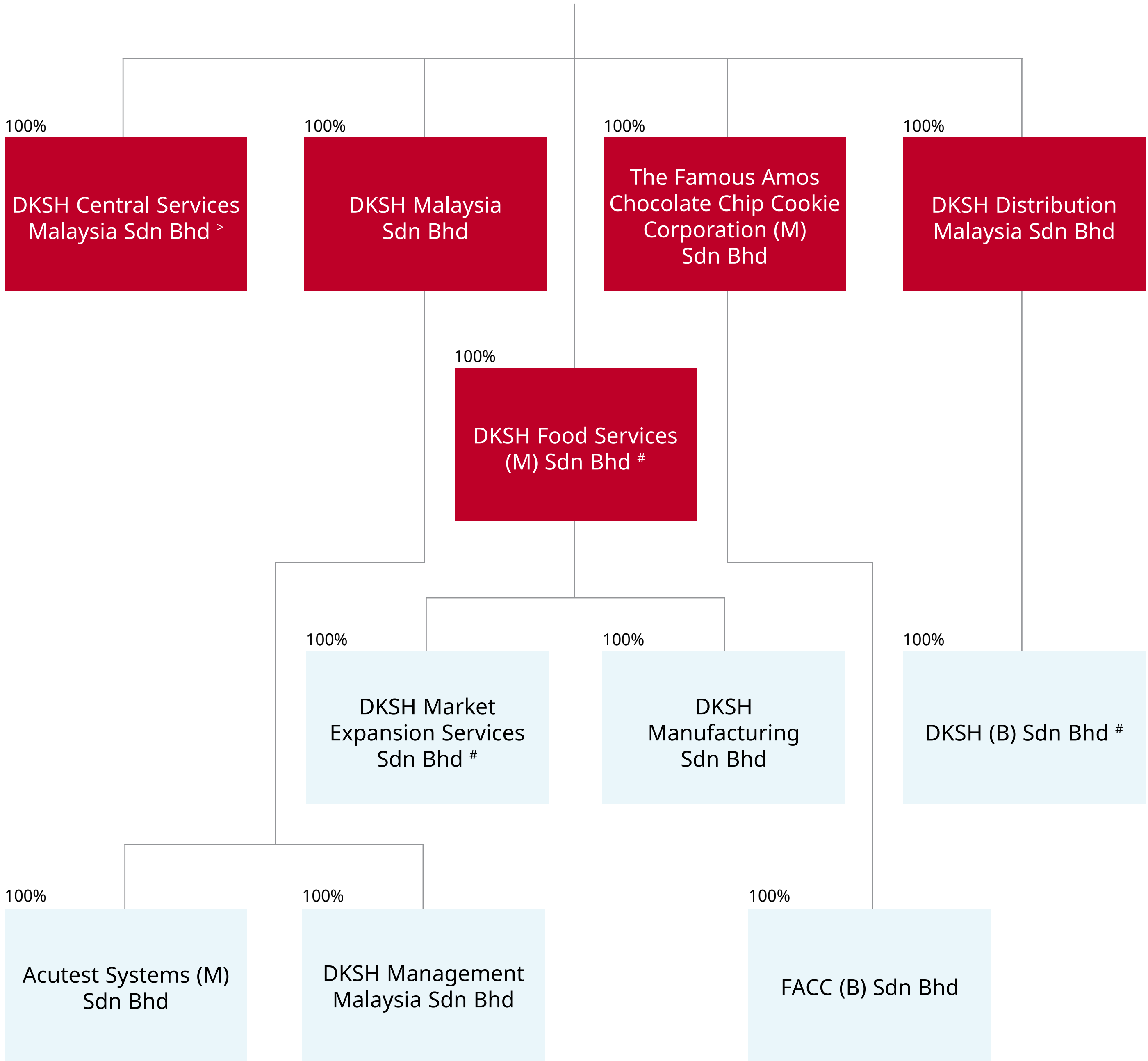
Ms. Lee leads both the Legal and Company Secretarial teams of the Company. She is responsible for the legal functions in Malaysia, Singapore and Brunei.

Ms. Lee does not hold any directorship in any public companies and listed issuers. She does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She has no convictions for any offences within the past five years nor any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

Corporate Structure

DKSH

DKSH Holdings (Malaysia) Berhad



Dormant
> *In liquidation*

Sustainability Statement

Integrating sustainability into our core operations is key to securing our future success. We adopt practices today that ensure our relevance and competitiveness in the future. Our commitment to conducting business ethically is aimed to enhance our community, environment, marketplace, and workplace, ensuring we continue to foster sustainability in every aspect of our operations.

Sustainability Statement

ABOUT THIS REPORT ▶ (GRI 2-1, 2-6)

This report offers stakeholders a clear assessment of how DKSH Holdings (Malaysia) Berhad ("DKSH or DKSH Malaysia") incorporates sustainability into its operations during the reporting year. It outlines the key sustainability-related risks, opportunities, and impacts that influence our approach to value creation.

As a Market Expansion Services provider, DKSH Malaysia helps businesses enter and grow in new and existing markets by leveraging its global network, industry knowledge, and local expertise. We support Consumer Goods and Healthcare clients by handling distribution, promotion, and servicing, ensuring customers have access to high-quality products, services, and insights. DKSH Malaysia is publicly listed on the Main Market of Bursa Malaysia Securities Berhad.

Reporting Frameworks

This Sustainability Statement adheres to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and follows the guidelines set out in the Bursa Malaysia Sustainability Reporting Guide ("3rd edition"). It addresses material ESG ("economic, environmental, social, and governance") matters, including the 11 Common Sustainability Matters applicable to all listed issuers.

In addition, our reporting framework also aligns with international best practices, incorporating the Global Reporting Initiative ("GRI") Standards 2021, the United Nations Sustainable Development Goals ("UN SDGs"), and the Task Force on Climate-Related Financial Disclosures ("TCFD") Recommendations to enhance transparency and accountability in sustainability reporting.

Scope and Boundary ▶ (GRI 2-2, 2-3)

This Sustainability Statement outlines DKSH Malaysia's sustainability initiatives and performance for the fiscal year January 1 to December 31, 2024 ("FY2024"). The report covers our operations across headquarters in Petaling Jaya, branch offices, distribution centers in both Peninsular and East Malaysia, and the manufacturing plant in Shah Alam. Where relevant, a three-year performance comparison is provided for quantitative data. The statement is published annually as part of the DKSH Malaysia Annual Report.

This report primarily highlights efforts within the Economic, Environmental, and Social ("EES") pillars. While sustainability-related economic insights are detailed in the Management Discussion and Analysis, and governance matters are addressed in the Corporate Governance Overview Statement, both sections are covered separately in this Annual Report.

Restatement ▶ (GRI 2-4)

In 2023, we have revised GHG emissions data across Scope 1, 2, and 3, along with electricity consumption figures to enhance accuracy and ensure alignment with available invoices and updated metrics. The inventory has been expanded to include additional facilities, and recalculations have been conducted using the appropriate Grid Emission Factor ("GEF").

Waste data for the past two years has been restated due to a change in calculation methodology, following the reclassification of manufacturing waste from Hazardous Waste to Recyclable. Similarly, health and safety performance data has been recalibrated by excluding sites not covered under DKSH Holdings (M) Berhad's reporting scope.

A comprehensive restatement of Human Resources ("HR") data has also been undertaken for the past two years to improve accuracy and reliability. These refinements strengthen the integrity of our reporting and ensure a more precise representation of our performance metrics moving forward.

In 2024, the number of employees who received Health, Safety, and Environment ("HSE") training, as disclosed in the Performance Data in Page 92, has been restated for 2022 and 2023 to exclude non-employees.

Sustainability Statement (continued)

Materiality

In 2024, we continued the approach taken in 2023 by aligning our material matters with DKSH's global materiality assessment, ensuring a thorough evaluation of our impacts and their influence on the operational environment. These material matters were then reviewed within the local context to confirm their relevance to Malaysia's business landscape. They are also mapped against Bursa Malaysia's 11 Common Sustainability Matters, GRI Standards, and UN SDGs to maintain consistency with international sustainability frameworks.

DKSH Malaysia Material Matters 2023		Changes in 2024
1 Health, Safety, and Well-being	▶	1 Health, Safety, and Well-being
2 Employee Attraction, Satisfaction, and Retention	▶	2 Employee Attraction, Satisfaction, and Retention
3 Labor Practices and Human Rights	▶	3 Labor Practices
4 Climate Change Mitigation	▶	4 Climate Change Mitigation
5 Pollution Prevention	▶	5 Pollution Prevention
6 Resource Efficiency	▶	6 Resource Efficiency
7 Climate Change Adaptation (TCFD Report)	▶	7 TCFD Report
8 Responsible Supply Chain	▶	8 Responsible Procurement
9 Ethical Business	▶	9 Ethics and Integrity
10 Local Community	▶	10 Combatting Corruption
11 Access to Food, Medicines, and Healthcare	▶	11 Responsible Marketing Practices
12 Product Quality and Safety	▶	12 Data Privacy and Protection 13 Product Quality and Safety 14 Local Community Development

This Sustainability Statement is structured into three key chapters, each addressing specific Material Matters. The **Our People** chapter focuses on employees as the driving force behind value creation. The **Our Business** chapter highlights how we generate value through our business model, with an emphasis on supply chain sustainability. Lastly, the **Our Outcome** chapter reflects our commitment to delivering on our purpose of enriching people's lives.

Sustainability Statement (continued)

Integrating United Nations Sustainable Developmental Goals

We integrate the United Nations Sustainable Development Goals ("UN SDGs") into our business operations, aligning our efforts with global sustainability priorities. Furthermore, by embedding the UN SDGs into our strategies, we contribute to a more sustainable and equitable world while generating long-term value for our stakeholders. Many of the 17 SDGs are reflected in our material matters, with a particular focus on SDGs 2, 3, 4, 5, 8, 9, and 13.

Assurance ► (GRI 2-5)

We complied with the relevant reporting guidelines in preparing this Sustainability Statement to maintain its integrity and deliver information that is balanced, accurate, and meaningful. In this regard, the DKSH Malaysia Sustainability Committee conducted a review of the report's content, disclosures, and performance indicators before it was assessed and approved by Group Investor Relations and Group Sustainability teams, followed by DKSH Malaysia's Board of Directors.

To enhance the credibility of this report, we engaged Grant Thornton Consulting Sdn Bhd ("Grant Thornton") to provide limited assurance on selected material sustainability indicators. This was done in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements 3000 (Revised), "*Assurance Engagements other than Audits and Reviews of Historical Financial Information*" ("ISAE 3000 (Revised)"), and in respect of the greenhouse gas emissions information included within this report, in accordance with International Standard on Assurance Engagements 3410, "*Assurance Engagements on Greenhouse Gas Statements*" ("ISAE 3410").

For more details on the Assurance Statement, please refer to pages 93 to pages 97 of this report.

Forward-Looking Statements

This Sustainability Statement includes forward-looking statements related to our financial and non-financial position, future priorities, strategies, and growth opportunities, based on reasonable assumptions. However, these statements are not guarantees of future outcomes, as actual results may vary significantly due to risks, uncertainties, and external factors beyond our control.

Feedback ► (GRI 2-3)

We welcome stakeholder feedback and encourage comments and suggestions to enhance our sustainability initiatives and reporting. For any inquiries, suggestions, or further information, please reach out to :

Christy Chow
Senior Manager, Marketing & Communications
Phone +60 3 7882 8888
Email: dksh.malaysia.country.communications@dksh.com

For a complete perspective, we recommend reviewing this Sustainability Statement alongside the Annual Report and other publicly available resources, including corporate policies available on our website at www.dksh.com.my.

Memberships and Associations ► (GRI 2-28)

DKSH Malaysia is actively engaged with reputable industry associations, particularly in the chemical, pharmaceutical, and food sectors, and holds memberships in various chambers of commerce. These affiliations include, but are not limited to:

- Federation of Malaysian Manufacturers ("FMM")
- GS1 Malaysia
- Malaysian Animal Health and Nutrition Industries Association
- Malaysian Electrical Appliances Distributors Association ("MEADA")
- Malaysian Employers Federation ("MEF")
- Malaysia International Chamber of Commerce and Industry ("MICCI")
- Malaysia Medical Device Association
- Malaysian Retailers-Chains Association ("MRCA")
- Pharmaceutical Association of Malaysia
- Swiss Malaysian Chamber of Commerce ("SMCC")
- Transported Asset Protection Association ("TAPA") Asia Pacific

Sustainability Statement (continued)

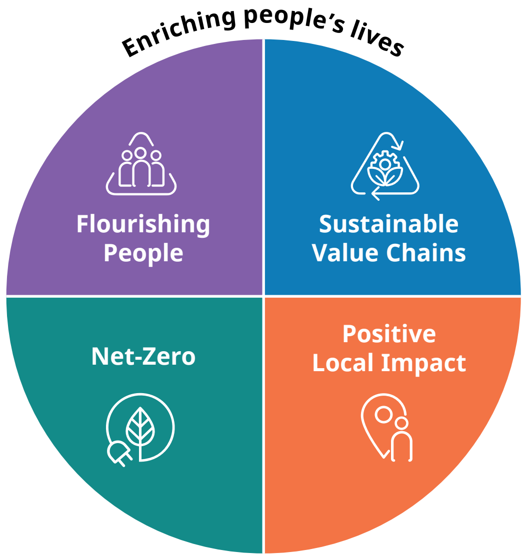
Our Sustainability Approach

Our sustainability efforts focus on strengthening business resilience, improving livelihoods, and protecting the environment. We actively engage with stakeholders, evaluate key impact areas, and implement a clear Sustainability Strategy. We remain committed to ensuring a sustainable future and driving meaningful change through strong governance and proactive risk management.

Sustainability is one of DKSH's five core values, guiding our approach to managing the economic and sustainability impacts of our operations, as identified through our materiality assessment. Our commitment to responsible, long-term growth is reflected in how we create value while ensuring market and product access and generating employment opportunities.

Sustainability Strategy

Driven by our purpose of Enriching People's Lives, we contribute to sustainable development in the markets and communities we serve, reinforcing our commitment to creating a positive impact. In 2023, DKSH Malaysia introduced a new Sustainability Strategy, embedding sustainability as a central element of its corporate strategy to drive meaningful impact through the following four key objectives:



Enable Our People to Flourish
We are committed to creating an environment where employees can maximize their potential and thrive. By providing training opportunities and fostering an open feedback culture, we support both personal and professional growth. We uphold human rights, champion diversity and inclusion, and cultivate a workplace that is equitable and empowering for all.

Make Our Value Chains More Sustainable
We collaborate with our partners across the value chain to integrate sustainability into our operations. This includes responsible procurement that upholds human rights and reduces environmental impact. Our commitment extends to minimizing waste and ensuring sustainable practices throughout our supply chain.

Achieve Net-Zero Emissions
In 2024, we revised our emissions targets by centering on these areas: prioritizing transparent reporting for Scopes 1, 2, and 3 and reaching net-zero emissions through efficiency gains and optimization of transport routes and truck loads, and the procurement of renewable electricity. We also intend to implement energy-saving equipment upgrades, expand our electric and hybrid vehicle fleet, and actively reduce refrigerant leakage. In addition, we aspire to develop a science-based target in the future.

Make a Positive Local Impact
We are committed to supporting local communities by providing access to markets, people, and products, in line with our purpose of enriching people's lives. Our initiatives focus on creating meaningful change, from alleviating hunger to enhancing life skills. In 2023, we developed our Social Impact Strategy, which serves as a framework for translating our Sustainability Strategy into actionable initiatives at the Group, Business Unit, and market levels. This strategy defines activities that drive social impact, ensuring our efforts contribute positively to the communities where we operate.

In 2024, we introduced Sustainability Scorecards for each of our four objectives. Each Scorecard features Key Performance Indicators ("KPIs") essential for measuring our progress toward our Sustainability Strategy goals. Our Sustainability Committee members utilize these Scorecards, which are also monitored by our Board of Directors ("BoD") to track our progress and identify new measures when necessary.

In 2025, we aim to establish and formalize targets to enhance our strategic planning, particularly in areas requiring investment. These targets will provide guidance, help prioritize our daily operations, and foster trust in our sustainability journey among both internal and external stakeholders.

For more details on the Social Impact Strategy, please refer to page 89 of the DKSH Holding Ltd. Sustainability Report 2024.

Sustainability Statement (continued)

2024 Sustainability Overview and Highlights

Sustainability is embedded across our operations through cross-functional collaboration and targeted initiatives. In 2024, the DKSH Supply Chain Management ("SCM") Sustainability Performance Scorecard was introduced to track our sustainability initiatives. The scorecard is used to evaluate the performance of five essential sustainability criteria including eco-friendly packaging, waste management, energy reduction initiatives, CO_2 reduction, and solar panel installations.

To improve data accuracy, we upgraded our data management infrastructure and implemented systems that enhance data collection and reporting, ensuring greater transparency and reliability in sustainability disclosures. We also deepened our expertise in sustainable practices by engaging in conferences, seminars, and training programs, strengthening our ability to drive meaningful progress.

Flourishing People

Our Approach

Human Rights | Developing Our Talent | Embracing Diversity | Employee Engagement

2024 Highlights

- Achieved a score of 72 in the 2024 Your Voice@DKSH Employee Engagement Survey, maintaining a strong engagement level with a slight 1-point variance from 2023 (73)
- Women comprised 33.33% of the Board in 2024
- Increased training investment to RM3.50 million in 2024
- Continued SPOT Recognition Awards to reward employees in 2024

Sustainable Value Chains

Our Approach

Human Rights | Responsible Procurement | Environmental Stewardship

2024 Highlights

- 25% of employees were covered by collective bargaining agreements in 2024
- 94% of vendors are local
- Increased local supplier engagement, allocating 94% of procurement budget to local vendors
- Recorded zero incidents of non-compliance related to product health and safety in 2024
- Conducted 27 sessions of Supplier Code of Conduct ("SCOC") training for business partners

Net-Zero

Our Approach

Emissions Transparency | Science-Based Target | Net-Zero Operations

2024 Highlights

- Engaged third-party auditor, SGS, to validate the GHG emissions data in our reporting system
- Installed solar panel systems at SADC and FACC The Hub to promote renewable energy and reduce grid dependency
- Conducted an energy audit at SADC to identify inefficiencies and implement energy-saving measures
- Converted to LED lighting to enhance energy efficiency and reduce electricity consumption
- Promoted teleconferencing to reduce travel-related emissions and support carbon footprint reduction
- Encouraged employees to practice energy conservation by turning off lights during breaks and after shifts
- Secured International Renewable Energy Certificates ("I-RECs") to offset Scope 2 emissions and support renewable energy development

Positive Local Impact

Our Approach

Community Engagement | Social Impact

2024 Highlights

- Invested RM 315,300 in Corporate Social Responsibility ("CSR") initiatives in 2024
- Expanded the ARISE literacy program, supporting eight community learning centres for indigenous children
- Provided monthly school expenses for 70 Orang Asli primary school children, including supplies and uniforms
- Launched Patient Purpose Day with the Red Crescent Society ("MRCS") to support healthcare access
- Continued Project ORCHID, employing nine hearing-impaired individuals at Famous Amos outlets

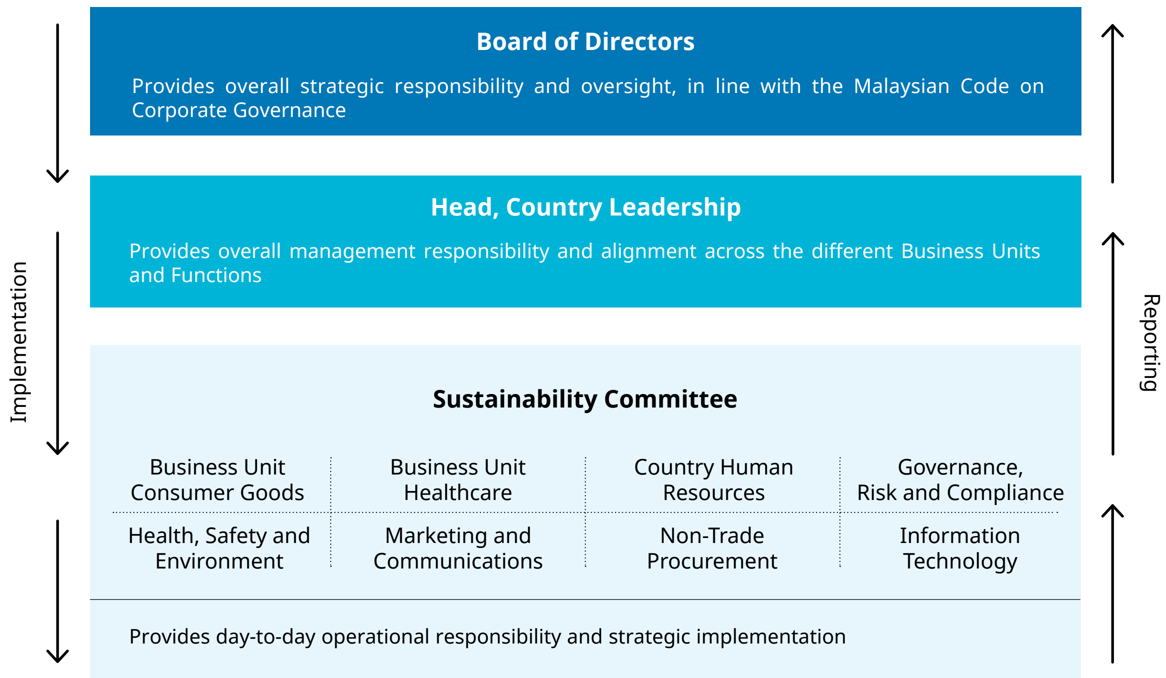
Sustainability Statement (continued)

Sustainability Governance ► (GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14)

Strong governance plays a key role in integrating sustainability into DKSH's long-term strategy. The Board of Directors provides oversight on sustainability governance, ensuring that sustainability performance and initiatives align with business priorities. Recognizing the increasing importance of sustainability in corporate strategy, the Board ensures that these efforts contribute to long-term value creation and business resilience.

To maintain effective and relevant sustainability efforts, the Board reviews sustainability matters quarterly. The Head, Country Leadership for Malaysia leads these initiatives, supported by a Sustainability Committee consisting of representatives from various Business Units and Functions. This committee meets at least four times a year or as needed. In 2024, quarterly meetings were held to discuss regulatory developments, set objectives, launch key initiatives, and track progress.

With Climate Action gaining prominence, discussions on climate change are now a regular feature at the Board and Senior Management levels. Climate-related evaluations within Business Units and Functions focus on carbon emissions, energy consumption, and supply chain risks. The findings and recommendations from these evaluations are presented to Senior Management and the Board, ensuring that climate-related considerations are embedded in top-level decision-making.



Sustainability Statement (continued)

Management of Material Risks and Opportunities

We take a structured approach to risk management at every level of the organization, ensuring that strategic planning, decision-making, and daily operations align with our commitment to long-term stability and value creation. Risk considerations are also embedded into our business processes to support resilience and informed decision-making. Furthermore, our Enterprise Risk Management ("ERM") Policy and Framework establishes a systematic process to identify, evaluate, and monitor risks, allowing us to anticipate challenges and mitigate potential disruptions.

Risk Category	Mitigating Actions	Opportunities
Energy Source	a) Equipping production facilities and offices with energy-efficient LED lighting b) Upgrading old air conditioning systems to 5-star rated Energy-Saving Air Conditioners c) Installing solar panels at The Hub ("FACC") and Shah Alam Distribution Centre ("SADC")	• Integrating renewable energy sources and implement energy efficiency measures
Resources Efficiency	a) Aligning vehicle size with product capacity to facilitate delivery b) Adding water meters at each facility to track potential wastewater usage and support a structured approach to reducing overall water consumption	• Enhancing efficiency in both production and distribution processes • Reducing overall water usage and consumption
Information Security	a) Mandating Information Technology ("IT") security training for all employees b) Conducting periodic phishing campaigns as an ongoing learning initiative c) Requiring multi-factor authentication to strengthen security measures	• Enhancing operational security to reduce the risk of breaches, data compromises, and unauthorized access

Stakeholder Engagement ▶ (GRI 2-29)

We engage in continuous dialogue with stakeholders to stay informed about key developments and their impacts, ensuring our strategies remain on the right path. Their perspectives and insights play a critical role in shaping both our business direction and sustainability approach, allowing us to align our efforts with evolving priorities.

Key Stakeholder Group	Why Are They Important To Us	How We Engage With Stakeholders	Key Areas of Interest	Our Response
Clients	Our clients play a key role in enhancing our revenue streams through sustained contractual agreements, fostering financial stability, and sustainability. Their contributions are crucial in helping us achieve our company goals, which include expansion, increasing market share, improving distribution, and executing our strategic plans effectively.	Periodic meetings and regular business reviews	Project delivery within timeline and budget	• Providing reliable logistics infrastructure and distribution centers • Offering additional specialized services as needed • Developing long-term business strategies based on local expertise and market intelligence

Sustainability Statement (continued)

Key Stakeholder Group	Why Are They Important To Us	How We Engage With Stakeholders	Key Areas of Interest	Our Response
Customers	Our customers are the primary source of revenue, providing essential capital that underpins the financial stability and sustainability of our business.	Periodic meetings and regular business reviews	Customer responsiveness and customer satisfaction	• Offering competitive pricing for products • Delivering sustainable products and services • Providing knowledge and market insights
Employees	Our people contribute knowledge and technical expertise that drives our business operations forward. Representing DKSH, they play a key role in communicating with our customers and suppliers, ensuring our values and standards are upheld. They are responsible for overseeing and managing the daily operations of the organization, maintaining efficiency and effectiveness across all levels.	Employee surveys, engagement sessions, recreational events	Employee engagement, high performing teams, cross functional and cross-BU collaboration	• Conducting employee engagement surveys to enhance workplace involvement • Upskilling and reskilling employees through learning and development programs • Developing leadership roles and planning for succession
Government agencies, local councils, and regulatory authorities	We engage with the government to ensure our business's sustainability and align our operations with regulatory requirements to mitigate the risk of financial and licensing losses.	On-site inspections, correspondences, social activities	Compliance with regulations	• Conducting on-site governance inspections and audits by regulatory authorities on factory production of goods • Performing on-site inspections by regulatory authorities for Good Distribution Practice and Cold Chain compliance • Undergoing external audits by SGS for ISO 9001, ISO 13485, GDP, and Good Distribution Practices ("GDP") certification

Sustainability Statement (continued)

Key Stakeholder Group	Why Are They Important To Us	How We Engage With Stakeholders	Key Areas of Interest	Our Response
Local communities	Local communities are important to us as they directly impact and are impacted by our operations. Engaging with them strengthens our social license to operate, enhances our reputation, and helps us understand and meet local needs.	Company Website, Social Media, Community engagement activities	Community support	• Supporting Orang Asli children's education through the All-Round Improvement in School Education ("ARISE") program in collaboration with SUKA Society • Interacting with Orang Asli children through school visits to assess and address their needs • Developing sustainable economic opportunities by offering job training programs • Expanding employment opportunities for individuals with hearing impairments • Implementing digital solutions in the supply chain to minimize the environmental footprint
Shareholders and investors	Our shareholders and investors provide us with capital infusion that boosts our market valuation and ensures access to capital markets. Their support enhances our visibility and credibility, underpinning our financial health and facilitating sustainable growth.	Company Website, quarterly announcement, AGM, analyst, and investor meetings	Timely disclosure of relevant corporate and financial information	• Providing transparent communication on financial performance, strategy, risks, and future outlook • Maintaining active communication with shareholders and investors • Engaging with financial analysts
Suppliers/ Vendors	Vendors are essential to our operations, offering the resources and services that drive our business forward. Their reliability and quality standards directly influence our product offerings and operational efficiency. Engaging with vendors allows us to build strong, collaborative relationships, ensuring a steady supply chain.	Periodic meetings and regular business reviews	Performance monitoring throughout supply chain	• Holding regular discussions with vendors on their sustainability goals • Encouraging vendors to explore sustainability initiatives, including electric vehicles, solar panels, and energy-efficient practices
Consumers	Consumers of our products. They contribute to our sales and shape our offerings. Their satisfaction influences our reputation and growth.	Marketing and advertising, and feedback channels	Quality and relevance of products	• Ensuring the availability of high-quality products in the market

Sustainability Statement (continued)

Material Matters ► (GRI 3-1, 3-2)

In 2022, we conducted a materiality analysis, where we incorporated stakeholder's interests and shifts in the regulatory and political landscape across our operational footprint. In 2023, the assessment confirmed that there were no changes to the material matters identified in the previous analysis. In 2024, we expanded the material matters to align with the findings and outcome of DKSH's global materiality assessment.

The evaluation process to determine impacts and establish material matters included the following steps:

Step

1 Analyzing megatrends and sector-specific issues relevant to DKSH.

2 Conducting desk research to determine topics significantly affecting key stakeholders and areas where stakeholders and the environment impact us. This analysis had a global scope with a specific focus on Southeast Asian markets, as most of DKSH's business operations are based in this region.

3 Validating findings through interviews with senior DKSH managers representing various key Business Units, Functions, and regions, all of whom regularly engage with stakeholders. These interviews provided additional insights into diverse stakeholder expectations.

4 Review and approval of the assessment results by the Executive Committee and the Board of Directors at the Global level.

DKSH Malaysia conducted a comprehensive review of material matters to confirm their relevance within the Malaysian operating landscape. To strengthen alignment and ensure relevancy of the material matters, the refreshed material matters were mapped to Bursa Malaysia's Common Indicators, ensuring that our sustainability priorities remain consistent with industry standards and best practices.

DKSH Malaysia Material Matters 2024	Bursa Malaysia 11 Common Sustainability Matters
1. Ethics and Integrity 2. Combatting Corruption 3. Data Privacy and Protection	Anti-Corruption Data Privacy & Security
4. Responsible Procurement 5. Responsible Marketing Practices 6. Product Quality and Safety	Supply Chain Management
7. Climate Change Mitigation 8. Pollution Prevention 9. Resource Efficiency 10. TCFD Report	Energy Management Water Waste Management Emissions Management
11. Health, Safety, and Well-being	Health and Safety
12. Employee Attraction, Satisfaction, and Retention 13. Labor Practices	Labor Practices and Standards Diversity
14. Local Community Development	Community/ Society

Sustainability Statement (continued)

Our People

We place our employees at the core of everything we do. Ensuring their health, safety, and well-being is crucial for our success. We aim to provide a safe, equitable, and welcoming work environment, while also supporting our staff in achieving their fullest potential through various training and development opportunities.

1. Health, Safety and Well-being

Employees are at the heart of our operations, and their health, safety, and well-being are essential to sustaining productivity and business continuity. Our work comes with risks, from handling machinery and heavy loads to managing hazardous materials. Even routine administrative and logistical tasks carry the potential for work- or non-work-related incidents that can affect both our employees and, in some cases, our stakeholders. A serious injury does more than disrupt operations—it can impact a person's long-term well-being and ability to work. For this reason, we prioritize creating a safe, equitable, and supportive work environment. We also provide regular health and safety training and ensure access to healthcare services, equipping employees with the support they need to work safely and confidently.

Ensuring Occupational Health and Safety ► (GRI 403)

Our employees are central to our operations, and their health, safety, and well-being are essential to maintaining a secure and productive workplace. Our Occupational Health and Safety ("OHS") program is designed to protect employees at every level, covering safe work procedures, risk assessments, compliance monitoring, and Health, Safety, and Environment ("HSE") training. It also includes emergency preparedness, injury and illness prevention, and workplace safety communication. These efforts are especially critical in distribution center operations, where safety risks are higher. Given the nature of our marketing, sales, service, and delivery activities, employees frequently travel for work, making safe driving practices a priority in accident prevention. Furthermore, we actively manage risks related to transporting, storing, and handling hazardous materials, ensuring the safety of both employees and the environment.

Sustainability Statement (continued)

Our HSE policy provides a structured approach to risk management, supported by strong governance and execution standards. It establishes guidelines and Standard Operating Procedures ("SOPs") to address specific HSE risks across different operations. The HSE committee, consisting of representatives from various Business Units and Functions, works closely with the Country HSE Manager to oversee the HSE Management System ("HSE-MS"). This system ensures compliance with all relevant regulations while addressing location-specific operational risks. HSE managers are responsible for implementation and continuous monitoring, with progress reports submitted quarterly to a global supervisory committee to ensure accountability.

DKSH aligns with the Department of Occupational Safety and Health Malaysia ("DOSH") guidelines and complies with the Occupational Safety and Health Act 1994 ("Act 514"). To meet these standards, we have implemented a Standard Operating Procedure for Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") across all operational activities. This approach ensures that work-related risks are identified, assessed, and managed effectively. To support this, we provide a HIRARC Inspection Form for process owners in each Business Unit and Function, enabling structured assessments. The form is reviewed annually or as needed to reflect operational changes. Safety audits play a key role in identifying gaps, and corrective action plans are developed to address any issues.

We also have a Stop Work Order process, which allows employees and contractors to halt work and step away from situations that pose potential health or safety risks.

We conduct pre-employment health checks for manufacturing employees and material handling equipment ("MHE") operators working in warehouse operations to ensure they are fit for their roles and capable of performing tasks safely.
► (GRI 403-3)

To ensure employees are involved in health and safety decisions, the Site HSE Committee, consisting of representatives from all departments, actively participates in discussions and decision-making on workplace health and safety practices.
► (GRI 403-4)

Workers covered by an occupational health and safety management system ► (GRI 403-8)

	2022		2023		2024	
	Number	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
Employee	3,164	79.2%	3,387	79.2%	3,735	85%
Non-Employee	832	20.8%	892	20.8%	642	15%
Total	3,996	100%	4,279	100%	4,377	100%

Training ensures that both employees and contractors understand and follow health and safety requirements, taking responsibility for their well-being and that of others. All new employees and contractors' complete comprehensive health and safety training before starting their roles, with mandatory sign-off upon completion. Regular refresher sessions are conducted to reinforce knowledge, and attendance is closely monitored. In 2024, 1,391 employees participated in health and safety training, which included the following programs:

SOPs Training

To equip employees with essential knowledge and skills to effectively follow SOPs in compliance with regulations, ensuring operational consistency and reducing risks

Safe Handling of Dangerous Goods Management training

A crucial training program designed to raise awareness among employees about the risks associated with handling hazardous materials. This initiative emphasizes proper handling, storage, and emergency response procedures, ensuring that safety is integrated into daily operations and that employees are well-prepared to prevent incidents

OSH Coordinator Training

To equip representatives at each DKSH facility with the necessary skills and knowledge to manage workplace safety and health effectively, in compliance with the Occupational Safety and Health ("OSH") Amendment Act 2022

In 2024, a total of
1,391
employees are trained on health and safety standards

Sustainability Statement (continued)

The HSE team organized an HSE Week campaign, engaging over 800 employees in a series of interactive awareness programs aimed at promoting safer and more sustainable practices in both professional and personal settings. The campaign focused on the following key areas:

Road Safety	Educating employees on responsible driving, ensuring their safety both within company premises and on public roads
Flood Preparedness	Providing essential knowledge on flood risks, emergency response measures, and proactive steps employees can take at work and home to stay safe
Reducing Emission in Daily Activities	Encouraging employees to adopt sustainable habits such as energy conservation, eco-friendly commuting, and mindful consumption to minimize carbon footprints
Transform Waste Habits	Educating employees on proper waste segregation, recycling, and sustainable disposal methods
Forklift Operation (Lesson Learned from Incident)	Educating employees proper forklift operation, safety protocols, and hazard identification to prevent accidents. A lesson learned from a past incident highlighted the critical need for strict adherence to safety measures
Mental Health Awareness	Raising awareness about mental health issues and providing resources for employees to seek help
Ergonomic Awareness	Educating employees on proper workplace setup, posture, and practices to prevent musculoskeletal disorders and injuries

DKSH also conducts regular fire drills across offices and warehouses, organizes health and safety awareness activities, and shares OHS updates with employees. The expansion of the 5S workplace organization system to a 7S program, incorporating Safety and Security alongside the original five principles, has strengthened safety measures in main distribution centers, improving workplace conditions and ensuring a safer environment across operations.

Our approach to safety focuses on reducing risks and preventing accidents across our facilities. This includes implementing clear SOPs, displaying safety signs, providing appropriate personal protective equipment based on job requirements, and enforcing strict workplace safety guidelines for contractors. These guidelines cover accident and incident reporting, as well as permit-to-work applications, ensuring a structured and consistent approach to workplace safety.

Sustainability Statement (continued)

Incident Investigation and Resolution

As part of our efforts to strengthen OHS practices, we prioritize the reporting and investigation of incidents to identify causes and implement corrective measures that prevent recurrence. All incident reports and investigations must follow the Accident Incident Reporting and Investigation ("RG3") procedure.

The HSE Manager works with relevant risk owners to assess whether the health and safety management system is effectively implemented and achieving its objectives. This includes verifying compliance with DKSH policies, internal standards, and regulatory requirements.

2024 Safety Performance

In 2024, our workplace safety practices were audited by key clients, customers, standards boards, regulatory authorities, and our own Supply Chain Management and HSE teams. The audit identified key safety issues, primarily related to workplace safety operations, which were promptly addressed. To mitigate these risks, we implemented preventive measures, conducted training, and ensured the provision of adequate personal protective equipment.

	Number			Rate (per 1,000,000 hours worked)		
Employees	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**
Fatalities from work-related injuries	0	0	0	0	0	0
High-consequence work-related injuries	0	0	0	0	0	0
Number of hours worked (in million)	7.30	6.70	6.90	-	-	-
Lost time incident rate	-	-	-	0.14	0.15	0.29

	Number			Rate (per 1,000,000 hours worked)		
Workers (excluding employees or contractors not hired by DKSH)	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**
Fatalities from work-related injuries	0	0	0	0	0	0
High-consequence work-related injuries	0	0	0	0	0	0
Number of hours worked (in million)	2.10	2.20	1.80	-	-	-
Lost time incident rate	-	-	-	0.47	1.37	0

Sustainability Statement (continued)

The health and safety performance data above were compiled through an internal reporting system, following Occupational Safety and Health Administration ("OSHA") guidelines.

In 2024, employee Lost Time Injury ("LTI") cases increased from one in 2023 to two in 2024, both resulting from contact with objects or equipment in manufacturing operations. In contrast, non-employee LTI cases decreased from three in 2023 to zero in 2024, with previous incidents mainly caused by contact with objects/equipment and slip, trip, and fall incidents.

To address the increase in employee LTI cases, we implemented several targeted measures:

- Enhancing Skills & Knowledge – Conducted targeted training to improve awareness of machinery hazards, safe handling practices, and emergency response procedures.
- Improving Safety Measures on Equipment and Tools – Evaluated machinery for potential hazards, reinforced equipment guarding, ensured the use of correct tools, and increased inspection frequency to mitigate risks.
- Strengthening On-Site Supervision – Increased supervision during machinery handling and maintenance to enforce safety protocols, reinforce best practices, and provide immediate guidance for high-risk tasks.

2. Employee Attraction, Satisfaction, and Retention

As a service provider with 3,677 employees as of the end of 2024, our success relies on skilled professionals who embody our values of trust, integrity, and reliability. Retaining talent is key to sustaining strong partnerships with business associates. We uphold human rights and place a strong emphasis on diversity, equity, and inclusion ("DEI"). By investing in employee development, we enhance performance for our clients and strengthen our reputation as an employer of choice. We provide employees with opportunities to learn, grow, and advance within the organization. In 2024, we were recognized for cultivating a positive workplace culture and received the Great Place to Work certification.

Our purpose is to enrich lives, and this extends to our workforce. Our core values—integrity, empowerment, collaboration, entrepreneurship, and sustainability—define our culture and guide our decisions. To reinforce these values, we apply the People DNA framework across all people processes, including recruitment, performance management, personal development, talent recognition, and rewards.

We also implement the Belonging@DKSH initiative to advance DEI across the company. This initiative reflects our commitment to creating a workplace where employees feel valued, respected, and empowered to express their authentic selves.

► (GRI 201-3)

Recruitment

We ensure fair, inclusive recruitment, adapting to evolving skills and promoting diversity across all levels

- Gender Diversity Policy
- Recruitment Guideline
- Code of Conduct

Compensation and Benefits

We provide competitive benefits to full-time employees, ensuring well-being, and support for those with families

- Gender Diversity Policy
- Fringe Benefits Policy

Work Conditions

We maintain a safe, productive workplace that fosters collaboration and employee satisfaction

- Gender Diversity Policy
- Code of Conduct
- Flexible Work Arrangements Guidelines

Performance Management

Our system encourages excellence, supporting personal and professional growth in alignment with our goals

- Pay-for-Performance Framework
- General Employment Policy

Sustainability Statement (continued)

We follow industry best practices in providing benefits for full-time employees. We also subsidize healthcare for temporary and part-time employees, covering clinic visits as part of their contract.

Key Benefits Provided to Full-Time Employees
▶ (GRI 401-2)

- Life insurance
- Healthcare
- Annual Leave
- Examination Leave
- Corporate Social Responsibility Leave
- Marriage leave
- Compassionate leave
- Dental and Optical benefits

Workforce Diversity

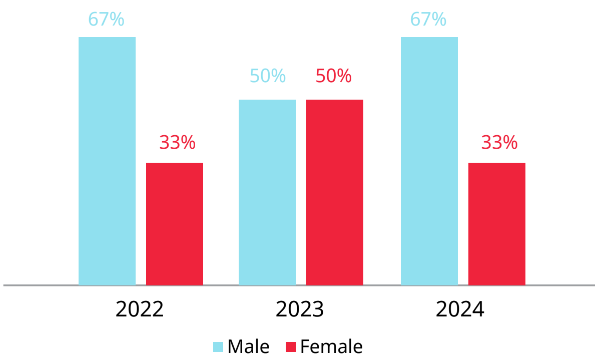
At DKSH, we believe that a diverse workforce drives success, bringing together individuals with varied backgrounds, perspectives, and expertise. This diversity strengthens our ability to adapt, innovate, and deliver quality services across all areas of our business. We are committed to maintaining an inclusive workplace, guided by our Code of Conduct, Belonging – Diversity, Equity, and Inclusion Policy, and Gender Diversity Policy.

We ensure that all employees and job seekers receive fair, respectful, and equal treatment, regardless of nationality, religion, race, gender, age, disability, sexual orientation, or other personal attributes. Our Human Resource Business Partners collaborate with hiring managers to build diverse teams that reflect our commitment to inclusivity.

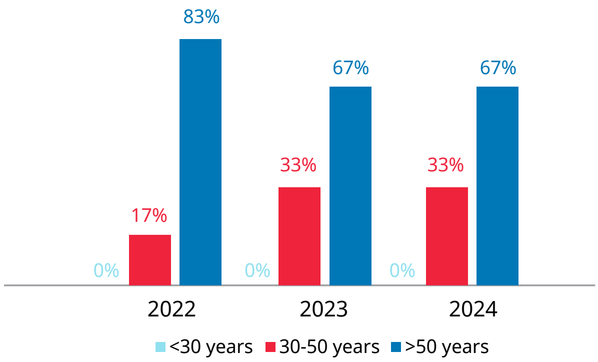
Recognizing the importance of representation at leadership levels, our Board actively supports diversity within Senior Management. In 2024, women made up 33.33% of DKSH's Board of Directors.

▶ (GRI 405-1)

Board Member Distribution by Gender



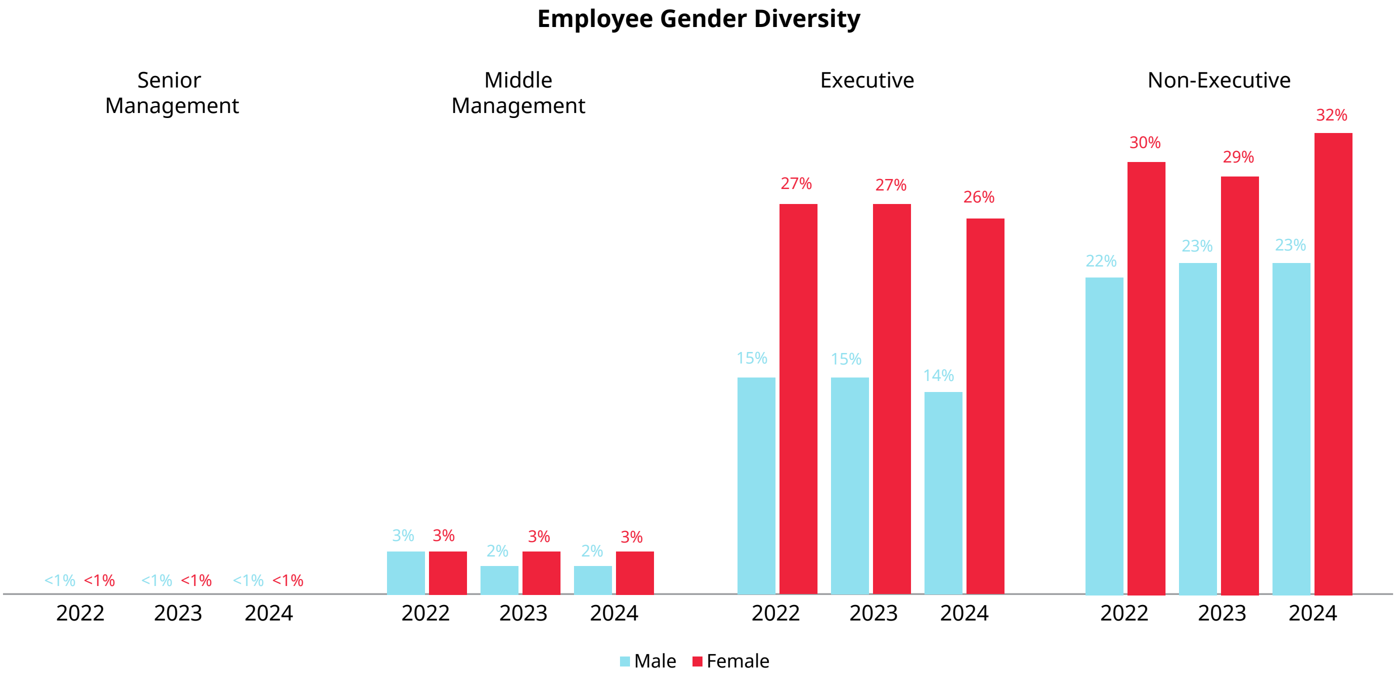
Board Member Distribution by Age Group

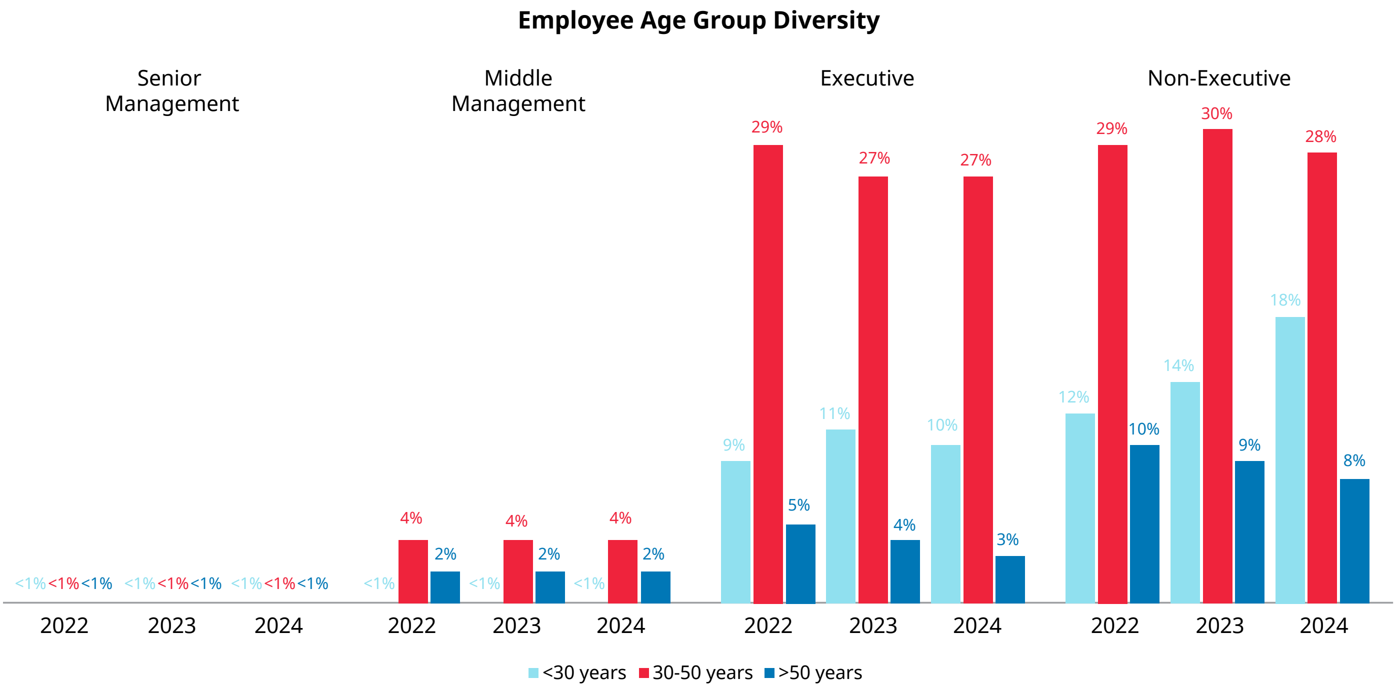


We also see local hiring as a key part of creating an inclusive workforce while contributing to regional economic and social growth. In 2024, 0.11% of our senior management team was hired from the local community, strengthening our efforts to develop local talent and industry expertise.

Sustainability Statement (continued)

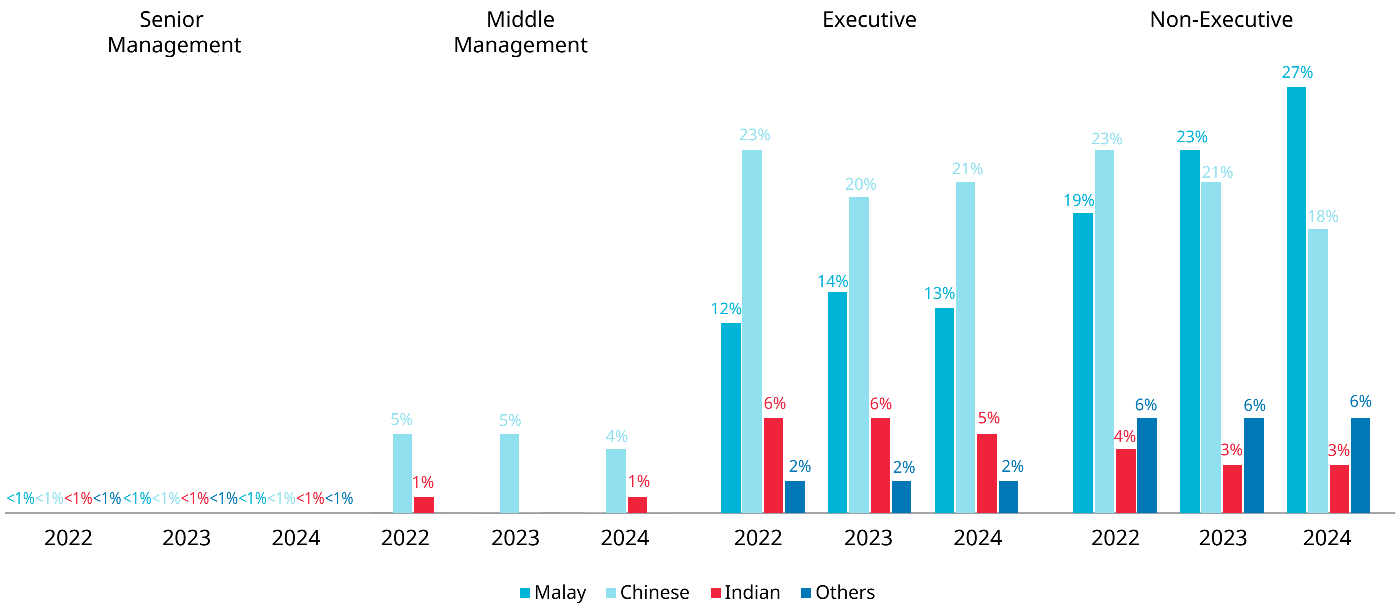
▸ (GRI 405-1)





Sustainability Statement (continued)

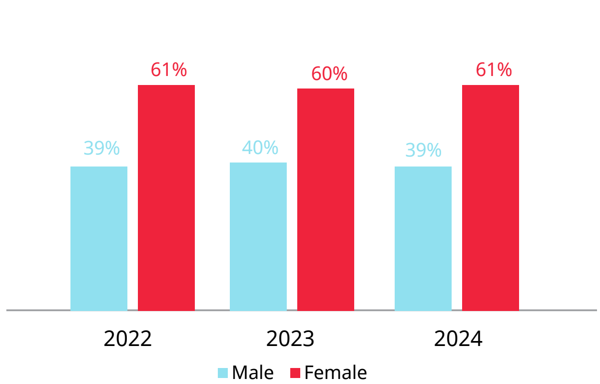
Employee Ethnic Diversity



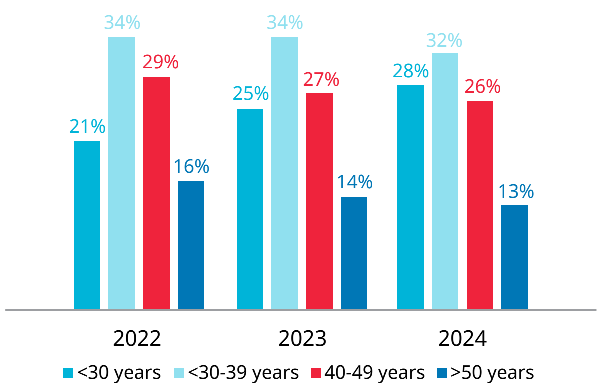
In 2024 , the ratio of women's to men's basic salary is as follow ► (GRI 405-2):

Employee Category	Ratio
Senior Management	1.6:1
Middle Management	1.1:1
Executive	1.1:1
Non-Executive	1:1

Employee Distribution by Gender



Employee Distribution by Age Group



Sustainability Statement (continued)

We have updated our Health and Welfare Policy and Vacation and Leave Policy to align with recent changes in Malaysia's Employment ("Amendment") Act 2022, ensuring compliance with the latest legal standards. These updates enhance employee benefits and provide greater flexibility, reinforcing our commitment to supporting our team's well-being and work-life balance.

Furthermore, all workers in Malaysia are subject to nationwide minimum wage regulations. Wage adjustments are determined by individual skills, performance, and job values. To ensure compliance, DKSH conducts quarterly audits on pay slips. The ratio of entry-level management roles to the minimum wage stands at 1.9:1, applied consistently across all locations.

Please refer to our employee category data in our Performance Data section on page 91

▸ (GRI 2-7, GRI 401)

Employee Engagement

We believe that a strong team begins with an engaged workforce. DKSH launched several initiatives to enhance employee engagement and retention, recognizing that a connected and valued workforce is key to long-term success. To improve communication and workplace cohesion, we introduced quarterly branch engagement sessions, offering employees a platform to receive updates, share concerns, learn about new initiatives, and strengthen their sense of belonging within the organization.

To recognize outstanding contributions, we continued quarterly SPOT awards, which follow the SPOT principles of being Specific, Personal, Outstanding, and Timely. These awards celebrate employees who go above and beyond, positively influencing morale and motivation.

SPOT Recognition Awards

As part of our employee recognition program, we annually honor individuals who embody our corporate values through the DKSH Fantree Awards. Furthermore, the prestigious SPOT Recognition Awards are presented to employees for exceptional achievements and behaviors that align with the SPOT principles—Specific, Personal, Outstanding, and Timely—reinforcing a culture of excellence and appreciation.

Employee Recognition Program	2022	2023	2024
DKSH Fantree Awards Malaysia recipients	N/A	4	20
Long Service Award recipients	299	236	283
SPOT Recognition Award recipients	78	105	178

We continue to invest in team development and workplace collaboration by providing targeted training and growth opportunities. Through our High Performing Teams training, employees gained practical skills to enhance teamwork and improve overall effectiveness. To support career advancement, we introduced job rotations and promotions, ensuring key talent has the opportunity to develop professionally while remaining engaged within the company. In recognition of their contributions, we also provided off-cycle salary adjustments to selected employees, reinforcing our commitment to valuing high performers.

Creating open dialogue between employees and leadership is equally important. With the introduction of skip-level check-ins, employees now have a direct avenue to share feedback and concerns with senior management, fostering transparency and accountability. To build a stronger workplace culture, we hosted team-building activities, recognition meals, and celebrations for personal milestones, including birthdays. We also strengthened employee connections through cultural celebrations and town halls, providing opportunities for meaningful engagement across the organization.

Employee Engagement Survey

We conduct an annual employee engagement survey, Your Voice@DKSH, to assess employees' connection to the organization's purpose. The 2024 Your Voice@DKSH survey recorded a score of 72, maintaining a strong engagement level with a slight 1-point variance from 2023 (73).

The survey identified key strengths and areas for improvement. Addressing these areas will not only enhance engagement scores but also contribute to a more cohesive, motivated, and productive workforce.

Sustainability Statement (continued)

Recruitment, Retention, and Recognition

Our recruitment process is open, transparent, and merit-based, following our Global Recruitment Policy and conducted through SuccessFactors. This policy provides clear guidelines for hiring at all employee levels, ensuring a structured and high-quality recruitment process.

In 2024, we strengthened our employee engagement and retention strategies and as a result, we successfully hired 830 new employees, accounting for 22.57% of our workforce.

Career Comeback Program

In 2024, DKSH reinforced its commitment to increasing women's workforce participation by hiring 25 women through its career comeback program. This aligns with the national agenda to empower women re-entering professional life after a career break, providing flexible working arrangements such as part-time roles, reduced hours, and adaptable schedules, particularly for those in the later stages of pregnancy.

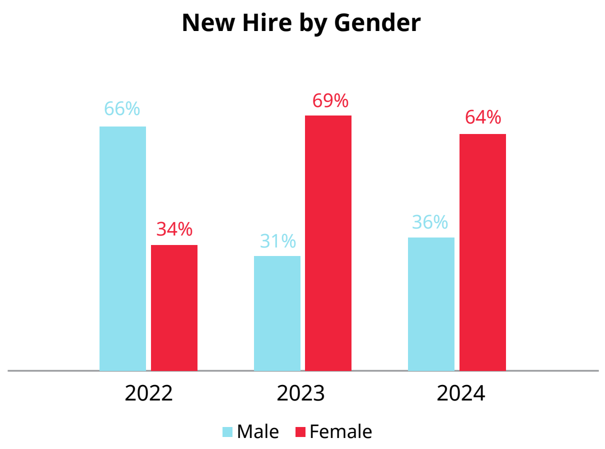
Building a Strong Talent Pipeline

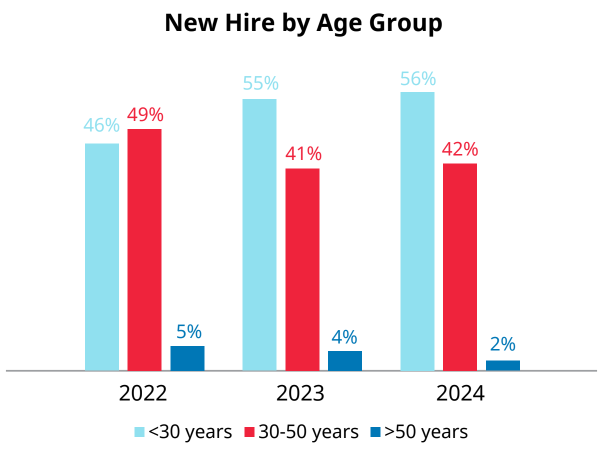
DKSH attracts and hires talent through several initiatives designed to strengthen its workforce. The Referral Program rewards employees for recommending successful candidates, helping to build a strong internal network of qualified hires. DKSH representatives also attend job fairs at convention centers and university campuses to connect directly with potential hires. To strengthen employer branding, DKSH conducts career talks at universities and colleges, giving students a clearer understanding of career opportunities within the company.

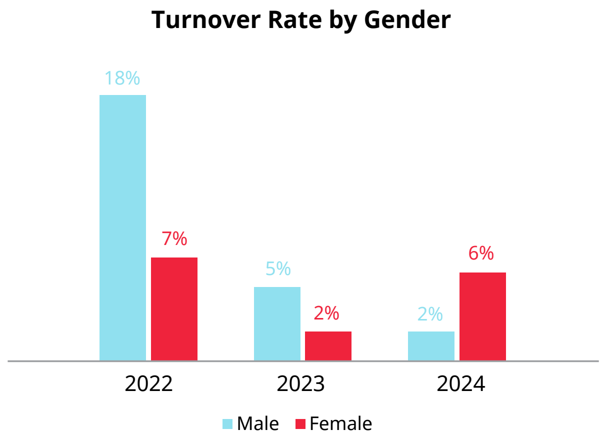
We also have a program called the Junior Executive Trainee ("JET"), which functions as a management trainee pathway designed to groom high-potential individuals into future industry leaders. Entry into the JET program is highly selective, with strict criteria to ensure only the most qualified candidates are chosen. In 2024, 20 trainees were accepted into the program, where they took part in structured rotational assignments across key functions and divisions to build a broad understanding of DKSH's operations. Throughout the 12-month period, participants worked on strategic projects that sharpened their problem-solving skills and adaptability, preparing them for long-term leadership roles within the organisation.

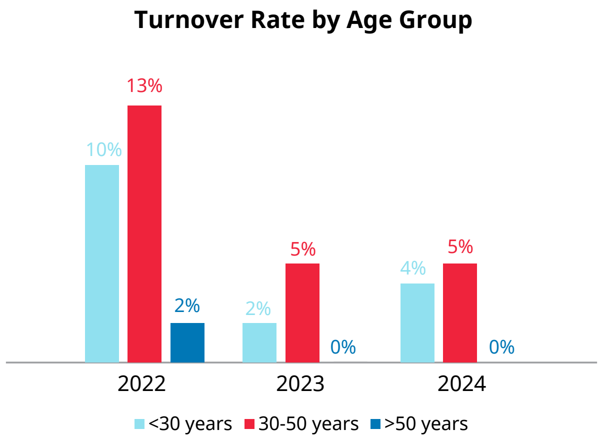
Sustainability Statement (continued)

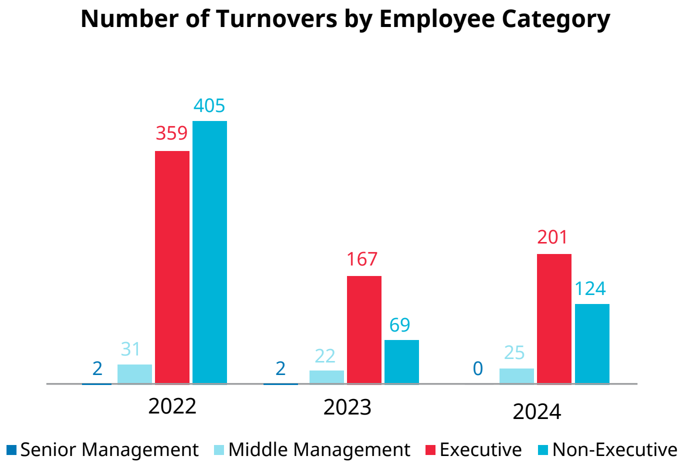
▶ (GRI 401-1)

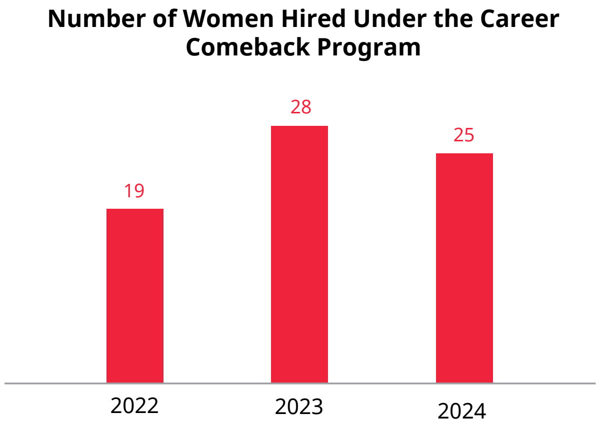












Sustainability Statement (continued)

▶ (GRI 2-7)

	2022			2023			2024		
Employees by Gender	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**
Number of employees (headcount/FTE)	1,920	1,244	3,164	2,017	1,370	3,387	2,231	1,446	3,677
Number of permanent employees (headcount/FTE)	1,820	1,188	3,008	1,961	1,326	3,287	1,994	1,319	3,313
Number of temporary employees (headcount/FTE) (Employees on Renewable Contract)	100	56	156	56	44	100	65	82	147
Number of non-guaranteed hours employees (headcount/FTE)	0	0	0	0	0	0	172	45	217
Number of full-time employees (headcount/FTE) Must fulfil 8 hours a day or according to labour law	1,904	1,244	3,148	1,994	1,370	3,364	2,030	1,401	3,431
Number of part-time employees (headcount/FTE) Employees with fewer working hours compared to full-time employees	16	0	16	23	0	23	201	45	246

Sustainability Statement (continued)

Employee by Region	Peninsular Malaysia Female	Peninsular Malaysia Male	Peninsular Malaysia Total	East Malaysia Female	East Malaysia Male	East Malaysia Total
2022						
Number of employees (headcount/FTE)	1,674	947	2,621	246	297	543
Number of permanent employees (headcount/FTE)	1,578	902	2,480	242	286	528
Number of temporary employees (headcount/FTE)	96	45	141	4	11	15
Number of non-guaranteed hours employees (headcount/FTE)	0	0	0	0	0	0
Number of full-time employees (headcount/FTE)	1,662	947	2,609	242	297	539
Number of part-time employees (headcount/FTE)	12	0	12	4	0	4
2023						
Number of employees (headcount/FTE)	1,766	1,063	2,829	251	307	558
Number of permanent employees (headcount/FTE)	1,716	1,026	2,742	245	300	545
Number of temporary employees (headcount/FTE)	50	37	87	6	7	13
Number of non-guaranteed hours employees (headcount/FTE)	0	0	0	0	0	0
Number of full-time employees (headcount/FTE)	1,748	1,063	2,811	246	307	553
Number of part-time employees (headcount/FTE)	18	0	18	5	0	5
2024						
Number of employees (headcount/FTE)	1,965	1,140	3,105	266	306	572
Number of permanent employees (headcount/FTE)	1,739	1,024	2,763	255	295	550
Number of temporary employees (headcount/FTE)	57	71	128	8	11	19
Number of non-guaranteed hours employees (headcount/FTE)	169	45	214	3	0	3
Number of full-time employees (headcount/FTE)	1,775	1,095	2,870	255	306	561
Number of part-time employees (headcount/FTE)	190	45	235	11	0	11

Percentage of employees that are contractors or temporary staff	4%
Total employees	3,677

Performance Review and Career Progression
We are committed to long-term employee growth, ensuring that career progression and skill development remain key priorities. Employees are provided with clear pathways for advancement, supported by a structured development framework that defines the expectations and skills required to grow within the organization. Through performance development plans, employees set personalized goals, aligning their ambitions with the company's direction.

Taking charge of one's own career is essential, and we encourage employees to be proactive in their development. The annual performance review serves as a structured opportunity for employees and managers to discuss progress, refine career objectives, and create a personal development plan. As outlined in our Employment Policy, all employees undergo a formal yearly evaluation, managed through DKSH Talent Portal, which serves as our digital platform for performance and talent management. Ongoing discussions, along with specific and constructive feedback, help employees develop the skills needed to grow in their careers.

Sustainability Statement (continued)

Our focus on internal career development reinforces our belief in nurturing high-potential employees. We actively identify talent early and provide specialized training to equip them for leadership roles. By expanding roles and optimizing team structures, we create opportunities for employees to step into higher positions, ensuring a strong leadership pipeline that supports both personal and organizational success.

▸ (GRI 404-3)

Employees Who Received Performance and Career Development Review by Gender	Male	Female
Total No. of Employees	1,443	2,226
No. of Employees Who Received Performance and Career Development Reviews	1,381	2,083
Percentage of Employees Who Received Performance and Career Development Review	96%	94%

Employees Who Received Performance and Career Development Review by Employee Category	Total No. of Employees	No. of Employees Who Received Performance and Career Development Reviews
Senior Management	5	5
Middle Management	575	559
Executive	1,096	1,034
Non-Executive	1,993	1,866

Succession Planning and Job Rotation

Our approach to employee retention focuses on succession planning and job rotation programs, equipping employees with the skills and experience needed for leadership roles and diverse career paths. These initiatives help build a strong talent pipeline while reinforcing our commitment to career growth and long-term retention.

Recognizing and rewarding talent plays a central role in our strategy. We emphasize internal mobility, encouraging employees to explore opportunities across different markets and departments to expand their expertise. Job openings are first shared internally, ensuring employees have the chance to advance before considering external candidates. This approach is particularly important for management roles, where senior leadership actively tracks and reports internal promotion rates to monitor career progression within the organization.

Our Mobility Guidelines, integrated into Group Compensation and Benefits, provide structured support for employees transitioning within DKSH. This includes financial assistance and cultural training for expatriate employees and their families, helping them adapt smoothly to new roles and international assignments.

Sustainability Statement (continued)

Enabling Growth and Development

We apply the 70-20-10 learning model, where 70% of development comes from hands-on experience, 20% from mentorship and collaboration, and 10% from formal education. To support structured learning, we offer courses through our Fantree Academy, focusing on leadership development and functional skills. Training is delivered through a mix of classroom sessions, online learning, and practical on-the-job experiences.

Snapshot of Learning and Development Programs in 2024

- Recruitment Excellence for Hiring Managers
- Constructive Conflict
- Giving Difficult Feedback
- High Performing Teams
- Authentic Presentation
- Effective Communication
- Problem-Solving Program
- MS Power Point Basics 101
- Self-Awareness Program
- Growth Mindset Program
- Leading Oneself Program
- Emotional Intelligence Program
- Delegation Program
- Time Management Program
- Situational Leadership Program
- Effective Communication & Strengthening Relationships Program
- Recruitment Excellence for Hiring Managers Program
- High-Performing Team
- Financial Acumen (CG)
- Persuasive Influencing (CG)

Below are some of the highlights of the programs we conducted to assist employees in upgrading their skills:

► (GRI 404-2)

Name of program	Objective	No. of Participants
High Performing Teams	Learn the five elements of high-performing teams including the importance of creating psychological safety.	177
Recruitment Excellence for Hiring Managers ("REHM")	Equipping hiring managers with the skills to select the best-fitting candidates, as well as providing the tools to successfully integrate new employees into team and the company.	19
Leading Oneself	Learn the tools that allow us to lead ourselves effectively - focusing on the learning zone, response-ability and circle of influence.	20

Investing in Our People

In 2024, DKSH invested RM 3.5 million into employee development. The total training hours grew to 66,136.78 hours in 2024, raising the average training hours to 15.51 hours per employee. In 2023, the amount invested was RM 3.74 million, the total training hours was 50,877.53 hours and the average training hours was 9.97 hours per employee.

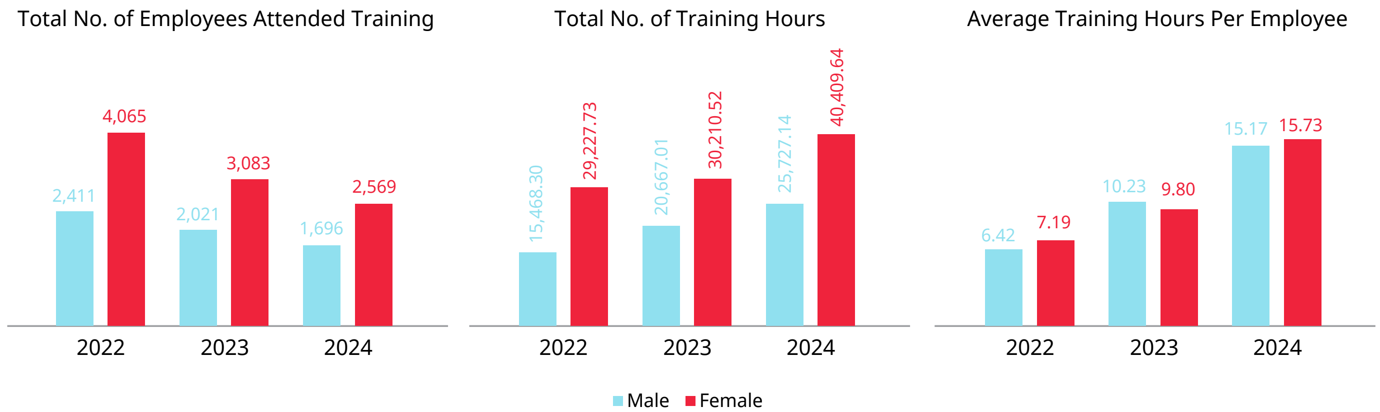
The increase in training hours, despite a slight drop in investment, is due to a greater emphasis on in-house training sessions conducted by various Business Units, along with learning opportunities accessed through other available channels. These include platforms where employees can undertake self-paced training and have their learning hours recorded upon completion.

This rise in training hours aligns with our company directive to build high-performing teams, ensuring employees are equipped with the necessary skills. While some training programs are designed to meet industry standards, others focus on broader competencies such as equipping hiring managers with the skills to select the right candidates.

Sustainability Statement (continued)

► (GRI 404-1)

Training Hours by Gender



Training Hours by Employee Category	Total No. of Training Hours	Average Training Hours Per Employee	Total No. of Training Hours	Average Training Hours Per Employee	Total No. of Training Hours	Average Training Hours Per Employee
Senior Management	120.00	17.14	102.25	17.04	236.00	47.20
Middle Management	4,754.75	17.29	6,268.15	23.83	7,857.10	35.23
Executive	26,374.58	12.70	28,927.68	15.18	36,805.37	22.66
Non-Executive	13,446.70	4.77	15,579.45	7.33	21,238.31	12.37

Employee Well-Being ► (GRI 401-2, 401-3, 403-6)

DKSH values employee health and well-being, recognizing its direct impact on our workforce's productivity. We are committed to creating a supportive and inclusive work environment that promotes professional growth and personal well-being.

Employee Benefits and Welfare

We strive to align with industry best practices in employee benefits and wellness, ensuring full-time employees receive competitive salaries and a wide range of benefits. These include life insurance, healthcare, disability and invalidity coverage, dental and optical benefits, staff discounts, and increased statutory retirement provisions. We also offer compassionate and congratulatory leave to support employees during significant life events. Employees are also granted half-day leave on festive eves for recognized national celebrations.

We comply with Malaysia's updated Employment Act ("Amendment") 2022, which mandates paternity leave alongside maternity leave. In line with this, we increased paternity leave from five days to seven days. In 2024, 46 female employees took maternity leave, while 50 male employees took paternity leave.

Sustainability Statement (continued)

▶ (GRI 401-3)

	Men	Women	Total
Number of employees entitled to parental leave	747	1,994	2,741
Number of employees who took parental leave	50	46	96
Number of employees who returned to work after parental leave ended	45	43	88
Number of employees who returned to work after parental leave ended and were still employees 12 months after their return to work	43	42	85
Return to work rate (%)	90	93	92
Retention rate (%)	96	98	97

Prioritizing Mental Well-Being
Understanding that mental health is essential to overall well-being, we continue to expand our wellness program, which focuses on physical, mental, and social health. Our initiatives are designed to cultivate a supportive work environment while keeping employees motivated and engaged.

To provide direct support, we offer an Employee Assistance Program ("EAP"), giving employees and their extended family members confidential, free access to therapy and counseling with licensed professionals. Available 24/7, these services can be accessed by phone, online, or in person, ensuring help is always accessible when needed.

3. Labor Practices

We uphold ethical labor practices and human rights standards throughout our operations and supply chains. This commitment is rooted in our corporate values and guides our efforts to maintain a fair, safe, and respectful workplace for all employees. To this end, we are committed to implementing policies and initiatives that promote equality, prevent discrimination, and protect workers' rights at every level of the organization.

Adhering to Laws, Policies, and Best Practices
DKSH maintains strict adherence to laws, policies, and best practices to uphold ethical conduct and compliance across all operations. In 2023, we implemented the Human Rights Policy, aligned with the DKSH Code of Conduct, reinforcing our commitment to fair and respectful treatment of all employees and job seekers. Building on this, in 2024, we introduced the Employee Relations Guideline, General Employment Policy, and Recruitment Guideline to further strengthen our approach to ethical employment practices and workplace integrity.

We uphold human rights, support freedom of association, and maintain a zero-tolerance stance on forced labor. To this end, DKSH conducts quarterly human rights audits at foreign workers' residences and reviews their payslips to ensure that both DKSH and its manpower providers comply with ethical labor standards. These audits help safeguard workers' rights, maintain fair employment practices, and uphold living conditions that meet regulatory and company standards.

We comply with these laws, policies, and guidelines across all our operations in Malaysia:

- International Labor Organization ("ILO") Indicators of Forced Labor and SEDEX
- Human Rights Risk Assessment Standard
- Malaysia Employment Act 1955
- Passports Act 1966
- National Registration Act 1959
- Immigration Act 1959/63
- Industrial Relations Act 1967 (Revised 1976) (Act 177)
- Minimum Retirement Age Act 2012 (Act 753)
- Minimum Wages Order 2024
- Personal Data Protection Act 2010 (Act 709)
- Employment Insurance System Act 2017 (Act 800)
- Employees' Social Security Act 1969 (Act 4)
- Employees Provident Fund Act 1991 (Act 452)
- The Children and Young Persons (Employment) Act 1966
- Sabah Labor Ordinance
- Sarawak Labor Ordinance
- Employment (Termination and Layoff Benefits) Regulations 1980
- Employment (Part-time Employees) Regulations 2010

Sustainability Statement (continued)

Safeguarding Human Rights

We are committed to protecting human rights by eliminating discrimination, forced labor, and child labor across our operations. These principles are embedded in our Code of Conduct, Supplier Code of Conduct, and Human Rights Policy, which set clear expectations for employees, suppliers, and stakeholders. Any violation of these commitments may lead to contract termination. To further uphold ethical employment practices, our recruitment policies strictly follow legal requirements to prevent child labor.

We have also established management programs and recruitment processes that align with local labor laws and regulations. These measures help prevent child and forced labor, ensure that all workers are legally employed, and promote safe working conditions, fair wages, and appropriate rest periods.

Improving Foreign Labor Welfare

DKSH remains committed to eliminating all forms of forced or compulsory labor by ensuring that all employees and workers are provided with a written employment contract, where a signed agreement is required before employment can commence. We have also reinforced agreements with manpower providers to strengthen human rights requirements, ensuring fair and respectful treatment of all workers that we employ.

To support open communication and address labor concerns, DKSH actively engages with employees through mass town hall meetings, providing a platform for discussions and grievance reporting. QR codes are also made available to employees for ease of reporting workplace issues. DKSH also works closely with union representatives to implement positive changes that directly enhance employee well-being.

Fostering Awareness on Labor Standards and Human Rights

As part of our efforts to embed human rights into our corporate culture, we provide training for all employees, reinforcing the importance of diversity, inclusion, and respect in the workplace. This training makes it clear that discrimination, harassment, and bullying are not tolerated. Employees are given real-world examples of unacceptable behaviors, such as restricting religious practices, discouraging feedback, or limiting participation in workplace discussions about benefits.

Recognizing that language barriers can affect understanding, we held special town hall meetings for specific employee groups to ensure they fully comprehend the Human Rights Policy and how it applies to them. For the broader organization, we used existing communication channels, including town halls and emails, to reinforce these messages.

We also educate our employees on Integrity Line, a confidential reporting channel for employees to report misconduct. The Integrity Line is managed by the Governance, Risk and Compliance ("GRC") department, with assurance that all reports are handled discreetly. The matter will only be referred to HR if a Local Compliance Officer deems appropriate to assign the matter to HR.

In 2024, DKSH recorded zero incidents or grievances of discrimination, child labor, forced labor, and human rights violations

Freedom of Association and Collective Bargaining

DKSH fully respects employees' rights to freedom of association and collective bargaining, with no restrictions on the exercise of these rights. Since 2023, we have held quarterly discussions and meetings with the union, focusing on employee engagement initiatives and the well-being of union members.

We have established three bargaining agreements, each covering a distinct region—West Malaysia, Sabah, and Sarawak—which are renewed every three years. The most recent renewal took place on March 1, 2024 for the Sabah Collective Agreement. Employees not covered by these agreements have their working conditions and terms of employment determined based on the Employment Act 1955 and market data. Their employment terms are outlined in the General Employment Policy and individual employment contracts, ensuring alignment with industry standards and regulatory requirements.

Furthermore, DKSH ensures that employees and their representatives receive appropriate notice before significant operational changes that may substantially impact them. The notice period for initiating negotiations on the renewal of collective agreements is set at no earlier than three months before expiry. For operational changes, decisions are made on a case-by-case basis. The notice period and provisions for consultation and negotiation are formally outlined in collective agreements, ensuring transparency and compliance with established labor practices.

► (GRI 2-30)

At the end of 2024 , 25% of DKSH's employees were covered by collective bargaining agreements (2023: 29.8%)

Sustainability Statement (continued)

Our Business

Our operations create positive impacts for individuals across the nation. As a socially responsible organization, we are committed to meeting established standards while actively managing our environmental footprint. This includes addressing climate change, preventing pollution, and improving resource efficiency to support long-term sustainability. We will also continuously work to ensure that our supply chain operations comply with environmental and social regulations.

Environmental Stewardship

DKSH is committed to upholding environmental responsibility and taking proactive steps to mitigate the impact of our business activities on climate change. Our primary focus is on reducing emissions at the source, particularly those related to logistics operations, including warehousing and transportation. Beyond emissions, we recognize the broader environmental and human rights considerations linked to our operations. These include water consumption, effluent management, and greenhouse gas ("GHG") emissions, all of which are key areas where we strive to improve efficiency and minimize impact.

DKSH Malaysia complies with:

- Environmental Quality Act 1974 (Act 127) & Regulations
  - Environmental Quality (Clean Air) Regulations 2014
  - Environmental Quality (Scheduled Wastes) Regulations 2005
  - Environmental Quality (Industrial Effluent) Regulations 2009
- Solid Waste and Public Cleansing Management Act 2007 (Act 672)
- Electricity Supply Act 1990 (Act 447)
- Energy Commission Act 2001 (Act 610)
- Enactment LUAS 1999 (Discharge of Return of Water, and Entry or Discharge of Waste and Pollutants (State of Selangor) Licensing Regulations 2024)

Sustainability Statement (continued)

Climate-Related Targets

To help reduce our environmental impact, enhance operations, and build a strong sustainability culture, we have set clear targets for climate action, energy efficiency, water conservation, and waste management. To this end, we began tracking our progress on these targets in 2020, with plans to continue monitoring beyond 2025, ensuring that our sustainability efforts remain measurable and impactful.

We designated 2022 as the baseline year. This is to reflect a normalized post-pandemic operation, which enable us to obtain a more accurate evaluation of our progress. Current assessments indicate that we are on track to achieve most of our targets as we continue to monitor key performance indicators.

As we refine our data collection and tracking processes, we will also review our targets to maintain data consistency and comparability, ensuring our sustainability efforts remain measurable and aligned with long-term objectives.

	CLIMATE ACTION	ENERGY EFFICIENCY	WATER EFFICIENCY	WASTE MANAGEMENT
Climate-related Targets	Reduce total Scope 1 and 2 emission by 5% from FY2022	Energy consumption intensity (**kWh/MYR billion**) reduction by 5% from FY2022	Track and decrease water intensity (**m^3/MYR billion**) by 5% from FY2022	Achieve minimum 30% recycling of non-hazardous waste from FY2022
Snapshot Initiatives in 2024	• Awareness programs • Environmental Month campaign • Utilize renewable energy such as installation of solar panels • Improve building management systems • Proper maintenance of equipment • Prioritize use of energy-efficient equipment	• Monitor and report energy intensities at each operation • Ensure air conditioner temperature is 24°C at all times • Prioritize use of energy-efficient equipment • Install a motion detecting lighting system • LED lighting installation/ upgrade	• Conduct water use inspections at facilities to identify ways to reduce water • Proper maintenance and upgrades for equipment and pipes • Install water meters/ pumps at operations at applicable facilities	• Track waste management activities on one platform • Use a standard set of metrics to ease sharing and reporting of information • Enhance recycling activities • Identify recyclable materials and monthly volume • Separate recyclables from general waste

Meeting Challenges and Opportunities

Managing environmental challenges within our operations requires a strategic approach tailored to our operating landscape. One of the key hurdles is collaborating with third-party vendors, as aligning diverse priorities under a shared environmental commitment can be complex. For this, we are actively exploring ways to minimize waste at our facilities, though presenting tangible data remains a challenge due to local council waste collection systems that limit tracking capabilities. Furthermore, adopting environmentally friendly technologies requires significant financial investment, while ensuring data transparency and accurate environmental reporting presents its challenges.

At the same time, our commitment to sustainability has opened the door to valuable opportunities. Investors looking for environmentally responsible businesses are increasingly drawn to our efforts in sustainable operations. Our investment in renewable energy not only lowers our carbon footprint but also strengthens our market position. Prioritizing energy efficiency and waste reduction helps drive long-term cost savings, reinforcing the financial benefits of sustainable business practices.

Sustainability Statement (continued)

4. Climate Change Mitigation

Addressing climate change is a key priority within our Sustainability Framework, with a firm commitment to achieving net-zero emissions. To reach this goal, we focus on transparent emissions reporting, renewable energy investments, and continuous improvements in efficiency. Our initiatives include installing solar panels, optimizing transport routes, managing truck loads more efficiently, and upgrading to energy-saving solutions such as LED lighting in our distribution centers to reduce energy consumption and CO_2 emissions.

Our climate change mitigation efforts are aligned with the Group Sustainability team's efforts, which leads the company's broader efforts to address climate risks and implement mitigation strategies. This team is responsible for developing and executing key initiatives aimed at reducing greenhouse gas ("GHG") emissions, supported by a dedicated budget for sustainability investments. In Malaysia, these efforts are overseen by the Sustainability Committee, chaired by the Head, Country Leadership.

We also recognize the importance of stakeholder engagement in shaping our approach to climate change mitigation. As a critical player in both global and local supply chains, we acknowledge the expectations placed on us to take meaningful action. For this reason, we remain committed to responsible and effective climate strategies that contribute to a more sustainable future.

Sustainability KPI Implementation

In 2024, we established the DKSH SCM Sustainability Performance Scorecard as a tool to evaluate our sustainability efforts. This tool is essential to our strategy towards addressing five significant sustainability criteria: eco-friendly packaging, waste management, energy reduction, CO_2 reduction, and solar panel installations. The initiative drives ongoing improvements while simultaneously building a more efficient and sustainable supply chain.

We also introduced measurable environmental Key Performance Indicators ("KPIs") to track our sustainability progress. These KPIs focus on reducing emissions, minimizing waste, and increasing renewable energy adoption across our operations. They align with our broader environmental goals, including energy efficiency, recycling initiatives, and water conservation.

- Expanding Renewable Energy – We increased our utilization of renewable energy by installing solar panels at two facilities: Shah Alam Distribution Centres and FACC The Hub.
- Reducing Emissions and Enhancing Energy Efficiency – We completed an energy audit at one of our facilities to identify efficiency improvements, with plans to extend this initiative to other locations. These audits will help us optimize energy use and lower emissions over time.
- Minimizing Waste – We collaborated with subject matter experts to conduct a waste audit, improving our understanding of waste streams and refining segregation practices. We also strengthened recycling programs and explored innovative waste diversion strategies to further reduce environmental impact.

By consistently tracking these KPIs, we ensure our data collection effort is transparent. It also allows us to improve our environmental performance, allowing us to assess our impact effectively and refine our sustainability strategies throughout the year.

Tracking and Monitoring

During the year under review, we introduced several environmental initiatives to enhance our sustainability efforts. A key milestone was the implementation of a digital platform designed to track, monitor, and consolidate sustainability data across our operations.

Serving as a centralized hub, this system streamlines the collection and management of environmental performance data, ensuring greater transparency and accountability in tracking sustainability progress and regulatory compliance. By leveraging data-driven insights, we can analyze sustainability metrics, identify areas for improvement, and drive continuous progress toward our environmental goals.

Audit Grant

In 2024, we secured an audit grant of RM60,000 to support our energy efficiency initiatives. The grant was used to conduct a comprehensive energy audit to assess and improve our energy consumption across operations. Following the completion of the audit, we received a detailed energy audit report outlining key findings and recommendations. We are currently reviewing the report and planning to implement the recommended energy-saving measures to enhance our overall efficiency.

Transition to Renewable Energy

Our distribution centers and warehouses contribute significantly to our carbon footprint, primarily due to warehousing operations, transportation, and business travel. To mitigate this impact, we are actively transitioning to renewable energy sources as part of our broader sustainability strategy.

Sustainability Statement (continued)

Phase	Key Actions
Phase 1: Energy Audit and Baseline Assessment	• Conduct comprehensive energy audits at warehouses • Identify high-energy-consuming areas such as Lighting, Heating, Ventilation, and Air Conditioning ("HVAC"), material handling equipment • Set energy efficiency and renewable energy adoption targets
Phase 2: Energy Efficiency Enhancements and Initial Renewable Integration	• Upgrade warehouses with LED lighting & motion sensors • Optimize HVAC and refrigeration systems for greater efficiency • Install rooftop solar PV systems at selected warehouses • Explore opportunities for renewable energy procurement
Phase 3: Renewable Energy Expansion and Operations Optimization	• Expand solar panel installations across other warehouses • Pilot green logistics solutions, including electric vehicles ("EVs") for in-house fleets
Phase 4: Low-Carbon Warehousing	• Transition warehouses to 100% renewable electricity through solar expansion or Power Purchase Agreements ("PPAs") • Achieve net zero warehousing backed by PPAs and energy efficiency improvements

A major step forward in 2023 was the launch of the Solar PV system project at SADC, with a designed capacity of 577 kWp. The system harnesses solar energy to reduce reliance on conventional power sources and lower carbon emissions. It was completed and went live in November 2024.

Additionally, the solar panel system at FACC The Hub was successfully activated in October 2024, with a capacity of 30.16 kWp.

We are now focused on monitoring and evaluating the performance of the Solar PV systems at both SADC and FACC The Hub. We are actively tracking energy generation, assessing the reduction in energy consumption, and quantifying the associated impact on carbon emissions.

Prioritizing Energy Efficiency

We have been actively collaborating with Building Management Systems to enhance the efficiency of ventilation, lighting, and power systems across our operations. As part of our energy conservation efforts, we have implemented measures to reduce energy consumption and improve overall efficiency. One key initiative has been the transition from traditional lighting to energy-efficient LED systems, significantly lowering energy usage.

To further support sustainable energy practices, we maintain a consistent office air conditioning temperature of 24°C, in line with government recommendations. Keeping a stable temperature prevents frequent system adjustments, reducing energy waste and improving efficiency.

We plan to transition to high-energy-saving models once the current units reach the end of their operational lifespan.

We are committed to improving energy efficiency across our operations. As part of this commitment, we have implemented the following initiatives:

- Conducting energy audits to identify inefficiencies and areas for improvement.
- Replacing traditional lighting with energy-efficient LED lights to reduce consumption.
- Educating employees on energy-saving practices, such as switching off lights, equipment, and computers when not in use, while encouraging energy-conscious behaviors in daily operations.

We also place strong emphasis on regular maintenance of key equipment, including manufacturing machinery, forklifts, and generator sets, to ensure optimal performance and minimize unnecessary energy consumption.

Building Knowledge and Awareness

DKSH Malaysia launched the Environmental Month Campaign, which encompasses of environmental responsibilities alongside health and safety initiatives to raise awareness among employees and stakeholders about key environmental issues, promote environmental responsibility, and encourage active participation in sustainability initiatives. The campaign highlighted the importance of climate action, energy conservation, and waste management through various engagement efforts. To reinforce these messages, we incorporated creative reminders, such as visual prompts and wall stickers, reminding employees to switch off lights when leaving rooms.

Sustainability Statement (continued)

Energy Management

Our environmental footprint is primarily shaped by activities in our distribution centers, fleet operations, and business travel.

Our manufacturing facility introduces further environmental considerations: the majority of our energy consumption comes from electricity use, with distribution centers contributing significantly to our carbon footprint through energy-intensive processes such as lighting, cooling, and forklift operations.

To enhance energy efficiency, we ensure temperature-controlled facilities are well-insulated to reduce cooling demands and maintain air conditioning systems at optimal performance levels. For temperature-sensitive products, we use air-conditioned transport and specialized transportation boxes to maintain the required conditions. We conduct monthly maintenance checks on cold rooms and their operating parameters, using thermal imaging technology to detect insulation inefficiencies. Our facility designs prioritize cooling efficiency, incorporating strategies such as placing freezers within cold rooms, separating docking areas from storage to maintain stable temperatures, and using multiple smaller cold rooms instead of a single large unit for improved energy efficiency.

To further reduce energy consumption at our distribution centers, we have implemented a range of energy-saving initiatives. These include installing energy monitoring devices, motion sensor lighting, and timer switches for air conditioning, fans, and lighting; ensure timely maintenance and system balancing for chiller operation; and upgrading to energy-efficient lighting systems. These measures have helped us detect and address excessive energy use more effectively, ensuring operational efficiency while minimizing environmental impact.

▸ (GRI 302-1)

Electricity Consumption (kWh)	2022	2023	2024
East Malaysia	2,074,808	2,106,367	2,452,672
Peninsular Malaysia	11,212,578	11,680,308	12,117,248
Total Electricity Consumption	13,287,386	13,786,675	14,569,920
Total Electricity Consumption after considering Renewable Energy Certificates (“RECs”)	5,733,866	3,447,208	3,285,900

Solar energy generated on site for FY2024 =54,800.69kWh

Our efforts to manage energy consumption remained a priority in 2024. The total electricity intensity recorded was 1,835,002.60 kWh/MYR billion, with East Malaysia contributing 308,900.7 kWh/MYR billion and Peninsular Malaysia at 1,526,101.80 kWh/MYR billion. We made centralized purchases of unbundled international renewable energy certificates (“RECs”), which is a globally recognized mechanism for tracking and verifying renewable energy generation. This helped reduce a portion of our carbon emissions. After considering our purchase of RECs, the total electricity intensity was reduced to 413,843.88kWh/MYR billion.

▸ (GRI 302-3)

Electricity Intensity (kWh/ MYR billion)*	2022	2023	2024
East Malaysia	288,168	280,849	308,901
Peninsular Malaysia	1,557,303	1,557,374	1,526,102
Total Intensity	1,845,471	1,838,223	1,835,003
Total Intensity after considering (“RECs”)	796,370	459,628	413,844

* Electricity intensity consumption methodology has been changed from premise size to revenue to better reflect the relationship between resource consumption (measured in kWh) and the economic output (measured in MYR billion).

Sustainability Statement (continued)

Fuel Management and Emissions

Fuel consumption in transportation is a major contributor to our carbon footprint, and we are focused on improving energy efficiency while exploring lower-carbon energy alternatives. Within our distribution centers, most material handling equipment operates on battery power, with only a small fraction still reliant on diesel or Liquefied Petroleum Gas ("LPG"). Out of 163 units in our major facilities, four runs on diesel.

Our capillary distribution network services thousands of customers daily, primarily through outsourced specialized delivery providers. While we oversee delivery performance, these providers predominantly use diesel-powered vehicles. Given the high volume and frequency of deliveries in our FMCG and Healthcare sectors, optimizing delivery routes is essential to improving efficiency and reducing fuel costs, benefiting both operations and environmental impact.

▸ (GRI 302-1)

Fuel Consumption	2022	2023	2024
Diesel (Litre)			
East Malaysia*	165	1,293,690	1,224,735
Peninsular Malaysia	8,191,704	7,763,947	6,581,667
Total Diesel Consumption	8,191,869	9,057,637	7,806,402
Light Fuel Oil (LFO)/ Gasoline (Litre)			
East Malaysia	0	0	0
Peninsular Malaysia	10,768	5,324	3,140
Total LFO/ Gasoline Consumption	10,768	5,324	3,140

* Tracking of diesel consumption for the East Malaysia external fleet only commenced in 2023.
Liquified Petroleum Gas ("LPG") material handling equipment has not been in operations since 2022.

▸ (GRI 302-3)

Fuel Intensity (Litre/ MYR billion)	2022	2023	2024
East Malaysia*	23	172,492	154,249
Peninsular Malaysia	1,139,232	1,035,903	829,321
Total Fuel Intensity	1,139,255	1,208,395	983,570

* Tracking of diesel consumption for the East Malaysia external fleet only commenced in 2023.

Despite the widespread use of communication technologies, travel remains necessary for service delivery and company operations. The majority of travel involves vehicles not directly under our control, such as business flights and trips made by sales and service teams using personal vehicles or public transport. To minimize unnecessary travel, we have established internal approval systems, ensuring that only essential trips are undertaken. We have also strengthened our IT communication tools, enabling video conferencing and virtual meetings, which have proven to be effective alternatives to in-person travel.

Managing Greenhouse Gas Emissions

As part of our commitment to achieving net-zero emissions, we continue to focus on reducing greenhouse gas ("GHG") emissions and lowering our overall carbon footprint. To meet this goal, we are investing in advanced technologies and innovative initiatives that drive sustainability across our operations.

Employee commuting is a key contributor to carbon emissions, and we have taken steps to address this by offering Flexible Work Arrangements, including remote work options. The adoption of flexible work has not only

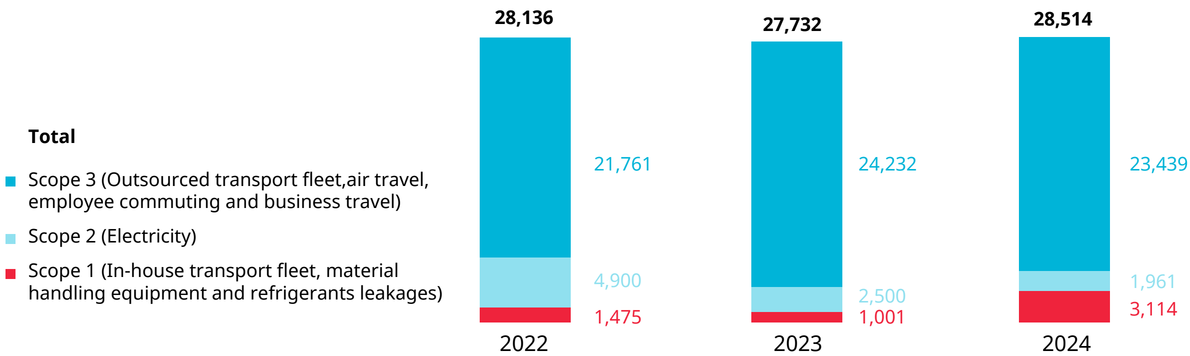
Sustainability Statement (continued)

gained popularity but also improved operational efficiency. Furthermore, we have transitioned to digital platforms for meetings, training, webinars, and operational processes, such as e-invoicing and MCollector, reducing the need for travel and lowering paper consumption.

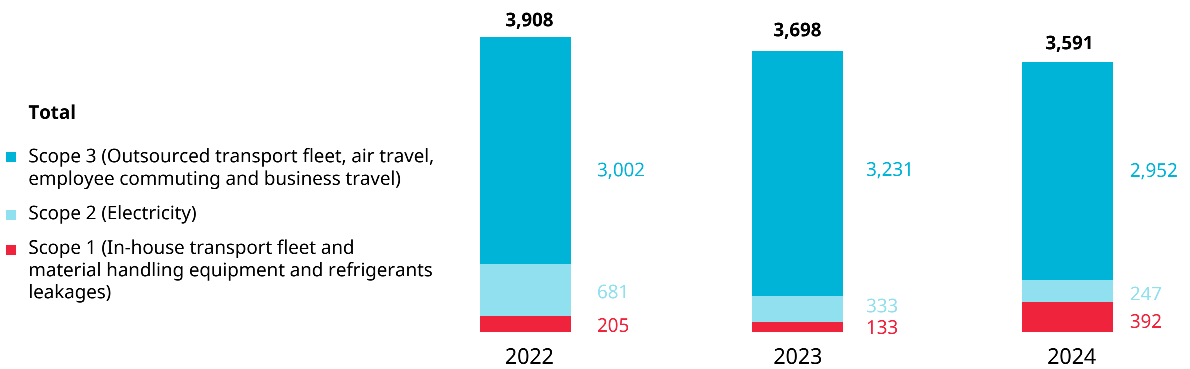
For our 2024 GHG reporting, we have accounted for Scope 1, 2, and 3 emissions across all Malaysian operations, in accordance with the GHG Protocol Guidance. We have also included emissions from employee commuting and business travel (automobile).

▶ (GRI 305-1)

GHG Emissions (Market-Based Accounting) in Metric Tons CO_2 Equivalent



GHG Emissions Intensity (Market-Based Accounting) in Metric Tons CO_2 Equivalent/ MYR billion



In the year 2024, the emissions for Scope 3 were reported as follows:

- Scope 3, Category 7: Employee Commuting accounted for 454.12 tonnes CO_2e
- Scope 3, Category 6: Business Air Travel contributed 374.66 tonnes CO_2e
- Scope 3, Category 6: Business Land Travel resulted in 2,046.26 tonnes CO_2e

Since 2022, we have been purchasing International Renewable Energy Certificates ("I-RECs") to support our transition to renewable energy, which is in line with the GHG Protocol Scope 2 Guideline. In 2024, we acquired 11,284 MWh of I-REC Certificates in Malaysia, representing an equivalent amount of renewable electricity consumption. This marks a significant step in reducing reliance on non-renewable energy sources and accelerating the shift toward clean energy solutions. Moving forward, we continue to explore and invest in new opportunities to expand our renewable energy portfolio.

In 2024, our solar energy system generated 54,800.69 kWh of renewable electricity, leading to an estimated avoidance of 42.2 tonnes of CO_2e emissions.

Sustainability Statement (continued)

5. Pollution Prevention

We have taken proactive steps to ensure that effluent discharge and waste generated from our manufacturing processes and domestic use remain within the regulatory limits set by the local authorities.

Packaging goods is another critical consideration, particularly with non-biodegradable materials such as plastic, which can contribute to environmental pollution if not properly managed. For this, we strive to ensure that our packaging for deliveries primarily consists of cardboard cartons and plastic pallet wrapping, alongside the packaging waste from incoming shipments. Furthermore, in healthcare cold chain logistics, extensive packaging is required to protect fragile products. This led us to establish a strict shipping standard to ensure product integrity while minimizing waste.

Wherever possible, we use returnable packaging solutions to reduce single-use waste. We have also adopted automated packing equipment, designed to optimize material usage in both air-conditioned and ambient conditions. This technology improves the efficiency of packaging and shipping processes, reduces unnecessary waste, and enhances product protection during transit.

To further reduce waste generation across our facilities, we have implemented several key initiatives:
- Conducted a waste audit with the expertise of a licensed waste collector.
- Installed waste segregation bins in central offices and dedicated cages to improve recycling initiatives.
- Eliminated the use of plastic cups and water bottles during stock take.
- Reduced paper usage by removing tally sheets for inbound processes and digitizing load plan summaries for operations.
- Reused good-condition packaging materials for distribution.
- Implemented local eco-friendly packaging using recyclable raw materials for air fill and corrugated carton craft paper.

We closely monitor and manage hazardous waste generated from our distribution centers and manufacturing facility, ensuring compliance with the Scheduled Waste Regulations 2005 and local regulatory requirements. Our waste management practices are also subjected to both internal and external audits. Furthermore, hazardous waste is properly stored and labeled in designated areas before being collected by licensed third-party contractors and approved by Malaysian regulators for treatment and incineration.

In 2023, we developed detailed work instructions and provided training to employees to ensure all team members understand proper waste handling procedures and compliance expectations. To reinforce these standards, we introduced inspection checklists for on-site use, allowing us to identify and address non-compliance issues quickly.

In 2024, we enhanced audit and monitoring to ensure adherence to waste handling procedures. We also evaluated opportunities to implement waste reduction strategies efficiently, such as process improvements, packaging optimization, etc. to minimize overall waste generation.

For better waste tracking and reporting, we implemented a centralized waste management system on a single platform, allowing us to streamline the monitoring and reporting process, making it easier to track and report our waste management across our operation.

We have taken steps to improve recycling efforts by measuring the volume of recyclable materials discarded each month. This approach enables more targeted recycling initiatives, ensuring that recyclables are properly separated from general waste. As a result, we have improved recycling efficiency while significantly reducing the amount of waste sent to landfills.

Sustainability Statement (continued)

We recorded zero cases of non-compliance with waste handling procedures in 2024, reflecting the effectiveness of our improved tracking, training, and oversight measures.

▶ (GRI 306-3, GRI 306-4, GRI 306-5)

Waste Management (tonnes)	2022	2023	2024
Waste Directed to Disposal			
Non-Hazardous Waste (East Malaysia)	332	361	377
Non-Hazardous Waste (Peninsular Malaysia)	1,702	1,970	1,860
Hazardous Waste (East Malaysia)	0	0	0
Hazardous Waste (Peninsular Malaysia)	181	156	109
Total Disposed Waste	2,215	2,487	2,346
Waste Diverted from Disposal			
Non-Hazardous Waste (East Malaysia)	0	0	22
Non-Hazardous Waste (Peninsular Malaysia)	578	1,323	1,173
Hazardous Waste (East Malaysia)	0	0	0
Hazardous Waste (Peninsular Malaysia)	8	10	23
Total Diverted Waste	586	1,333	1,218
Overall Waste			
East Malaysia	332	360	399
Peninsular Malaysia	2,469	3,460	3,165
Overall Waste	2,801	3,820	3,564
% of Waste Diverted from Landfill	21	35	34

6. Resource Efficiency

Water Management ▶ (GRI 303-1, 303-2, 303-3, 303-4, 303-5)

Our water usage primarily supports manufacturing, distribution centers, and domestic needs. The water supply is sourced from local municipal providers. We ensure that wastewater is responsibly managed, with industrial effluent treated in compliance with local regulations, including standards set by the Department of Environment and the Department of Irrigation and Drainage. We also contracted with Indah Water Konsortium to process our facilities' sewage offsite.

To improve water management efficiency and reduce unnecessary consumption, we conduct frequent water meter readings at individual facility blocks. This has allowed us to detect and repair leaks promptly, particularly in our Klang Valley distribution centers. At SADC, we implemented a rainwater harvesting system to supply water for non-potable uses such as toilet cleaning and drainage maintenance.

In 2023, we upgraded our wastewater treatment system to improve its capacity and efficiency. This included installing an additional reaction tank with a Sequencing Batch Reactor ("SBR") system, an Equalization ("EQ") tank, an oil scraper, and an automated control system. In 2024, there is an ongoing initiative to enhance water efficiency across our operations.

Sustainability Statement (continued)

In this regard, we conduct daily inspections and continuous monitoring of water usage to identify leaks promptly, ensuring effective water management and preventing unnecessary wastage. We also implemented employee awareness programs to educate staff on water conservation, encouraging them to report leaks and adopt responsible water usage practices throughout all operations.

Furthermore, we conduct weekly monitoring quality of effluent discharged to ensure full compliance with environmental regulations. As part of our broader environmental commitment, we also replaced fuel hoses and repaired concrete dikes in the diesel pump area to maintain operational integrity, prevent fuel leakage, and further minimize our environmental impact on this matter.

► (GRI 303-5)

	2022	2023	2024
Water Consumption (m^3)			
East Malaysia	8,934	8,235	14,137
Peninsular Malaysia	52,659	52,121	52,890
Total Water Consumption	61,593	64,356	67,027

	2022	2023	2024
Water Intensity (m^3/MYR billion)			
East Malaysia	1,241	1,098	1,781
Peninsular Malaysia	7,314	7,483	6,661
Total Water Intensity	8,555	8,581	8,442

7. TCFD Report

Our approach to sustainability is aligned with the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations. In this regard, this section of our Sustainability Statement follows TCFD disclosure guidelines, meeting the requirements outlined in the Bursa Malaysia Sustainability Reporting Guide. It is structured around TCFD's four core pillars: governance, strategy, risk management, and metrics and targets.

Climate Governance

The Board of Directors maintains oversight of sustainability and climate governance, conducting quarterly reviews with the Head, Country Leadership, who leads the Sustainability Committee.

At the management level, the Sustainability Committee holds primary responsibility for overseeing sustainability and climate-related initiatives at DKSH Malaysia, operating under the guidance of the Board of Directors.

The HSE team, which is part of the Sustainability Committee plays a critical role in collecting and reviewing quarterly ESG data, particularly energy and emissions-related information, which the Sustainability Committee then assesses. This cross-functional representation ensures that climate-related risks and opportunities are thoroughly evaluated across all business areas before implementing any climate-related initiatives in DKSH.

Furthermore, DKSH management remains proactively engaged in addressing climate-related risks and opportunities through quarterly Sustainability Committee meetings. These sessions provide a structured platform for regulatory updates, strategic discussions, and project alignments, allowing for continuous progress tracking and knowledge sharing among committee members.

For more information, kindly refer to Sustainability Governance on page 34.

Sustainability Statement (continued)

Strategy

In 2022, we conducted an in-depth analysis to identify climate-related risks and opportunities, categorizing them across three timeframes: short-term (0-2 years), medium-term (2-5 years), and long-term (5+ years). This assessment evaluated how climate change could impact operations, focusing on both transition risks and physical risks.

The transition risk assessment was based on the International Energy Agency's ("IEA") Net-Zero Emissions ("NZE") scenario, which outlines a roadmap to eliminate CO_2 emissions by 2050. This approach aligns with the Paris Agreement's goal of limiting global warming to 1.5°C, helping DKSH anticipate potential challenges in transitioning to a low-carbon economy. Key considerations include energy consumption patterns, technological advancements, and shifts in regulatory and market dynamics, ensuring the company remains well-positioned to adapt to evolving sustainability expectations.

The physical risk assessment was guided by the Intergovernmental Panel on Climate Change ("IPCC") 6th Assessment Report, evaluating potential climate impacts under 2-degree and 4-degree global warming scenarios. By focusing on the more severe 4-degree scenario, we aim to better understand and prepare for the direct consequences of climate change, including extreme weather events and shifting climate patterns across short-, medium-, and long-term timeframes.

Short Term	*Medium Term*	*Long Term*
DKSH has implemented proactive measures to reduce its environmental impact in the short term. Digitalization has been integrated across services, incorporating digital tools for online meetings, training sessions, webinars and e-based processes such as e-invoicing and MCollector. This transition from traditional paper-based methods has contributed to reducing carbon footprint and greenhouse gas ("GHG") emissions. Furthermore, DKSH has introduced a flexible working arrangement, including remote work options, to further support its sustainability initiatives.	DKSH remains committed to progressively reducing costs and environmental impact through energy audits which aim to decrease energy and water consumption across its buildings. Efforts include improving building infrastructure efficiency by reducing water usage and equipping production facilities and offices with energy-efficient LED lighting. We are also upgrading outdated air conditioning systems to 5-star rated energy-saving units in our buildings. We also continue to organize environmental campaigns as part of our ongoing awareness initiatives.	We are committed to achieving net-zero emissions. This commitment includes promoting transparency in emissions and making strategic investments such as installing solar panels at The Hub ("FACC") and SADC. These investments align with the government's Net Energy Metering program, allowing us to contribute to a sustainable future while responsibly distributing excess generated electricity by selling it at a fixed tariff rate.

Climate-Related Risks and Opportunities Assessment

We acknowledge TCFD's recommendation for organizations to assess how their business strategies can withstand climate-related risks and opportunities. This involves evaluating both the physical impacts of climate change and the challenges associated with transitioning to a lower-carbon economy. In response, we conducted a comprehensive analysis to identify key physical and transition risks, aligning with TCFD's guidance. As a result, we have identified specific climate-related risks that could potentially affect our business operations.

Physical Risk Assessment

We conducted a risk assessment and scenario analyses to examine the potential impacts of rising temperatures on our operations, supply chains, and the broader business landscape. Following TCFD guidelines, we have prioritized a Physical Hazard Assessment for Malaysia, identifying key climate risks, including mean temperature increases, heavy precipitation, and drought conditions.

To strengthen climate monitoring, we have introduced temperature mapping initiatives at strategic locations, including SADC and Consumer Goods Logistics ("CGL"). This enables continuous tracking of temperature fluctuations, allowing us to make data-driven decisions to safeguard our operations.

Sustainability Statement (continued)

We acknowledge the risks associated with climate-related events such as floods and rising sea levels. To mitigate these risks, we have also secured comprehensive insurance coverage that provides financial protection against unforeseen environmental challenges.

In 2024, we performed an in-depth analysis across six sites using the Climate Change Edition of the Location Risk Intelligence platform from reinsurer Munich Re. The analysis was based on Shared Socioeconomic Pathway ("SSP") and Representative Concentration Pathway ("RCP") scenarios from the latest IPCC Assessment Report (IPCC AR6, 2023). We applied SSP5-8.5 and RCP 8.5, which represent the worst-case climate scenario, projecting a temperature increase of around 4 degrees Celsius by 2,100 and the most severe climate change impacts. The tool analyzes location-specific hazard exposure for various acute and chronic hazards. We identified heat and precipitation stress as potentially significant challenges for our sites across all time horizons. We analyzed our own sites for the hazards of tropical cyclones, river flooding, rising sea levels, wildfires, droughts, heat, and precipitation.

Tropical Cyclones
(four-degree global warming scenario, IPCC RCP 8.5)
Tropical cyclones are among the world's most destructive weather phenomena. Areas such as coastal regions and islands are highly vulnerable to tropical cyclones, as they are affected by both the direct impact of storms and secondary hazards, including storm surges, and pounding waves.

Hazard assessment	Current (2023) (%)	Medium-term (2050) (%)	Long-term (2100) (%)
No hazard	100	100	100

Currently, 100% of the assessed leased sites face no hazards. This remains unchanged for both the medium-term (2050) and long-term (2100) scenarios.

River Flood (undefended)
(four-degree global warming scenario, IPCC RCP 8.5)
Regions near rivers and at low elevations are highly susceptible to floods. This analysis shows areas at risk of extreme floods with return periods of 50, 100, and 500 years, without considering the use of flood protection systems, such as dams or dikes.

Hazard assessment	Current (2023) (%)*	Medium-term (2050) (%)	Long-term (2100) (%)*
No hazard	67	67	67
500-Year Flood (0.2% Annual Probability)	16	-	-
100-Year Flood (1% Annual Probability)	16	33	16
50-Year Flood (2% Annual Probability)	-	-	16

* Percentages may not add up to 100% due to the rounding adjustments of decimal points.

Currently, 67% of the assessed sites face no risk of river flooding, and this remains unchanged for the medium-term (2050) and long-term (2100) scenarios. At present, 16% of sites are exposed to a 500-year flood risk, but this risk is no longer projected in future scenarios. The 100-year flood risk affects 16% of sites today, increasing to 33% in the medium term before returning to 16% in the long term. By 2100, 16% of sites are expected to face a 50-year flood risk.

Sustainability Statement (continued)

Fire Weather Stress Index
(four-degree global warming scenario, IPCC SSP5 – 8.5)
Wildfires are a devastating hazard that can occur naturally or due to human activity. Wildfires, which can destroy vegetation, infrastructure, and economic resources, often have secondary impacts, including erosion, landslides, deteriorated water quality, and smoke-related damage. The Fire Weather Stress Index, which is based on key climate variables such as temperature, wind, precipitation, and relative humidity, describes meteorological conditions conducive to fire.

Hazard assessment	Current (2023) (%)	Medium-term (2050) (%)	Long-term (2100) (%)
No hazard	100	100	83
Very low	-	-	17

Currently, 100% of the assessed sites face no risk from wildfire hazards, and this remains unchanged for the medium-term (2050). By the long-term (2100), the proportion of sites with no hazard decreases to 83%, while 17% of sites are projected to experience a very low level of wildfire risk.

Sea-Level Rise
(four-degree global warming scenario, IPCC RCP 8.5)
Sea-level rise is primarily driven by global warming, which contributes to the melting of glaciers and ice sheets and causes the thermal expansion of water. This phenomenon has several negative effects, including coastal erosion, inundation, storm floods, tidal waters encroaching into estuaries and river systems, and the contamination of freshwater reserves. Hazard areas are identified based on sea-level rise projections and elevation data for the respective year and scenario.

Hazard assessment	Long-term (2100) (%)
No hazard	83
High	17

By the long-term (2100), 83% of the assessed sites face no risk from sea-level rise, while 17% are projected to experience high exposure to this hazard.

Drought Stress Index
(four-degree global warming scenario, IPCC SSP5 – 8.5)
Rising temperatures and shifts in precipitation patterns can lead to drier conditions, increasing the intensity and frequency of drought events. These changes can have significant economic, environmental and social impacts. The Drought Stress Index is based on the Standardized Precipitation–Evapotranspiration Index (“SPEI”), a multi-scalar drought index used to assess the onset, duration and severity of drought conditions.

Hazard assessment	Current (2023) (%)	Medium-term (2050) (%)	Long-term (2100) (%)*
Low	100	33	-
Medium	-	67	83
Large	-	-	17

* Percentages may not add up to 100% due to the rounding adjustments of decimal points.

Sustainability Statement (continued)

Currently, 100% of the assessed sites face a low risk of drought stress. By the medium-term (2050), this decreases to 33%, with 67% of sites experiencing a medium risk. In the long-term (2100), medium risk increases to 83%, while 17% of sites are projected to face a large risk of drought stress.

Heat Stress Index
(four-degree global warming scenario, IPCC SSP5 – 8.5)
Global warming is intensifying heat stress, impacting people, infrastructure and ecosystems. Rising temperatures are also leading to more frequent and severe heat waves.

Hazard assessment	Current (2023) (%)	Medium-term (2050) (%)	Long-term (2100) (%)
Large	17	17	-
Very Large	83	83	100

Currently, 17% of the assessed sites experience large heat stress, while 83% face a very large risk. This distribution remains unchanged in the medium-term (2050). By the long-term (2100), all assessed sites are projected to experience a very large level of heat stress.

Precipitation Stress Index
(four-degree global warming scenario, IPCC SSP5 – 8.5)
Climate change influences the intensity and frequency of precipitation. The Precipitation Stress Index is based on parameters related to heavy precipitation, including occurrence frequency, duration and intensity.

Hazard assessment	Current (2023) (%)*	Medium-term (2050) (%)*	Long-term (2100) (%)*
Very High	83	67	67
Extreme	17	33	33

* Percentages may not add up to 100% due to the rounding adjustments of decimal points.

Currently, 83% of the assessed sites face a very high level of precipitation stress, while 17% experience an extreme risk. By the medium-term (2050), the proportion of sites with very high precipitation stress decreases to 67%, while those facing extreme stress increase to 33%. These conditions remain unchanged in the long-term (2100).

Risk Management

Risk management is an integral part of our organizational strategy. In this regard, we adhere to DKSH's Group's Risk Management Policy, which dictates that once a risk is identified and assessed, DKSH should implement mitigation measures at multiple levels to minimize the potential impacts on its operations, financial performance, and business continuity.

a) Leadership Involvement:
The DKSH Malaysia Sustainability Committee works alongside the operations team to develop climate-related targets that align with our sustainability strategy. A key part of this effort involves regular engagement with senior management and the Board of Directors, ensuring they remain informed of progress and evolving environmental conditions. Through continuous monitoring and structured reporting, senior leadership can proactively assess risks and make strategic adjustments as needed, allowing the organization to stay responsive to climate-related challenges.

Sustainability Statement (continued)

b) Stakeholder Engagement:
We also maintain active engagement with stakeholders, including suppliers, customers, and local communities. This is done to promote collaborative efforts between DKSH and our stakeholders in managing climate-related risks, which in turn allows for a more coordinated approach in addressing environmental challenges. Furthermore, Our Supplier Code of Conduct sets clear expectations, requiring suppliers to uphold high environmental and ethical standards while aligning with our commitment to sustainability.

In 2025, following the Physical Hazard assessment, the Group Governance, Risk & Compliance ("Group GRC") team held a TCFD survey with responses collected from Senior Management Team from January 22 to February 6, 2025. The aim of the survey was to identify and assess climate-related risks and opportunities, ensuring informed decision-making and alignment with sustainability goals. The findings of the survey identified five opportunities, five physical risks, and five transition risks and related impacts that may impact our business operations and financial planning.

The survey also prioritized the opportunities and risks, with two opportunities (Improvements to Business Continuity Planning ("BCP") and More distribution to processes and vehicles) perceived as 'major' opportunities for DKSH while two physical risks (Health impact on workforce and Reduced raw material availability to clients due to drought stress) have been considered 'severe' risks.

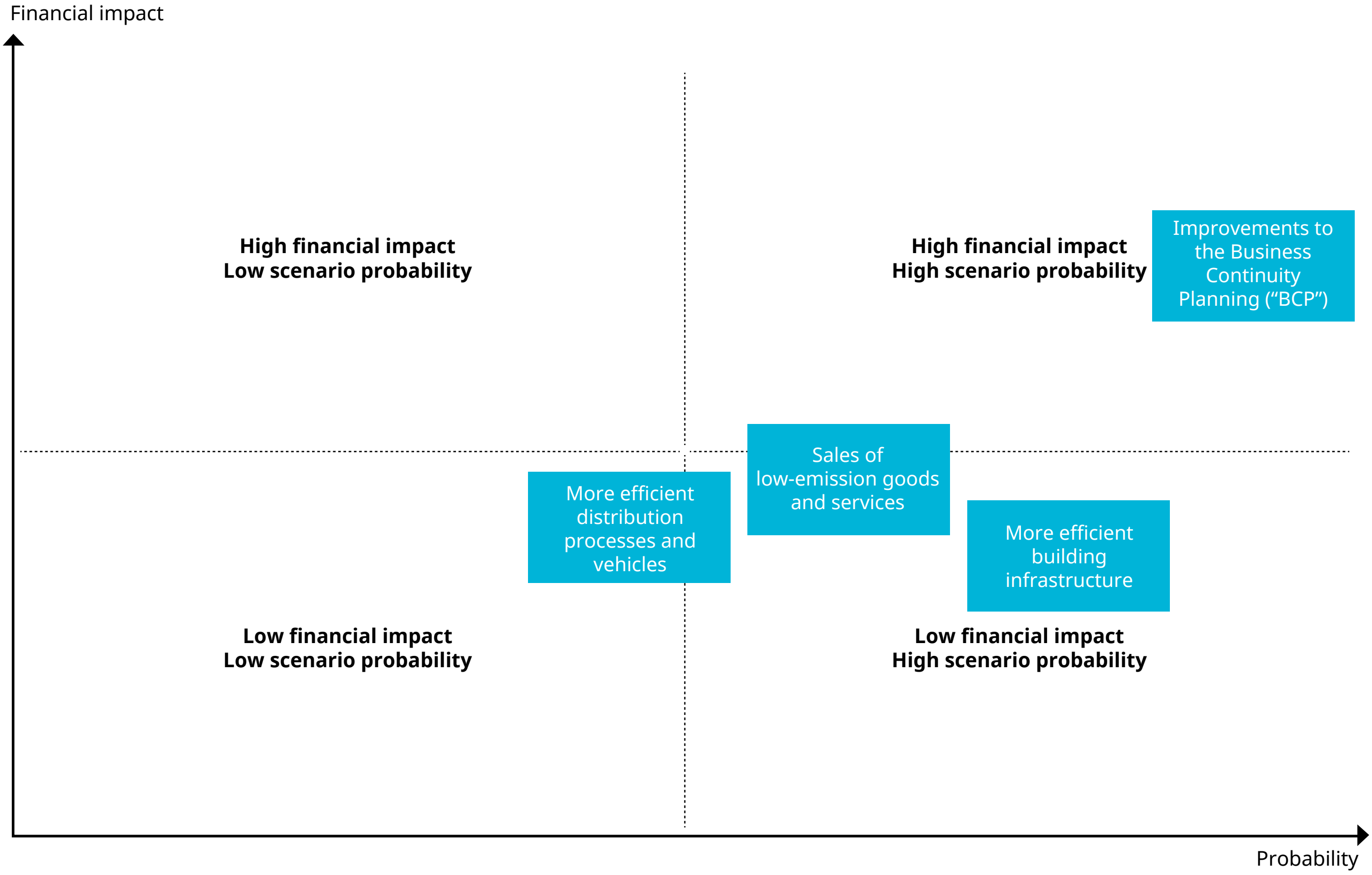
Opportunities
We have adopted the following mitigation and adaptation measures, which provided opportunities for DKSH:

Risk	Impact	Financial Impact
More efficient distribution processes and vehicles	Cost reduction by making distribution processes more efficient	Moderate
Improvements to the BCP	Timely and appropriate responses to climate-related challenges through improved BCP	Major
More efficient building infrastructure	Cost reductions by decreasing energy and water consumption in buildings	Major
Sales of low-emission goods and services	Attracting and retaining clients who prefer low-emission products and gaining a competitive advantage by developing tiered services to cater to the demand for highly sustainable (versus less sustainable) products and Services	Moderate

Sustainability Statement (continued)

Opportunities

(emerging in a two-degree global warming scenario)



Physical Risks

The following acute and chronic physical impacts of climate change were identified:

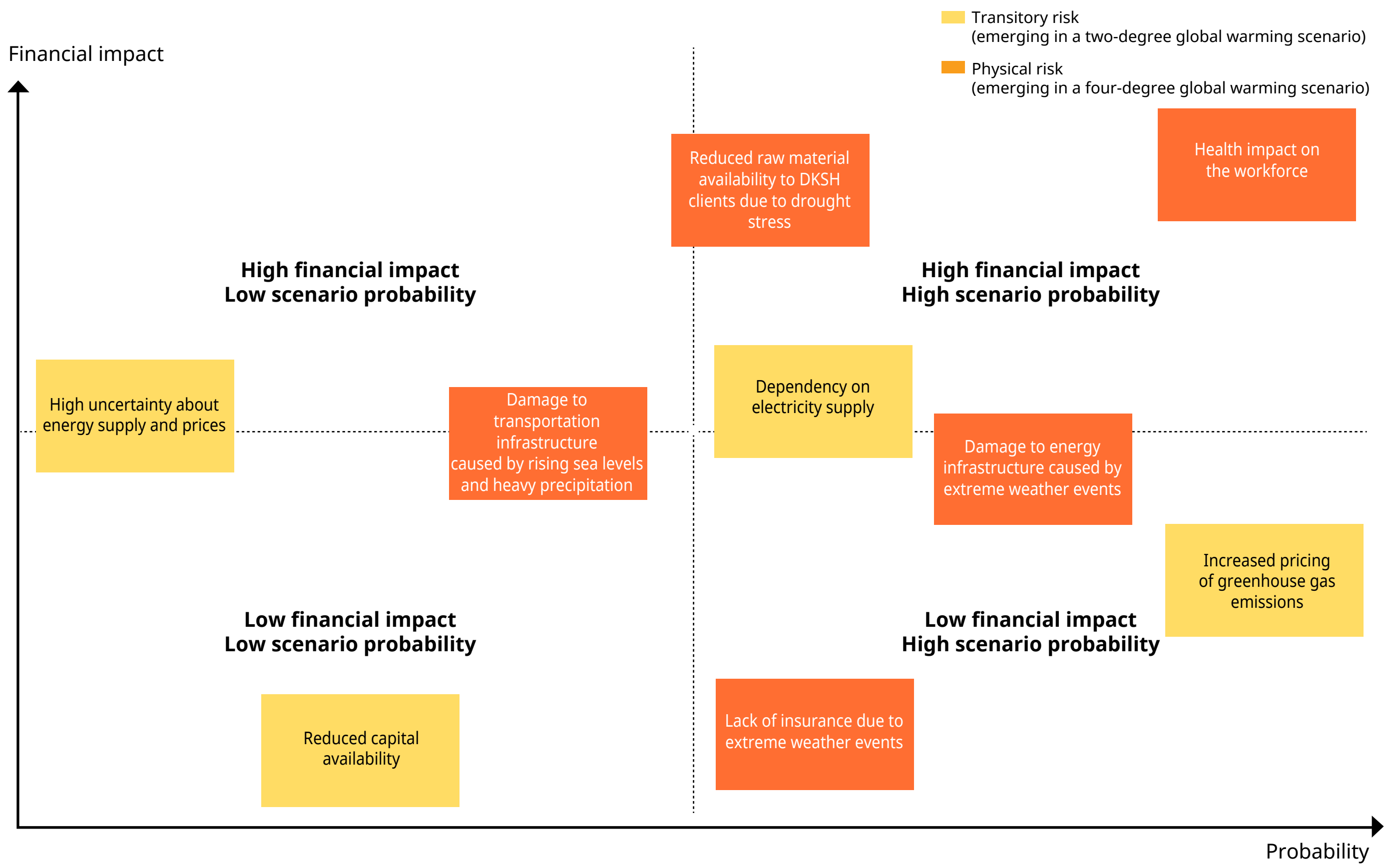
Risk	Impact	Financial Impact
Damage to transportation infrastructure caused by rising sea levels and heavy precipitation	Delivery disruptions and higher costs as emergency alternative solutions must be found, and difficulties for employees to travel to work leading to high absenteeism and operational disruption	Moderate
Damage to energy infrastructure caused by extreme weather events	Operational and supply chain disruptions and system breakdowns	Moderate
Reduced raw material availability to DKSH clients due to drought stress	Disruption of raw materials available to DKSH clients, impacting the availability of consumer goods	Severe
Lack of insurance due to extreme weather events	Natural hazards might not be insurable in the future, leading to a high cost of risk transfer	Moderate
Health impact on the workforce	Negative impacts on the health and safety of the workforce, leading to absenteeism and a lack of talent	Severe

Sustainability Statement (continued)

Transitory Risks
The transition to a low-carbon economy is associated with the following risks:

Risk	Impact	Financial Impact
Greenwashing accusations	Reputational damage which impacts demand; greater effort involved with performing due diligence	Moderate
Dependency on electricity supply	Increased dependency on electricity supply requires consistent energy infrastructure	Moderate
High uncertainty regarding energy supply and prices	Increased costs associated with fluctuating energy prices and unexpected shifts in energy prices	Moderate
Reduced capital availability	Capital is increasingly tied to a company's climate performance as sustainability policies become more common	Low
Increased pricing of greenhouse gas emissions	Rising energy prices, energy or carbon taxes and regulation-driven costs, regional inequality leading to geographic redistribution	Moderate

Physical and Transitory Risks



Sustainability Statement (continued)

Metrics and Targets

We adhere to the GHG Protocol for National Greenhouse Gas Inventories and actively track and report our greenhouse gas ("GHG") emissions across three categories, namely:

- Scope 1 emissions: Direct emissions from owned or controlled sources, including company vehicles, machinery, and refrigerant usage.
- Scope 2 emissions: Indirect emissions from purchased energy, primarily electricity consumption.
- Scope 3 emissions: Other indirect emissions, such as those from external fleet operations and business air travel.

Each Business Unit or Function conducts a detailed evaluation of climate-related factors, focusing on key areas such as carbon emissions, energy consumption, and supply chain risks. The findings and recommendations from these assessments are then escalated to senior management and the Board of Directors, ensuring any decision DKSH makes takes into account climate-related priorities.

8. Responsible Procurement

DKSH helps product manufacturers expand their market reach and grow their businesses, particularly in Business Unit Consumer Goods and Business Unit Healthcare. We specialize in contract-based marketing and distribution, directly procuring goods from local and international clients. This makes up a key part of our procurement activities, sourcing products for resale and distribution from suppliers worldwide.

Furthermore, the terms of our contracts outline shipping and delivery arrangements, which vary depending on client location and fulfillment strategies. As part of these agreements, we manage international shipments, receive products at ports, and handle goods directly at our distribution centers, whether sourced locally or globally. Business partners are required to adhere to our Code of Conduct, and we only work with business partners who share our commitment to ethical standards.

Our procurement approach focuses on specific product categories, ensuring compliance with ethical requirements and maintaining strict contract management processes.

Sourcing and Manufacturing Own Brands and Franchise Products

DKSH sources most of its own brand products from specialized manufacturers or directly from franchisors like Famous Amos. Since acquiring Auric Pacific in 2019, we have taken on in-house production and marketing of our dairy brands, including Buttercup, Twin Cows, and Toucan. We prioritize sourcing ingredients locally for our production site, except for items unavailable in the local market.

Ensuring product quality and food safety remains our top priority, which is why we only procure third-party manufactured materials from reputable and responsible suppliers in Australia, New Zealand, the Netherlands, and Argentina.

Procurement Strategies for Enhancing Local Economy and Quality Service Delivery

► (GRI 204-1)

Our procurement strategy focuses on supporting local suppliers and vendors in Malaysia, contributing to mutual growth and strengthening the local economy. We see these partnerships as a way to help businesses expand while driving broader economic benefits.

We carefully select suppliers and continuously assess their performance to ensure they meet our high standards, as outlined in our Non-Trade Procurement ("NTP") Policy and Supplier Code of Conduct ("SCOC"). The NTP Policy sets clear criteria for supplier selection and management, covering both commercial factors and ethical business practices. The SCOC outlines expectations for fair competition, ethical conduct, employee treatment, safe working conditions, and environmental responsibility. Enforcing these standards, particularly those related to workplace safety, not only benefits our contractors and suppliers but also safeguards our employees who work alongside them.

Delivering quality products and services remains our top priority. To maintain this, we conduct thorough due diligence before appointing vendors, evaluating their commercial and technical capabilities. Furthermore, we ensure our procurement processes are fair and transparent, which creates an equal opportunity for all vendors who we transact with.

2024 Findings

- *94% of local vendors supply all our procurement needs*
- *94% of procurement budget was spent on local suppliers and vendors*

Going forward, we will strengthen our supplier selection process by implementing a detailed screening procedure for new suppliers as well as incorporating environmental, social, and sustainability criteria into the screening procedure.

Sustainability Statement (continued)

Maintaining Integrity in Our Supply Chain

▸ (GRI 205-2)

As an outsourcing partner, we uphold integrity across our supply chain by working only with downstream business partners who share our values and meet our business standards. In this regard, we do not engage with contractors, suppliers, or vendors who fail to meet these requirements.

We communicate our anti-corruption policies directly to key business partners, including sales intermediaries such as sub-distributors, tender agents, and resellers, as well as vendors like commission agents, consultants, forwarders, importers, customs brokers, fulfillment agents, and event organizers. All partners enter into service contracts that include anti-corruption compliance clauses which incorporated the Supplier Code of Conduct and ABAC policy.

To strengthen compliance, we offer virtual training on our SCOC to selected suppliers, ensuring they understand these policies and align with our ethical and operational expectations.

2024 Highlights

- *27 sessions of SCOC training sessions conducted*
- *27 selected suppliers and business partner*

9. Ethics and Integrity

The Board is responsible for DKSH's overall corporate governance, ensuring the company and its resources are managed with due diligence. It operates under a Board Charter that defines its roles and responsibilities, which provides a framework for effective governance. The Board Charter is reviewed and updated periodically to align with company policies and comply with relevant regulations.

Policies that Govern Business Conduct

DKSH Malaysia follows policies set by our organization and local governance bodies, covering due diligence and human rights while reinforcing our commitment to accountability and ethical business practices.

With most of our operations based in Asia, we recognize the region's markets and industries are often seen as more vulnerable to corruption risks, which can impact both society and the economy. To address this, we actively implement measures to reduce corruption risks in our business activities.

In 2023, we revised our Conflict of Interest and Gifts, Hospitality, and Entertainment ("GHE") policies and introduced a new Donation Policy. These updates and the addition of a new policy aim to strengthen governance and improve controls, ensuring a more effective approach to managing corruption risks. In addition to these, we comply with the following policies that guide our business conduct:

- Ad Hoc Publicity Policy
- Anti-Bribery and Anti-Corruption ("ABAC") Policy
- Anti-Fraud Policy
- Belonging – Diversity, Equity, and Inclusion Policy
- Conflict of Interest ("COI") Policy Declaration
- Dangerous Goods and Hazardous Chemicals Guideline
- Data Protection Policy
- DKSH Code of Conduct
- Fair Competition Policy
- Gender Diversity Policy
- Gifts, Hospitality & Entertainment ("GHE") Policy
- Health, Safety, and Environment ("HSE") Policy
- Human Rights Policy
- Interaction with Healthcare Professionals ("IHCP") Manual
- Limits of Authority Policy
- Medical Devices and Technologies ("MedTech") Manual
- Policy on Insider Trading
- Business Partner Code of Conduct ("SCOC") Policy
- Tax Policy
- Third-Party Risk Management SOP
- Treasury Policy
- Fraud and Compliance Incidents Reporting and Investigations ("IRI") Policy

In 2024, we revised the Third-Party Risk Management SOP to ensure alignment with current requirements. We also updated the Fraud and Compliance Incidents Reporting and Investigations ("IRI") Policy, merging it with anti-fraud measures. Furthermore, we revised the Business Partner Code of Conduct ("BPCOC") Policy and updated the DKSH Code of Conduct to include sustainability considerations into it.

For more information on Corporate Governance, Risk Management, and Internal Control, kindly refer to Corporate Governance Overview Statement on pages 99 to pages 112.

Sustainability Statement (continued)

10. Combatting Corruption

Anti-Corruption and Integrity in Our Business Practices ► (GRI 205-1, 205-2)

Our business is built on trust and integrity. For this, we strive to uphold our core value of integrity by pushing for a culture of compliance and maintaining zero tolerance for corruption and bribery, as outlined in our Code of Conduct and Anti-Bribery and Corruption ("ABAC") policy. These policies are accessible to all employees through DKSH's corporate website and intranet.

We also ensure that our employees align with our values and high standards of conduct. To achieve this, we actively recruit and retain individuals who embody these principles. This would ultimately protect our business as well as that of our clients and customers.

Our compliance program addresses non-compliance risks through policies such as the ABAC, risk assessments, structured processes, training, monitoring, and a confidential reporting and investigation system. The program follows international standards, including the U.K. Bribery Act, the U.S. Foreign Corrupt Practices Act, and the Malaysia Anti-Corruption Commission Act 2009, under the oversight of DKSH's Compliance Function.

The Country Compliance Committee ("CCC"), a subcommittee of DKSH Malaysia's Country Leadership Team, is led by the Head, Country Leadership, appointed by DKSH Holding Ltd.'s Chief Executive Officer. The CCC oversees and reviews the compliance program, policies, investigations, and any misconduct reported through the DKSH Integrity Line, a publicly available reporting channel. The Head, Country Leadership is supported by local compliance officers, who engage directly with Business Unit or Function Heads for compliance initiatives specific to their areas.

As outlined in the Code of Conduct and ABAC policy, all employees must report any non-compliance incidents, including bribery demands, to their supervisors, the Compliance Function at my.compliance@dksh.com.my, or through the DKSH Integrity Line. The Code of Conduct also provides an email managed by the Group Governance, Risk, and Compliance Function for reporting. Internal and external stakeholders are encouraged to report any wrongdoing through the channels detailed in our Whistleblower Policy & Procedure, which is available on the DKSH website.

All reported cases are thoroughly investigated, and sanctions will be imposed if the allegation of non-compliance is found to be true. To protect the individual who reported the non-compliance incident, DKSH strictly prohibits retaliation against those who report concerns in good faith.

An annual compliance review is conducted to assess trends and identify areas for further improvement, ensuring continuous enhancement of our compliance efforts.

► (GRI 205-1, GRI 205-2, GRI 205-3)

2024 Highlights

- *100% (5) of Board of Directors informed on anti-corruption policies and procedures*
- *100% (5) of the same governance body members have completed the anti-corruption training*
- *100% of our employees are made aware of our anti-corruption policies upon joining, including periodic reminders during their employment with us*
- *100% (3,810) number of employees received training on anti-corruption*
- *100% of operations assessed for risk related to corruption*
- *ZERO confirmed incidents of corruption*

Grievance Management

DKSH has a structured grievance management system that enables stakeholders to report unethical behavior through multiple channels. Our Whistleblower Policy & Procedure allows employees and external parties to raise concerns about illegal, unethical, or inappropriate actions, including questionable accounting practices, fraud, or misconduct. This policy ensures whistleblowers are protected from retaliation when reporting issues in good faith and without malice.

Confidential reporting channels include:

- DKSH Integrity Line
- Chairman of the Audit Committee for DKSH Holdings (Malaysia) Berhad
- Internal Audit for DKSH Holdings (Malaysia) Berhad
- Governance, Risk, and Compliance

Our Whistleblower Policy & Procedure is available on our corporate website at dksh.com.my.

Sustainability Statement (continued)

Ensuring Effective Compliance

DKSH's management is responsible for ensuring compliance standards are effectively implemented across the organization. The Compliance Function supports this by providing guidance, methodologies, and tools to assist management in maintaining compliance. It conducts surveys and reviews to assess awareness, effectiveness, understanding, and execution of compliance standards and controls. This is done through a structured review process and enforcement programs tailored to risk assessments. DKSH's Compliance Function carries out its own compliance audits based on identified risks.

Externally, DKSH's compliance program is evaluated by potential and existing clients or their appointed external audit firms. We fully cooperate with these assessments, which include due diligence, as well as pre- and post-contract compliance audits and reviews. The insights gained from these external evaluations help us continuously refine and strengthen our compliance program.

Building Compliance Culture

Ongoing training and awareness programs are essential in ensuring employees understand and navigate ethical and regulatory standards as we strengthen a culture of compliance. In line with this, we require our new employees to go through an onboarding process, which includes reviewing and accepting our policy framework and completing certified compliance training.

To maintain awareness and adherence to our standards, all employees must periodically refresh their understanding of DKSH's anti-corruption policies through trainings. All relevant materials are easily accessible on the employee intranet. We further promote compliance through regular town hall meetings, annual Compliance Day events, and newsletters.

Employee Category	Percentage of employees received training on anti-corruption
Senior Management	100%
Middle Management	100%
Executive	100%
Non-Executive	100%

100% of employees completed their Code of Conduct refresher e-learning

Responsible Marketing Practices

DKSH specializes in marketing and distributing products sourced from manufacturers, often importing and customizing them locally before sale. A key part of our service involves advertising and promoting these products while providing accurate product information to mitigate marketing-related risks. With growing public awareness and evolving transparency policies, providing correct and complete product details remains critical to our business model and brand reputation.

Adapting and customizing products to meet regulatory standards, including labeling requirements, is a key service we provide. Our regulatory affairs team in Business Unit Healthcare establishes Standard Operating Procedures and oversees compliance, supported by our quality assurance teams. Given the stringent regulations in this sector, we ensure all customizations are aligned with ISO 13485 requirements.

To uphold transparency and compliance, DKSH mandates disclosures on key product and service information. This includes the sourcing of components, product content—particularly substances with potential environmental or social impacts—safe product usage, and proper disposal practices. These requirements apply across all significant product and service categories, with 100% assessed for compliance.

For the marketing of our own-brand products, the regulatory affairs team in Business Unit Healthcare ensures full compliance with legal requirements. We follow responsible marketing guidelines set by relevant industry bodies and have policies, procedures, and controls in place, reinforced by training, to ensure all marketing activities align with our standards.

Furthermore, we continuously monitor and validate product data from clients, taking corrective actions when necessary. Complaints related to marketing and labeling are addressed through the relevant Business Unit. All Business Unit Healthcare employees undergo annual e-training on managing promotional materials, ensuring compliance with advertising and marketing guidelines.

In 2024, an incident involving the labeling of a product led to a compound by the Ministry of Health. The compound was fully paid, and immediate efforts to correct the labeling of the product were taken by the Field Sales and Merchandising teams. The client was notified to revise future labels for products supplied to DKSH, ensuring compliance with regulatory requirements. ► (GRI 417-2)

Sustainability Statement (continued)

Industry-Specific Risks in the Healthcare Business

In the healthcare sector, advertising and promoting products are subject to strict regulations across many jurisdictions, with some activities being limited or entirely prohibited. Healthcare products, such as prescription drugs and medical devices, often require professional prescription or administration due to the specialized knowledge needed for their use. Similarly, in the food sector, stringent standards apply to products like infant nutrition. These industries have adopted ethical codes promoting responsible marketing practices.

DKSH upholds these standards through membership in the Pharmaceutical Association of Malaysia ("PhAMA") and the Malaysia Medical Devices Association ("MMDA"), alongside management programs designed to ensure compliance among employees and service providers. In Malaysia, medical device advertisements require approval from the Medical Device Authority ("MDA"), while advertisements for over-the-counter products, health supplements, and traditional products must follow guidelines and receive approval from the Medicine Advertisement Board, before any related advertisement can be publicized to the public.

We remain updated on industry standards and regulatory developments to maintain compliance. Our marketing strategies align with the latest ethical standards by adhering to PhAMA's guidelines, last revised in October 2023. Although the MDA's Code of Advertisement has remained unchanged since its March 2021 update, we comply with the revised submission process to ensure efficient approvals.

Data Privacy and Protection

Our business operations generate significant volumes of data from our products, services, customers, and partners. As we serve competing clients, maintaining data privacy and security is essential. We also collect personal information from employees, contractors, and other stakeholders. Due to this, we are required to adhere strictly to all the relevant data protection laws to ensure the confidentiality of our clients.

In this regard, we have a strong information security program and cybersecurity strategy that focuses on preventing cyber threats, enhancing our information security posture, and raising company-wide cybersecurity awareness. We also have an IT Security Policy, which is enforced globally, supported by a dedicated Information Security team available 24/7 to handle urgent security matters.

Employees are provided with IT security awareness training delivered, via our Learning Management Systems. This initiative is also complemented by ongoing campaigns to raise employee's awareness on data privacy and protection, which is done via newsletters, news flashes, and the Tech Talk platform.

In 2021, DKSH achieved recertification under ISO 27001:2013 for the Information Security Management System of our SAP infrastructure, which is valid until 2024. This certification reflects our structured approach to protecting sensitive data by identifying, assessing, and managing information security risks.

In 2024, DKSH achieved recertification and standards upgrade to ISO 27001:2022 with validity up to 2027.

Our quality assurance team continuously monitors compliance with these standards. Furthermore in 2019, we also implemented a Group Data Privacy Policy, Website Policy, and Global Privacy Governance Structure to align our Data Privacy and Protection standards with the EU General Data Protection Regulation ("GDPR").

DKSH's data protection policies, standards and procedures are overseen by our Global Privacy Lead and is supported by Privacy Coordinators in Malaysia, who ensure the policies, standards and procedures are aligned across all Business Units and Functions. Furthermore, DKSH's Group Internal Audit and IT Security teams conduct regular independent and internal audits of its access management and IT installations to maintain consistent compliance and security of our data and IT systems.

► (GRI 205-3)

- Training programs on data privacy and cybersecurity are conducted annually through the Learning Management Systems
- Zero substantiated complaints concerning breaches of customer privacy and losses of customer data

11. Product Quality and Safety

At DKSH, we ensure the quality and safety of products remain top notch across various categories, including pharmaceuticals and consumer goods. We follow strict quality management systems to protect customer and patient health, ensuring that all products come from authentic manufacturing processes to mitigate the risks of safety issues and counterfeit goods.

Sustainability Statement (continued)

Our approach is tailored to each business line and product type, with strict compliance to relevant regulations. The Quality Assurance, Regulatory Affairs, and Supply Chain Management teams conduct regular audits to ensure quality and regulatory compliance. These audits are supplemented by assessments from clients or their appointed auditors to meet specific standards. We also undergo annual audits by SIRIM to verify that products introduced into the market comply with HSE regulations and are safe for end users.

We implement a quality management system on all our product categories to maintain the high standards needed to protect the health and safety of customers, consumers, and patients. This includes verifying that all products originate from authentic manufacturing sites, avoiding the risks associated with counterfeit goods.

Given the sensitivity of healthcare products, DKSH Healthcare prioritizes stringent safety and compliance measures to mitigate health and safety risks. We adhere to Good Distribution Practice ("GDP") for pharmaceutical and cosmetic products and GDP for Medical Devices ("GDPMD") to ensure proper handling and distribution.

DKSH Healthcare holds a Pharmacist Poison License A and undergoes annual inspections by State Pharmacy Enforcement in compliance with the Malaysia Poison Act and Regulations. These measures strengthen our commitment to upholding the highest standards of product safety and regulatory compliance.

In 2024, DKSH recorded no monetary losses from legal proceedings related to product safety. There were no fines, penalties, settlements, or regulatory actions impacting the company's financial standing in this area.

▶ (GRI 416-2)

DKSH recorded:
- ZERO incidents of non-compliance concerning the health and safety impacts of products and services in 2024
- 100% of significant product and service categories for which health and safety impacts are assessed for improvement
- ZERO incidents of non-compliance with regulations resulting in a fine or penalty
- ZERO incidents of non-compliance with regulations resulting in a warning
- ZERO incidents of non-compliance with voluntary codes

Any deviations from applicable standards identified through reviews, audits, or complaints are promptly reported and resolved. In this regard, we also establish product recall procedures while working closely with authorities, clients, and suppliers to address recalls effectively when they arise.

Business Unit Consumer Goods
The Business Unit Consumer Goods focuses on proper storage and handling of goods. This is achieved by adhering to best practices in warehousing and distribution. To this end, products are stored and managed in line with specifications agreed upon with clients, ensuring product integrity and safety throughout their lifecycle. This includes modifications to meet local regulatory requirements. DKSH complies with relevant regulations set by the Food and Drug Administration.

For food and beverage items, maintaining freshness is a priority. As such, the products requiring temperature-controlled storage are handled accordingly to preserve quality. Furthermore, to reduce product waste, our IT systems are designed to support efficient storage methods, including FIFO ("first in, first out") and FEFO ("first expired, first out") methods.

Business Unit Healthcare
The Business Unit Healthcare ensures patient safety and upholds strict quality standards as required by clients and regulators. Our healthcare distribution facilities comply with Good Distribution Practices ("GDP") and have approval from local health authorities. Furthermore, the Shah Alam facility also meets Good Manufacturing Practice ("GMP") standards.

We maintain high distribution standards with certifications in Quality Management Systems ISO 9001 and ISO 13485, as well as GDP for Medical Devices. These standards are verified through regular inspections, audits, and certifications by a recognized certification body.

Pharmacovigilance ("PV")
Drug safety regulations differ across markets and regions, posing challenges for healthcare clients. To ensure efficient management of drug safety standards, our regulatory team in the Business Unit Healthcare department provides a reporting platform to collect adverse event reports from end-users and addresses them accordingly.

Counterfeit Products
Counterfeit products present significant risks in the healthcare sector. To address this, we apply internal best practices for managing suspected counterfeit items and utilize SAP systems for batch traceability across our supply chain.

Product Recalls
For product recalls triggered by safety concerns, our SAP systems provide full product traceability, enabling a swift and efficient recall process. We also have internal best practices in place, including a product recall committee which collaborates with our clients to oversee escalation, tracking, and monitoring of the products that could potentially be recalled.

Sustainability Statement (continued)

Our Outcome

We are committed to enriching people's lives by providing a diverse selection of safe products and services, delivered with integrity. We also contribute to empowering the communities we operate in by creating job opportunities and engaging in charitable efforts, directly impacting our community welfare and growth.

12. Local Community Development

In 2023, we developed our Social Impact Strategy, which closely aligns with our purpose of enriching people's lives and specifies how we are working to reach our Sustainability Strategy's objective of making a positive local impact. The Strategy provides guidance on how we can make a positive local impact.

For example, it states that social impact activities fall into three categories:

(1) Monetary or in-kind donations to non-political/non-religious groups whose primary purpose is to support groups such as children, the elderly, less privileged members of society or communities affected by adverse events,

(2) Organizing local community activities, and

(3) Engaging in partnerships to support local impact activities.

The Strategy brings together initiatives at different levels. Each Business Unit will drive social impact initiatives aligned with its business activities. The initiatives will be selected, funded, and implemented by the Business Unit. Our Business Units will focus on the following impacts:

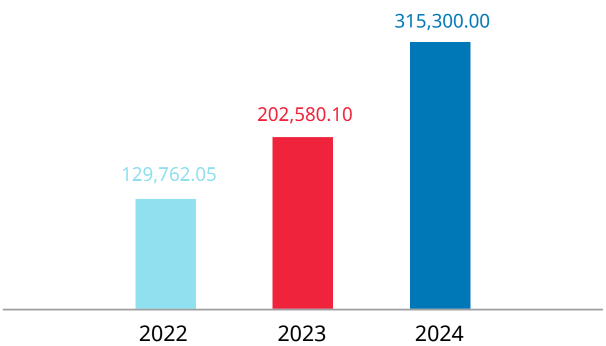
- **Consumer Goods:** Working to provide access to food and non-food products for people facing hunger and in need in our local communities, reducing waste in the process
- **Healthcare:** Forging access to healthcare for all members of our local communities

Sustainability Statement (continued)

Beyond initiatives driven by the Business Units, we actively support local communities through initiatives that drive growth and provide meaningful support to improve livelihoods and community development. Furthermore, in line with our Code of Conduct, we also maintain a neutral stance on political matters, refraining from political donations or engagements to uphold impartiality and ethical business practices.

As part of our social impact efforts, which emphasize equity and inclusion, we create job opportunities for individuals facing challenges entering the workforce. This approach not only promotes a more inclusive society but also strengthens our connection with the communities we serve.

Total Amount Invested in the Community Where the Target Beneficiaries Are External (RM)*



* This information excludes the amount invested/ spent on Business Unit Social Impact Activities.

Total number of beneficiaries of the investment in communities = 155

All-Round Improvement in School Education ("ARISE")

In 2023, we shifted our CSR focus solely to the All-Round Improvement in School Education Program ("ARISE") literacy program with the Orang Asli community and increased our investment by 56% to reflect our expanded support from two to seven schools. This refocusing from a diverse range of projects in 2022 to a singular commitment allows us to deepen our impact and attention to a chosen community initiative.

Empowering Indigenous Communities Through Education Support

In 2024, DKSH Malaysia continued our collaboration for the seventh consecutive year with SUKA Society to promote literacy and educational equality among the indigenous community we serve. Through this initiative, we sponsored eight community learning centers ("CLC"), benefiting approximately 160 preschoolers from various indigenous communities across Malaysia.

The schools supported through this initiative include CLC Kampung Jader in Gua Musang, CLC Kampung Tanam in Kuala Rompin, CLC Kampung Pisang in Slim River, CLC Kipouvo and CLC Kg Kibunut in Penampang, CLC Kg Saguon in Tongod, CLC Kg Kandang-Kg Kodong in Kota Marudu, and CLC Kg Minusoh in Telupid, Sabah.

In total, we contributed significant financial support to these centres, with donations totaling RM 193,400 across all eight locations. These funds were used to enhance educational resources, ensuring preschoolers from the indigenous community receive meaningful support in their early learning journey.

In addition to this, we also provided essential funding to support the education of 70 Orang Asli primary school children. This included a contribution of RM 3,500 for school supplies and RM 10,500 for school uniforms, ensuring these children have the resources they need to access education and participate in school activities.

Beyond education, we organized blood donation campaigns to support public health and contributed to flood relief efforts, reflecting our continued focus on community well-being and resilience.

Enhancing Digital Learning for Preschools

We provided funding to enhance the digital infrastructure of four preschools as part of DKSH commitment to education. This included RM 14,000 for the purchase of relevant IT equipment, such as tablets and smart TVs, and RM 2,400 to support internet connectivity for the digital learning needs of the four preschools.

Malaysia School Outreach in Peninsular and East Malaysia

Over 50 DKSH Malaysia employees from Klang Valley visited CLC Kampung Pisang in Slim River to support and engage with preschool children. The visit included painting a vibrant mural on the school walls to enhance the learning environment and conducting interactive activities, such as paper plate mask designing, to brighten the children's day.

Sustainability Statement (continued)

The volunteers also brought boxes of pre-loved clothes collected through DKSH Malaysia Consumer Goods Logistics' recent clothing drive campaign to support the well-being of the local villagers.

DKSH Malaysia donated essential supplies, including window curtains, storage containers, and other necessary items to the preschool involved. This initiative is valued at RM 18,000.

In addition to this, a team of 17 volunteers from DKSH Malaysia's Sabah branch visited the Community Learning Center in Kampung Kipouvo, Penampang, Sabah, a preschool supported through the All-Round Improvement in School Education ("ARISE") program.

Refurbishing Indigenous School Facilities
DKSH Malaysia sponsored SUKA Society with RM 10,000 to refurbish and repair facilities and buildings at several indigenous schools, including CLC Kg Kibunut, CLC Kg Saguon, CLC Kg Minusoh, CLC Kg Kodong, and CLC Kg Kipouvo. This initiative aims to address wear and tear issues, ensuring a safer and more conducive learning environment for the students.

Community Well-Being and Empowerment

Blood Donation Campaigns
DKSH Malaysia collaborated with Pusat Darah Negara ("the National Blood Centre") to organize three blood donation campaigns at The Ascent, CGL, and SADC on three separate occasions. A total of 131 participants contributed across these campaigns, resulting in the collection of 3,668 units of blood.

Disaster Relief
In December 2024, Malaysia experienced significant flooding across nine states due to heavy rainfall from the Northeast Monsoon. In response to this disaster, DKSH Malaysia donated necessities valued at RM 10,000 to flood victims in Politeknik Muadzam Shah, Pahang. This is done in collaboration with the Sekretariat Food Bank Malaysia under the Ministry of Domestic Trade and Costs of Living.

Business Units Social Impact Initiatives

Business Unit Consumer Goods: Product Waste Reduction
Sustainability is an essential issue for our Business Unit Consumer Goods. Reducing product waste was identified as the core topic to be addressed. We developed and deployed a Product Waste Reduction Toolkit in early 2022. It provides guidelines for reducing product write-offs, decreasing waste, and maximizing product and food donations.

In 2024, the Business Unit Consumer Goods has successfully contributed 36,689 kg of food and non-food products, primarily through our partnership with The Lost Food Project.

Business Unit Consumer Goods: Supporting the Hearing-Impaired Workforce
Since 2016, DKSH's subsidiary, Famous Amos Malaysia, has been running Project ORCHID in collaboration with the Malaysian Federation of the Deaf. This initiative provides career opportunities for the hearing-impaired community within Famous Amos outlets, equipping them with employment and skill development opportunities. By 2023, the program successfully employed 11 hearing-impaired individuals across select locations.

As of 2024, we employed a total of nine hearing-impaired individuals across selected locations.

Business Unit Healthcare: Patient Purpose Day
In 2024, we held our second Patient Purpose Day with the theme "Elevate Eldercare with DKSH Healthcare." In collaboration with KPJ Damansara Specialist Hospital 2 and the Alzheimer's Disease Foundation Malaysia, we organized a health and wellness day that provided free health screenings to over 140 senior citizens. We also contributed RM 36,000 to the Alzheimer's Disease Foundation Malaysia ("ADFM"), which will support ADFM's "Train the Trainer" initiative in Sarawak, enhancing the network of skilled caregivers for Alzheimer's patients.

Sustainability Statement (continued)

GRI Content Index

Statement of Use: DKSH Malaysia has reported the information cited in this GRI content index for the period January 1, 2024, to December 31, 2024, in accordance with the GRI Standards.
GRI 1 used: GRI 1: Foundation 2021
Applicable GRI Sector Standard: Not applicable

GRI INDICATOR	DISCLOSURE		LOCATION	OMISSION & EXPLANATION
General disclosures				
GRI 2: General Disclosures 2021	**The organization and its reporting practices**			
	2-1	Organizational details	Page 29	
	2-2	Entities included in the organization's sustainability reporting	Page 29	
	2-3	Reporting period, frequency and contact point	Page 29	
	2-4	Restatements of information	Page 29	
	2-5	External Assurance	Page 31	
	Activities and workers			
	2-6	Activities, value chain and other business relationships	Page 29	
	2-7	Employees	Page 50, 91	
	2-8	Workers who are not employees	-	Not available
	Governance			
	2-9	Governance structure and composition	Page 34	
	2-10	Nomination and selection of the highest governance body	Corporate Governance (Page 99 to 109)	
	2-11	Chair of the highest governance body	Corporate Governance (Page 99 to 109)	
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 34	
	2-13	Delegation of responsibility for managing impacts	Page 34	
	2-14	Role of the highest governance body in sustainability reporting	Page 34	
	2-15	Conflicts of interest	Page 75	
	2-16	Communication of critical concerns	Page 76	
	2-17	Collective knowledge of the highest governance body	Corporate Governance (Page 99 to 109)	
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance (Page 99 to 109)	

Sustainability Statement (continued)

GRI INDICATOR	DISCLOSURE		LOCATION	OMISSION & EXPLANATION
General disclosures (continued)				
GRI 2: General Disclosures 2021 (continued)	2-19	Remuneration policies	Corporate Governance (Page 99 to 109)	
	2-20	Process to determine remuneration	Corporate Governance (Page 99 to 109)	
	2-21	Annual total compensation ratio	Corporate Governance (Page 99 to 109)	
	Strategy, policies and practices			
	2-22	Statement on sustainable development strategy	Management Discussion and Analysis (Page 5 to 6)	
	2-23	Policy commitments	Page 75	
	2-24	Embedding policy commitments	Page 75	
	2-25	Processes to remediate negative impacts	Page 76	
	2-26	Mechanisms for seeking advice and raising concerns	Page 35 to 37	
	2-27	Compliance with laws and regulations	Page 75	
	2-28	Membership associations	Page 31	
	Stakeholder engagement			
	2-29	Approach to stakeholder engagement	Page 35	
	2-30	Collective bargaining agreements	Page 56	
Material topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Page 38	
	3-2	List of material topics	Page 38	
Economic performance				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 5 to 7	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Page 5 to 7	
	201-2	Financial implications and other risks and opportunities due to climate change	Page 66 to 74	
	201-3	Defined benefit plan obligations and other retirement plans	Page 43 to 44	
	201-4	Financial assistance received from government	-	Not applicable as we did not receive any financial assistance

Sustainability Statement (continued)

GRI INDICATOR		DISCLOSURE	LOCATION	OMISSION & EXPLANATION
Market presence				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 39	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	We comply with the local minimum wage rules
	202-2	Proportion of senior management hired from the local community	Page 44	
Indirect economic impacts				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 80 to 82	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Page 80 to 82	
	203-2	Significant indirect economic impacts	Page 80 to 82	
Procurement practices				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 74	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Page 74	
Anti-corruption				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 75	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Page 76	
	205-2	Communication and training about anti-corruption policies and procedures	Page 76 to 77	
	205-3	Confirmed incidents of corruption and actions taken	Page 76	
Materials				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 64	
	301-1	Materials used by weight or volume	Page 64	
	301-2	Recycled input materials used	Page 64	
	301-3	Reclaimed products and their packaging materials	Page 64	

Sustainability Statement (continued)

GRI INDICATOR		DISCLOSURE	LOCATION	OMISSION & EXPLANATION
Energy				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 60	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Page 61	
	302-2	Energy consumption outside of the organization	Page 61	
	302-3	Energy intensity	Page 61	
	302-4	Reduction of energy consumption	Page 61	
	302-5	Reductions in energy requirements of products and services	Page 61	
Water and effluents				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 65 to 66	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Page 65	
	303-2	Management of water discharge-related impacts	Page 66	
	303-3	Water withdrawal	Page 66	
	303-4	Water discharge	Page 66	
	303-5	Water consumption	Page 66	
Emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 62	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 63	
	305-2	Energy indirect (Scope 2) GHG emissions	Page 63	
	305-3	Other indirect (Scope 3) GHG emissions	Page 63	
	305-4	GHG emissions intensity	Page 63	
	305-5	Reduction of GHG emissions	Page 63	
	305-6	Emissions of ozone-depleting substances (ODS)	-	Not applicable as it is not relevant to business
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	Not applicable as it is not relevant to business

Sustainability Statement (continued)

GRI INDICATOR		DISCLOSURE	LOCATION	OMISSION & EXPLANATION
Waste				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 64	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Page 64	
	306-2	Management of significant waste-related impacts	Page 64	
	306-3	Waste generated	Page 65	
	306-4	Waste diverted from disposal	Page 65	
	306-5	Waste directed to disposal	Page 65	
Supplier environmental assessment				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 74	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	-	Aiming to enhance supplier selection process by incorporating comprehensive screening which will include environmental, social, and sustainability criteria
	308-2	Negative environmental impacts in the supply chain and actions taken	-	
Employment				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 39	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Page 49	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 44 and 54 to 55	
	401-3	Parental leave	Page 44 and 54 to 55	
Labor/Management relations				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 55	
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Page 56	

Sustainability Statement (continued)

GRI INDICATOR	DISCLOSURE		LOCATION	OMISSION & EXPLANATION
Occupational health and safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 39	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Page 39	
	403-2	Hazard identification, risk assessment, and incident investigation	Page 40	
	403-3	Occupational health services	Page 40	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Page 40	
	403-5	Worker training on occupational health and safety	Page 40	
	403-6	Promotion of worker health	Page 41	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 41	
	403-8	Workers covered by an occupational health and safety management system	Page 40	
	403-9	Work-related injuries	Page 42	
	403-10	Work-related ill health	Page 42	
Training and education				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 53	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Page 54	
	404-2	Programs for upgrading employee skills and transition assistance programs	Page 53	
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 52	
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 44	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Page 44, 91 and 103 to 104	
	405-2	Ratio of basic salary and remuneration of women to men	Page 46	

Sustainability Statement (continued)

GRI INDICATOR		DISCLOSURE	LOCATION	OMISSION & EXPLANATION
Non-discrimination				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 55	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Page 56	
Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 56	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 56	
Child labor				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 56	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Page 56	
Forced or compulsory labor				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 55 to 56	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 56	
Security practices				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 55	
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Page 56	
Local communities				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 80 to 81	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Page 81 to 82	
	413-2	Operations with significant actual and potential negative impacts on local communities	Page 81 to 82	

Sustainability Statement (continued)

GRI INDICATOR		DISCLOSURE	LOCATION	OMISSION & EXPLANATION
Supplier social assessment				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 74	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Page 74	
	414-2	Negative social impacts in the supply chain and actions taken	-	No incidence of non-compliance
Public policy				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 80 to 81	
GRI 415: Public Policy 2016	415-1	Political contributions	-	We do not make any political donations
Customer health and safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 78 to 79	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Page 79	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 79	
Marketing and labeling				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 75	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Page 78	
	417-2	Incidents of non-compliance concerning product and service information and labeling	Page 78	
	417-3	Incidents of non-compliance concerning marketing communications	-	There were no recorded incidents of non-compliance concerning marketing communications in 2024
Customer privacy				
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 78	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 78	

Performance Data

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Executive	Percentage	97.00	100.00	100.00
Non-executive	Percentage	97.00	100.00	100.00
Senior Management	Percentage	97.00	100.00	100.00
Middle Management	Percentage	97.00	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	129,762.05	202,580.10	315,300.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	120	155
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Executive Under 30	Percentage	9.00	11.00	10.00
Executive Between 30-39	Percentage	18.00	17.00	17.00
Executive Between 40-49	Percentage	11.00	10.00	10.00
Executive More than 50	Percentage	5.00	4.00	3.00
Non-executive Under 30	Percentage	12.00	14.00	18.00
Non-executive Between 30-39	Percentage	15.00	16.00	15.00
Non-executive Between 40-49	Percentage	14.00	14.00	13.00
Non-executive More than 50	Percentage	10.00	9.00	8.00
Middle Management Under 30	Percentage	0.00	0.00	0.00
Middle Management Between 30-39	Percentage	1.00	1.00	1.00
Middle Management Between 40-49	Percentage	3.00	3.00	3.00
Middle Management More than 50	Percentage	2.00	2.00	2.00
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-39	Percentage	0.00	0.00	0.00
Senior Management Between 40-49	Percentage	0.00	0.00	0.00
Senior Management More than 50	Percentage	0.00	0.00	0.00
Gender Group by Employee Category				
Executive Male	Percentage	15.00	15.00	14.00
Executive Female	Percentage	27.00	27.00	26.00
Non-executive Male	Percentage	22.00	23.00	23.00
Non-executive Female	Percentage	30.00	29.00	32.00
Middle Management Male	Percentage	3.00	2.00	2.00
Middle Management Female	Percentage	3.00	3.00	3.00
Senior Management Male	Percentage	0.00	0.00	0.00
Senior Management Female	Percentage	0.00	0.00	0.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	67.00	50.00	66.67

Internal assurance | External assurance | No assurance | (*)Restated

Indicator	Measurement Unit	2022	2023	2024
Female	Percentage	33.00	50.00	33.33
Between 40-49	Percentage	17.00	33.00	33.33
Above 50	Percentage	83.00	67.00	66.67
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	5,733.87	3,447.21	3,239.42
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.14	0.15	0.29
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,222 *	1,121 *	1,391
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Executive	Hours	26,375 *	28,928 *	36,805 *
Non-executive	Hours	13,447 *	15,579 *	21,238 *
Middle Management	Hours	4,755 *	6,268 *	7,857 *
Senior Management	Hours	120 *	102 *	236 *
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	5.00	3.00	4.00
Bursa C6(c) Total number of employee turnover by employee category				
Executive	Number	359	167	201
Non-executive	Number	405	69	124
Middle Management	Number	31	22	25
Senior Management	Number	2	2	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00	99.00	94.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	61.593000	64.356000	67.027000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	2,801.27	3,820.32	3,563.90
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	586.20	1,333.37	1,217.83
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	2,215.07	2,486.95	2,346.06
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	1,475.00	1,001.00	3,114.40
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	4,900.00	2,500.00	1,960.50 *
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	21,761.00	24,232.00	23,438.60

1. The three-year performance table is generated from the standard template of the Bursa ESG reporting platform, as at April 3, 2025. No changes were made to the PDF report generated from the system and is attached as it is in this report.
2. Some values would appear differently in the report generated from the ESG Platform as compared to the content of this Sustainability Statement, due to differing number and decimal formatting within the system, that is not able to be changed at this juncture.
3. The marks (*) in 2024 indicate that the information has been resubmitted on the Bursa Link platform.

Internal assurance | External assurance | No assurance | (*)Restated

Sustainability Statement (continued)

The Board of Directors
DKSH Holdings (Malaysia) Berhad
B-11-01
The Ascent Paradigm
No.1
Jalan SS7/26A Kelana Jaya
47301 Petaling Jaya Selangor Darul Ehsan
Malaysia

Independent Limited Assurance Report on Subject Matter Information in DKSH Holdings (Malaysia) Berhad's Sustainability Statement December 31, 2024

We, Grant Thornton Consulting Sdn Bhd ("Grant Thornton") were engaged by DKSH Holdings (Malaysia) Berhad ("DKSH") to provide limited assurance on selected material sustainability indicators ("Subject Matter Information") as reported by DKSH in its Sustainability Statement for the year ended December 31, 2024 ("Sustainability Statement").

The scope of our work was limited to the material sustainability matters presented in the Sustainability Statement and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matter Information below and their related disclosures; nor did it include information reported outside of the Sustainability Statement.

Limited Assurance Conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information presented in the Sustainability Statement has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

Subject Matter Information

The scope of our work was limited to assurance over selected material sustainability indicators reported in the DKSH's Sustainability Report, as presented below.

Underlying Subject Matter	Units	Page location of Annual Report
Our People		
(1) Health, Safety, and Well-being		
a) Number of work-related fatalities (Number);	Number	Page 42
b) Lost time incident rate (LTIR);	Rate	Page 42
c) Number of employees trained on health and safety standards;	Number	Page 40
(2) Employee Attraction, Satisfaction and Retention		
(i) Workforce Diversity		
a) Employee by gender and age group, for each employee category;	Percentage %	Page 45
b) Directors by gender and age group;	Percentage %	Page 44

Sustainability Statement (continued)

Underlying Subject Matter	Units	Page location of Annual Report
Our People (Continued)		
(2) Employee Attraction, Satisfaction and Retention (Continued)		
(ii) Recruitment, Retention and Recognition		
a) Employee that are contractors or temporary staff;	Percentage %	Page 51
b) Total number of employee turnover by employee category;	Number	Page 49
c) Turnover rate by gender and age group	Percentage %	Page 49
d) New hire by gender and age group	Percentage %	Page 49
(iii) Enabling Growth and Development		
a) Total hours of training by employee category;	Hours	Page 54
(3) Labour Practices		
(i) Safeguarding Human Rights		
a) Number Substantial complaints concerning human rights violations;	Number	Page 56
Our Business		
(4) Climate Change Mitigation		
(i) Energy Management		
a) Total energy consumption;	kWh and Litres	Page 61 - 62
(ii) Managing Greenhouse Gas Emissions		
a) Scope 1 emissions;	tCO_2-eq	Page 63
b) Scope 2 emissions;	tCO_2-eq	Page 63
c) Scope 3 emissions (only for category 6: business travel and category 7: employee commuting)	tCO_2-eq	Page 63
(5) Pollution Prevention		
(i) Waste Management		
a) Total waste generated, and breakdown of the following:		
(i) Total waste diverted from disposal;	Metric tonnes	Page 65
(ii) Total waste directed to disposal;	Metric tonnes	Page 65
(6) Resource Efficiency		
(i) Water Management		
a) Total volume of water used;	m^3	Page 66

Sustainability Statement (continued)

Underlying Subject Matter	Units	Page location of Annual Report
Our Business (Continued)		
(7) Responsible Procurement		
a) Proportion of spending on local suppliers;	Percentage %	Page 74
(8) Combatting Corruption		
a) Training on anti-corruption by employee category;	Percentage %	Page 76
b) Operations assessed for corruption-related risks;	Percentage %	Page 76
c) Confirmed incidents of corruption and action taken;	Number	Page 76
d) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data;	Number	Page 78
Our Outcome		
(9) Local Community Development		
a) Total amount invested in the community where the target beneficiaries are external to the listed issuer;	Currency	Page 81
b) Total number of beneficiaries of the investment in communities;	Number	Page 81

Our assurance is with respect to the year ended December 31, 2024 Subject Matter Information only and we have not performed any procedures with respect to earlier periods or any other information included in the DKSH's Sustainability Statement and, therefore, do not express any conclusion thereon.

Reporting Criteria

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which DKSH is solely responsible for selecting and applying.

The reporting criteria adopted for reporting the Subject Matter Information are based on DKSH's sustainability reporting guidelines along with their definitions and calculation methodologies as disclosed within the Sustainability Statement ("Reporting Criteria").

Board of Directors and Management's Responsibilities

The Directors and Management of DKSH are responsible for:
- the design, implementation and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- the preparation of the Sustainability Statement and the Reporting Criteria and their contents.

Our responsibilities

We are responsible for:
- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to DKSH.

Sustainability Statement (continued)

Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements*, *or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Assurance standards and level of assurance

We performed a limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements 3000 (Revised), "*Assurance Engagements other than Audits and Reviews of Historical Financial Information*" ("ISAE 3000 (Revised)"), and in respect of the greenhouse gas emissions information included within the Subject Matter Information, in accordance with International Standard on Assurance Engagements 3410, "*Assurance Engagements on Greenhouse Gas Statements*" ("ISAE 3410"). These standards requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

Work performed

Considering the circumstances of the engagement our work included, but was not restricted to:
- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- conducting interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategies and policies for material issues, and the implementation of these across the business operations;
- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant management of DKSH and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- conducting interviews with sites, selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- performing analytical procedures for consistency of data with trends and our expectation;
- performing selected limited substantive testing including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- considering the appropriateness of a selection of selected unit conversion factor calculations and other calculations used by DKSH to prepare the Subject Matter Information including by reference to widely recognised and established conversion factors;
- considering the organisational boundary of DKSH for the reporting of Subject Matter Information;
- evaluating the overall presentation of the Subject Matter Information; and
- reading the Sustainability Statement and narrative accompanying the Subject Matter Information in the Sustainability Statement with regard to the Reporting Criteria, and for consistency with our findings.

Sustainability Statement (continued)

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Sustainability Statement may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Statement, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Intended use of this report

This limited assurance report, including our conclusion, is made solely to DKSH in accordance with the terms of the agreement between us. Our work has been undertaken so that we might state to DKSH those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept nor assume responsibility and deny any liability to any party other than DKSH for our work or this report, or for the conclusion we have reached.

Our report is released to DKSH on the basis that it shall not be copied, referred to or disclosed, in whole (save for inclusion in the DKSH's Sustainability Statement December 31, 2024) or in part, without our prior written consent.

Grant Thornton Consulting Sdn Bhd
Kuala Lumpur

Date: April 14, 2025

Corporate Governance Overview Statement

DKSH's Board of Directors has committed itself to maintaining the highest standards of integrity and transparency in its governance.

Corporate Governance Overview Statement

The Board of Directors of the Company ("the Board") believes that good corporate governance and sustainable business performance are intertwined. The Board is committed to upholding high standards of integrity and transparency in its governance and ensuring comprehensive application of the Principles and Practices set out in the Malaysian Code on Corporate Governance ("MCCG"). In this process, the Board and Management are furthermore supported by the initiatives of the international DKSH Group of Switzerland.

The Board is pleased to report on the application of the Practices of the MCCG to shareholders on the Group's corporate governance practices during the financial year ended December 31, 2024 ("FY 2024") in accordance with the MCCG and the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

This statement is to be read together with the Corporate Governance Report 2024 ("CG Report") of the Company. The application of each Practice set out in the MCCG during the financial year ended December 31, 2024, is disclosed under DKSH Malaysia' Corporate Governance Report published on the Company's website:

http://www.dksh.com/my-en/home/investors/announcements

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(1) Board Responsibilities

Roles and Responsibilities of the Board

The Board has overall responsibility for the Company's strategic planning and direction, and for overseeing the conduct of the Company's business, corporate governance, investor relations, risks management practices, and internal controls.

The Board has adopted a Board Charter which formalizes clear roles and responsibilities for the discharge of the Board's fiduciary and leadership functions. The Board Charter is subject to review by the Board as necessary to determine its adequacy for current circumstances, the Company's policies and applicable rules and regulations. The Board Charter, which was last revised in July 2024, is available on the Company's website at www.dksh.com.my.

In executing its responsibilities, the Board has established dedicated committees and functions and conducts respective performance reviews. Notwithstanding the delegation of specific authority to the Board Committees, the Board remains responsible for its fiduciary duties. The Board also ensures that the senior management is of sufficient calibre to implement the Board's strategies and corporate objectives and promote sustainability, taking into account the interest of various stakeholders.

As the Company is majority-owned by DKSH Holding Ltd., it practices a worldwide executive management program covering talent life cycle management, including appointing, professional learning and development, fixing the performance orientated compensation program of senior management and where appropriate, cross border assignments.

The Board also establishes a corporate culture which ensures that ethical conduct is permeated throughout the Company. The Board has formalised a Directors' Code of Ethics, setting out the standards of conduct expected from the Directors. The Directors' Code of Ethics is contained in the Board Charter and the Board Charter is published on the Company's website at www.dksh.com.my. To inculcate good ethical conduct, the Company's Code of Conduct complimented by Group Policies and Guidelines, clearly express the Company's expectations as an employer and provides detailed guidance to employees on expected business and ethical behaviour. The Code of Conduct includes an internal reporting process for events of non-compliance and is available on the Company's website at www.dksh.com.my.

The Board has adopted a Whistleblower Policy and Procedures and published it on the Company's website at www.dksh.com.my, in line with the requirement under the Section 15.29 of the Listing Requirements of Bursa Securities and guided by Guidance to Practice 3.2 of the MCCG and T.R.U.S.T. principles of Guidelines on Adequate Procedures.

This Policy shall also similarly apply to any vendors, partners, associates or any individuals, including the general public, in the performance of their assignment or conducting the business for or on behalf of the Group.

Board Balance and Effectiveness

The Board collectively has a broad range of qualifications, the right mix of skills, experience and knowledge relevant to effectively direct and supervise the Company's business activities and ensure that the interests of all stakeholders are adequately protected.

The Independent Directors provide an effective check and balance in the functioning of the Board. Their presence is essential in providing unbiased, objective and impartial opinion, advice and judgment to the Board deliberations, mitigating risks of any possible conflict of interest or undue influence from interested parties.

The Independent and Non-Executive Directors play key roles in the Board Committees, namely Audit and Nomination and Remuneration Committees in shaping, contributing

Corporate Governance Overview Statement (continued)

ideas and assisting the Board in making informed decisions towards the development and strengthening of the governance structures of the Company. None of the Non-Executive Directors participate in the day-to-day management of the Group, allowing them to bring impartial and objective participation at Board or Board Committee deliberations and decision making.

There is a distinct division of roles and responsibilities of the Chairman of the Board and the Vice President, Healthcare and Head, Country Leadership, Malaysia. The Chairman of the Board is a Non-Independent Non-Executive Director who provides leadership at Board level and is responsible for encouraging overall Board and individual Director's effectiveness, drawing their respective knowledge, strength, experience and skills. The Vice President, Healthcare and Head, Country Leadership, Malaysia, who is also a Non-Independent Executive Director, bears overall responsibilities for the Group's operational and business units organization effectiveness and ensuring that the strategies, policies and matters approved by the Board are effectively implemented. The Vice President, Healthcare and Head, Country Leadership, Malaysia, assisted by other Key Senior Management in the Country Leadership Team, is responsible for the management of the Group's business and also functions as the intermediary between the Board and Management.

Board Meetings and Supply of Board Information

The Board meets at least four (4) times a year, with additional meetings convened on an ad-hoc basis as and when decisions on urgent matters are required between scheduled meetings. The meetings of the Board and Board Committees are scheduled in advance of the calendar year and an annual Schedule of Meetings is circulated to allow Directors to plan ahead.

The Directors have demonstrated their time commitment towards fulfilling their roles and responsibilities as Directors of the Company and all Directors have complied with the minimum requirement on attendance at Board meetings as provided in the Listing Requirements of Bursa Securities. During FY 2024, four (4) Board meetings were held, and the attendance of each Director thereat is set out in the table below.

The Board: Composition and Attendance at the Board Meetings Held in 2024

Directors	Designation	No. of Meetings Attended
Stephen John Ferraby (Retired on November 21, 2024)	Non-Independent Non-Executive Chairman	4/4
Oh Sae Ung* (Appointed on July 5, 2024 and Redesignated as Chairman on November 21, 2024)	Non-Independent Non-Executive Chairman	2/2
Dr. Leong Yuen Yoong	Independent Non-Executive Director	4/4
Fa'izah binti Mohamed Amin* (Demised on September 8, 2024)	Independent Non-Executive Director	2/2
Richard Lai Tak Loi	Independent Non-Executive Director	4/4
Jaclyn Ang Swee Yin* (Resigned on July 5, 2024)	Non-Independent Executive Director/ Senior Director, Country Finance, Malaysia	2/2
Sandeep Tewari	Non-Independent Executive Director/ Vice President, Healthcare	4/4
Senthilathiban A/L Thirunilakantan* (Appointed on November 21, 2024)	Non-Independent Executive Director/ Senior Director, Country Finance, Malaysia & Brunei	N/A
Datin Suryani binti Ahmad Sarji* (Appointed on November 21, 2024)	Independent Non-Executive Director	N/A

* Total number of meeting(s) held subsequent to appointment.

Corporate Governance Overview Statement (continued)

The Board recognizes the importance of being fully informed on material matters that may have an impact on the Company and/or the Group. The fact that the Vice President, Healthcare, and Head, Country Leadership, Malaysia is also a Board member, supports a regular flow of information between the Board and Management.

Matters specifically reserved for the Board's decision, including quarterly interim financial results, are forwarded to its members prior to the meetings. Comprehensive meeting papers comprising matters arising, findings/updates, results, presentations, recommendation and any other relevant information are prepared and circulated in advance to enable the Board to make considerations, deliberations and decisions. The Board is given sufficient time to evaluate reports and proposals and if necessary, request additional information to enable the Board to make informed and effective decisions. Where necessary, members of the Management team are invited to attend Board or Board Committee meetings to report and update on specific items on the agenda to enable the Board/Board Committee members to arrive at an informed decision.

Minutes of the Board Meetings have been accurately recorded by the Company Secretaries to reflect the deliberations, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities.

The Chairman of the Board and Board Committees ensure that all its members are given ample opportunity to express their views and opinions during meetings. Directors are encouraged to share their views and insights in the course of deliberations and to partake in discussions. Discussions, decisions and conclusions are duly recorded in the minutes of meetings, which are circulated to Board members and subsequently confirmed by the Chairman of the meeting.

The Chairman of the respective Board Committee informs the Directors at Board meetings of any salient matters raised at the respective Board Committee meetings which require the Board's notice, direction or approval.

There are no restrictions for Directors, individually or collectively, to obtain independent professional advice at the Company's expense in furtherance of their duties, as and when the need arises. The Board also has access to information on the affairs of the Group which allows it to oversee the Company's business and performance and has access to the advice and services of senior management and the Company Secretaries.

Support of Company Secretary

The Board has direct access to the advice and services of the Companies Secretary who support the Board in carrying out its roles and responsibilities. The Company Secretary play an advisory role to the Board and facilitate overall compliance with the relevant requirements, codes or guidance and legislations including communication of key decisions and recommendations between the Board, Board Committees and Management. They also ensure statutory records of the Company are properly maintained and relevant disclosures, submissions and filings are made in a timely fashion to the regulators on behalf of the Company and the Board.

The Board is regularly updated and appraised of the latest developments in the legislation and regulatory framework affecting the Group.

In compliance with Practice 1.5 of the MCCG, the Board is supported by one (1) Company Secretary, namely Serene Lee Huey Fei. The Company Secretary has legal qualifications and is licensed by the Companies Commission of Malaysia. The Company Secretary is qualified to act as Company Secretary under Section 235(2) and Section 241 of the Act, and have obtained Practicing Certificate from the Companies Commission of Malaysia. For FY 2024, the Company Secretary have attended the relevant continuous professional development program as required by Companies Commission of Malaysia for practicing Company Secretary.

(2) Board Composition

Board Composition and Size

For FY 2024, the Board consists of six (6) members: one (1) Non-Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors and two (2) Non-Independent Executive Directors, who are also the Vice President, Healthcare and Head, Country Leadership, Malaysia and the Senior Director, Country Finance, Malaysia & Brunei.

The Company experienced a great loss following the death of the Independent Non-Executive Director, the late Fa'izah Binti Mohamed Amin, on September 8, 2024. The Board wishes to record its appreciation and gratitude to the late Fa'izah Binti Mohamed Amin for her significant contribution and services during her tenure as member of the Audit Committee, member of the Nomination and Remuneration Committee and member of the Board. In replacement thereof, Datin Suryani binti Ahmad Sarji was appointed as an Independent Non-Executive Director, member of the Audit Committee and member of the Nomination and Remuneration Committee on November 21, 2024.

The Company welcomed our newly appointed member of the Board, Oh Sae Ung, who was appointed as a Non-Independent Director on July 05, 2024. Subsequently, Oh Sae Ung was redesignated to the Non-Independent Non-Executive Chairman and appointed as member of the Nomination and Remuneration

Corporate Governance Overview Statement (continued)

Committee on November 21, 2024, in place of Stephen John Ferraby, who retired as the Non-Independent Non-Executive Chairman and member of Nomination and Remuneration Committee on even date. The Board wishes to record its appreciation and gratitude to Stephen John Ferraby for his significant contribution and services during his tenure as the Non-Independent Non-Executive Chairman and member of the Nomination and Remuneration Committee.

During FY 2024, Senthilathiban A/L Thirunilakantan was elected/appointed as a Non-Independent Executive Director of the Company on November 21, 2024, in place of Jaclyn Ang Swee Yin who resigned on July 5, 2024.

This composition of the Board fulfils the requirements as set out in the Listing Requirements of Bursa Securities which stipulate that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be Independent Directors. This also applies to Practice 5.2 of the MCCG where at least half of the Board comprises independent directors.

The Board currently has six (6) Directors, comprising four (4) male Directors and two (2) women Directors, representing approximately 33% women representation on the Board. Therefore, the Company met the requirements of the amended Listing Requirements by Bursa Securities, which requires all listed issuers to have at least one (1) woman Director on its Board, effective June 1, 2023. The Company also has complied with Practice 5.9 of the MCCG by having at least 30% women directors on its Board.

In May 2022, the Board adopted a Directors' Fit and Proper Policy to set out the fit and proper criteria for any person identified to be appointed as a Director or to continue holding the position as a Director within the Company. A copy of the Directors' Fit and Proper Policy is available on the Company's website. In August of the same year, the Board adopted a Gender Diversity Policy which provides a framework for the Company to achieve improved employment and career development opportunities for all its employees and those who seek employment with DKSH.

All members of the Board are required to have the necessary qualities, competencies and experience that allows them to perform their duties and carry out the responsibilities required of the position in the most effective manner.

The Board acknowledged as part of the continuous efforts in sustaining the Company's competitive advantages, the Company recognises and embraces the benefits of having a diverse Board and Senior Management, and sees increasing diversity, including but not limited to, both Board level and Senior Management, as an essential and important element.

The Board composition and size are periodically assessed by the Board through the Nomination and Remuneration Committee for appropriateness to meet the current and future needs of the Company. The Independent Directors who constitute more than one-third of the composition of the Board, provide a check and balance in the functioning of the Board and enhance its effectiveness. All members of the Board have extensive professional background, bringing with them vast experience and knowledge. The profiles of the members of the Board are set out on pages 13 to 18 of this Annual Report.

Board Committees

The Board has delegated specific responsibilities to two Board Committees, namely the Nomination and Remuneration Committee and Audit Committee, each with clearly defined functions and terms of reference. These Committees assist the Board in making informed decisions through focused and in-depth deliberations on issues within their respective purview. The Committees report to the Board on the matters considered and their recommendation thereon. The final decision on all matters, however, lies with the Board after considering recommendations by the Committees except to the extent that certain matters are delegated by the Board to the said Committees.

Nomination and Remuneration Committee

For FY 2024, the Nomination and Remuneration Committee comprises two Independent Non-Executive Directors (including the Committee Chairman) and one Non-Independent Non-Executive Director as follows:

Corporate Governance Overview Statement (continued)

The Nomination and Remuneration Committee: Composition and Attendance at the Nomination and Remuneration Committee Meeting Held in 2024

Directors	Designation	No. of Meetings Attended
Dr. Leong Yuen Yoong	Chairman	3/3
Stephen John Ferraby (Retired on November 21, 2024)	Member	3/3
Fa'izah binti Mohamed Amin* (Demised on September 8, 2024)	Member	1/1
Oh Sae Ung* (Appointed on November 21, 2024)	Member	N/A
Datin Suryani binti Ahmad Sarji* (Appointed on November 21, 2024)	Member	N/A

* Total number of meeting(s) held subsequent to appointment.

Duties and responsibilities of the Nomination and Remuneration Committee are set out in its terms of reference approved by the Board which are available on the Company's website.

The Nomination and Remuneration Committee met three (3) times during the financial year under review with full attendance of its members.

Details of the activities undertaken by the Nomination and Remuneration Committee in discharging its duties during 2024 are set out as below:

(i) Reviewed the skills and competencies of the Board of Directors;
(ii) Assessed the size and composition of the Board and Committees;
(iii) Reviewed the attendance of the Board Members at Board and Board Committees Meetings;
(iv) Assessment of the training needs of Board Members through the assessment of individual Directors;
(v) Evaluated the eligibility of the retiring Directors to stand for re-election at the Annual General Meeting held in 2024. Criteria used in this assessment are guided by the Bursa Securities's Corporate Governance Guide;
(vi) Conducted the fit and proper assessment on any person identified to be appointed as a director or to continue holding the position as a director within DKSH Holdings (Malaysia) Berhad;
(vii) Conducted online assessment of the Board, Board Committees, Individual Directors and the independence of Independent Directors. Criteria used in these assessments are guided by the Bursa Securities's Corporate Governance Guide after taking into consideration the current and future needs of the Company;
(viii) Conducted the online assessment of the Audit Committee Members' Self and Peers; and
(ix) Reviewed Non-Executive Directors' fees.

Annual Board and Committees Assessment

The annual assessment of each individual Director enables the Board to ensure that each of the Board members including the Vice President, Healthcare and Head, Country Leadership, Malaysia, and the Senior Director, Country Finance, Malaysia & Brunei have the character, experience, integrity, competence and time to effectively discharge their respective roles.

The Nomination and Remuneration Committee was satisfied that the Board has the right size, and the Board composition is well balanced having considered the appropriate mix of skills, experience, strength, independence, and diversity required to meet the current and future needs of the Company.

Appointment to the Board

The Nomination and Remuneration Committee is responsible for the nomination and election process and for making recommendations to the Board for appointment of new Directors. The Board, after reviewing recommendations of the Nomination and Remuneration Committee, evaluates the suitability of an individual to be appointed.

The Board sets out expectations on the character, knowledge, experience, integrity, competence, and time commitment for its members and protocols when assessing new appointments. As recommended by the Nomination and Remuneration Committee, a Board Diversity Policy was adopted by the Board in 2015, taking into account the provisions under the Code of Conduct. The Policy articulates the diversity attributes and needs of the Board and the approach it would take

Corporate Governance Overview Statement (continued)

to address such needs and in the process strengthen its composition. The Policy plays an integral role in the selection of candidates for Board membership. Whilst the Board recognizes and embraces the benefits of Board diversity, the Board believes in providing equal opportunities to all based on merit as well as complementing and expanding the skills, knowledge and experience of the Board as a whole.

In February 2018, a board matrix detailing the qualifications, skills, experience and areas of expertise was developed and used as reference for the Board analyze the composition and requirements of the Board.

Re-election/Election of Directors
In line with the Listing Requirements of Bursa Securities, all Directors of the Company shall retire from office at least once every three (3) years whilst pursuant to the Company's Constitution, one third of the Directors will retire by rotation at the Annual General Meeting ("AGM") of the Company. A retiring Director shall be eligible to offer himself for re-election subject to shareholders' approval.

Pursuant to Article 105 of the Company's Constitution, Richard Lai Tak Loi and Dr. Leong Yuen Yoong are due for retirement at the forthcoming 33rd AGM. Being eligible, they have expressed their intention to seek re-election at the forthcoming 33rd AGM.

Pursuant to Article 101 of the Company's Constitution, Oh Sae Ung, who was appointed by the Board on July 5, 2024, Senthilathiban A/L Thirunilakantan and Datin Suryani binti Ahmad Sarji, both were appointed by the Board on November 21, 2024 are subject to re-election at the forthcoming 33rd AGM. The Nomination and Remuneration Committee reviewed the eligibility of Oh Sae Ung, Senthilathiban A/L Thirunilakantan and Datin Suryani binti Ahmad Sarji for their re-elections at the forthcoming 33rd AGM to ensure that they will continue to contribute to the Board. The Board has also approved the Nomination and Remuneration Committee's recommendation to support their re-election as the Directors of the Company.

The Board is satisfied that the retiring Directors will continue to bring their knowledge, experience and skills and contribute effectively to the Board's discussions, deliberations and decisions. In February 2025, the Board approved the recommendation of the Nomination and Remuneration Committee that the retiring Directors are eligible for re-election at the forthcoming 33rd AGM.

The profiles of the retiring Directors as well as Director standing for election at the forthcoming AGM of the Company, are set out on pages 13,15,16,17 and 18 of this Annual Report.

Board Assessment
The Nomination and Remuneration Committee is responsible to conduct an annual assessment on the effectiveness of the Board, Board Committees, as well as the performance of individual Directors and its independence where applicable. The assessment aims at ensuring the Board members, individually and collectively, work efficiently and effectively in achieving their responsibilities as set out in the Board Charter or the respective terms of reference of the Board Committees.

The assessment of the Board was structured to ensure a balanced and objective review by the Directors in key areas. The internally developed criteria used in the assessment are guided by the Corporate Governance Guide issued by Bursa Malaysia Berhad and customized to meet the expectations of the Board and the Company. Where appropriate, the Nomination and Remuneration Committee will review the assessment criteria.

The assessment questionnaires are designed using rating scales to assist the evaluation process. All Board members completed the assessment questionnaires by way of online assessment and on a confidential basis. The Directors' responses are collated and a comprehensive summary of the findings and recommendations is submitted to the Nomination and Remuneration Committee for evaluation, after which, the findings and recommendations are escalated to the Board for its consideration and proposed actions based on the Nomination and Remuneration Committee's recommendations. All Directors' responses from the annual assessment conducted were formally and properly documented. The results of the assessment indicated that the performance of the Board, the Board Committees and the individual Directors during the review period had been good and therefore, they had been effective in their overall discharge of functions and duties. It was also indicated from the results that there was no apparent weaknesses/ shortcoming identified that warrants specific action plan to address the same.

Independence of Directors
Pursuant to Practice 5.3 of the MCCG, it recommends that the Board must justify and seek shareholders' approval through a two-tier voting approach in the event it retains an Independent Director who has served in that capacity for more than nine (9) years without re-designation as a Non-Independent Director.

For FY 2024 and up to the date of this Statement, the Board noted that none of its Board members have attained more than nine (9) years of service as Independent Directors.

The Board noted that the Independent Directors have executed a declaration letter confirming their independence pursuant to relevant

Corporate Governance Overview Statement (continued)

Listing Requirements of Bursa Securities. Based on the outcome of the abovementioned assessments, the Board is satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Company.

The Board, taking into account the assessment conducted by the Nomination and Remuneration Committee, reviews the independence of all Independent Directors annually. The Nomination and Remuneration Committee adopts the assessment criteria provided in the Bursa Securities's Corporate Governance Guide. Further, an annual confirmation of independence is obtained from the respective Independent Directors affirming that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of independent judgement or the ability to act in the best interests of the Group as prescribed in the Listing Requirements of Bursa Securities.

For the financial year under review, the Nomination and Remuneration Committee and the Board had, after evaluating the aforesaid annual assessment and considering the annual declaration made by Independent Directors, concluded that all Independent Directors of the Company had satisfied the criteria for independence as prescribed in the Listing Requirements of Bursa Securities. The Board is also satisfied with the level of independence demonstrated by these Directors in the management, and objective in expressing their views and in participating in deliberations and decision making of the Board and Board Committees.

Directors' Training

All Directors are aware of the continuing education program requirement pursuant to the Listing Requirements of Bursa Securities. All Directors (including the newly appointed Directors) have attended and completed the Directors' Mandatory Accreditation Program ("MAP") as prescribed by Bursa Securities.

The Board evaluates and determines the training needs of the Directors on a continuous basis and ensures its members have access to appropriate continuing education programs to enhance their business acumen and professionalism in discharging their duties. The Directors devote sufficient time to regularly expand their knowledge and enhance their skills to enable them to actively participate and contribute in their deliberations, discussions and decisions at Board and Board Committee levels. The Board is also kept informed of the requirements and updates issued by Bursa Securities and other regulatory authorities.

During the financial year under review, all Directors attended a number of training and seminar programs covering topics on finance, governance, corporate and global business, and industry developments, which they have individually or collectively considered as relevant in the discharge of their duties as Directors of the Company.

The Company Secretary facilitate the organization of internal training programs and Directors' attendance at external programs including keeping Directors informed of relevant external programs. A complete record of all internal and external programs attended by the Directors are kept and maintained by the Company Secretary.

Details of internal and external training programs, seminars, briefings etc attended by the Directors in 2024:

Name of Directors	Description of Training Programs, Seminars, Briefings etc
Oh Sae Ung	• ICDM - Mandatory Accreditation Programme Part I • ICDM - Governance in Numbers: Enhancing Boardroom Financial Oversight
Sandeep Tewari	• ICDM - Mandatory Accreditation Programme Part I • ICDM - A Delicate Balance – Board & Management Relationship • ICDM - Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI • ICDM - Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • ICDM - Governance in Numbers: Enhancing Boardroom Financial Oversight
Senthilathiban A/L Thirunilakantan	• ICDM - Mandatory Accreditation Programme Part I • ICDM - Governance in Numbers: Enhancing Boardroom Financial Oversight

Corporate Governance Overview Statement (continued)

Name of Directors	Description of Training Programs, Seminars, Briefings etc
Richard Lai Tak Loi	• ICDM - A Delicate Balance: Board & Management Relationship • ICDM - Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI • ICDM - Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • ICDM - Governance in Numbers: Enhancing Boardroom Financial Oversight
Dr. Leong Yuen Yoong	• ICDM - A Delicate Balance – Board & Management Relationship • HSBC - The Themes of Today - The Shocks of Tomorrow • ASEAN CENTRE FOR ENERGY - The 8th ASEAN Energy Outlook (AEO8) Workshop II : Capacity Building on Enhancing System, Infrastructure and Societal Resilience, Jakarta, Indonesia • ASIAN ECONOMIC PANEL - Asian Economic Panel meeting, Keio University, Tokyo Japan • SUSTAINABILITY DEVELOPMENT SOLUTIONS NETWORK - UN Sustainable Development Solutions Network (SDSN) High-Level Pre-Summit of the Future meeting, Columbia University, New York City, US • KHAZANAH - Khazanah Megatrends Forum, Kuala Lumpur, Malaysia • UN CLIMATE CHANGE - 29th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP29), Baku, Azerbaijan • SC - Audit Oversight Board Conversation with Audit Committees, Kuala Lumpur • ICDM - Governance in Numbers: Enhancing Boardroom Financial Oversight
Datin Suryani binti Ahmad Sarji	• BURSA - Mandatory Accreditation Programme Part II • MIA - Pre & Post IPO Rules • ICDM - Finance Essentials for Non-Finance Director • MIA - Corporate Board Leadership Symposium 2024 • PNB - PNB Knowledge Forum - Navigating the Threads of Economic Relatedness • ICDM - Navigating Directorship: Legal Consequences, Responsibilities & Risks in Office • PNB - Board and Top team Effectiveness • PROLINTAS - A Comprehensive Introduction to Corporate Governance - Role of Board & Senior Management • ICDM - Boards Role in Whistleblowing Oversight • PNB- Nominee Directors Fireside Chat: Purposeful Leadership & Sustainability • ICDM - Lessons from the Trenches - Governance Scandals Revealed • MIA - Practical MPERS Framework for Key Sections in Financial Reporting

Directors' Remuneration

The determination of the remuneration of the Directors is a matter of the Board as a whole. The remuneration payable to Non-Executive Directors who are not employed by the DKSH Group of Companies is proposed by the Board and is subject to shareholders' approval at the Annual General Meeting of the Company. The remuneration shall be commensurate with the experience, expertise and responsibilities undertaken and role played by the individual Director concerned.

The Nominating Committee and Remuneration Committee of the Company were established by the Board in February 2013 and February 2020 respectively. To improve its efficiency and effectiveness in discharging the Board's duties, the Nominating Committee and Remuneration Committee have subsequently been merged and streamlined into a single Nomination and Remuneration Committee with effect from February 2020.

As the Company is majority-owned by DKSH Holding Ltd., the remuneration of the Executive Directors is based on DKSH Holding Ltd.'s own world-wide remuneration policy and procedures which are set in line with international standards. The Executive Directors' remuneration is established by evaluating the scope of their functions within the context of the Malaysian market, and the responsibilities and skills required to perform their roles successfully subject to the annual internal performance review.

Corporate Governance Overview Statement (continued)

In addition, the remuneration of the Executive Directors is also directly linked to the achievement of actual financial results and financial key performance indicators of the Group.

Details of Directors remuneration (both Executive and Non-Executive) is shown under Note 6 of the Company's audited financial statements for the financial year ended December 31, 2024 on pages 151 to 152 of this Annual Report.

For financial year ended December 31, 2024 the disclosure of the remuneration for the Directors are as follows:

Group

	Executive Director (RM'000)	Non-Executive Director (RM'000)	Total (RM'000)
Fees	-	198	198
Salaries	1,499	-	1,499
Bonuses	462	-	462
Benefits-in-kind	229	-	229
Others	463	-	463

Note: Others include Employees Provident Fund ("EPF")

	Number of Directors	
Directors' Remuneration	**Executive Director**	**Non-Executive Director**
RM50,000 and below	-	2#
RM50,001 – RM100,000	-	2
RM300,001 – RM500,000	1	-
RM500,001 – RM1,000,000	1	-
RM1,000,001 – RM1,500,000	1	-

 # Directors who have demised/appointed during the financial year 2024

Company

	Executive Director (RM'000)	Non-Executive Director (RM'000)	Total (RM'000)
Fees	-	198	198
Salaries	-	-	-
Bonuses	-	-	-
Benefits-in-kind	-	-	-
Others	-	-	-

Note: Others include Employees Provident Fund ("EPF")

Corporate Governance Overview Statement (continued)

Directors' Remuneration	Number of Directors	
	Executive Director	Non-Executive Director
RM50,000 and below	-	2#
RM50,001 – RM100,000	-	2
RM300,001 – RM500,000	-	-
RM500,001 – RM1,000,000	-	-
RM1,000,001 – RM1,500,000	-	-

 # Directors who have demised/appointed during the financial year 2024

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(1) Audit Committee

Audit Committee of the Company

The Audit Committee of the Company was established by the Board in September 1994 and comprises solely of Independent Non-Executive Directors (including the Committee Chairman).

As at the date of this Statement, the Chairman of the Audit Committee is Mr. Richard Lai Tak Loi, Independent Non-Executive Director, while Dr. Leong Yuen Yoong and Datin Suryani binti Ahmad Sarji are the members of the Audit Committee.

The Audit Committee has met the requirements of Listing Requirements of Bursa Securities on the requisite qualification prescribed by Bursa Malaysia Securities Berhad on Audit Committee.

The Audit Committee engages on a continuous basis with the senior management of the Company, as well as the internal and external auditors.

In line with Practice 9.2 of the MCCG, the Terms of Reference of the Audit Committee also include a requirement for a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee.

During FY 2024, the Audit Committee met four (4) times. Details of the activities undertaken by the Audit Committee during the financial year under review and the summary of duties and responsibilities as outlined in the Audit Committee's approved by the Board are set out in the Audit Committee Report on pages 113 to 115 of this Annual Report. The terms of reference of the Audit Committee, which was last revised in November 2023, are available on the Company's website at www.dksh.com.my.

Financial Reporting

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of the affairs of the Company and the Group.

The Board, assisted by the Audit Committee, oversees the Group's financial reporting process, compliance with applicable accounting standards and the quality of its financial reporting. Based on the Audit Committee's recommendation, the Board approves the quarterly and annual financial statements of the Group for disclosure to the shareholders and the regulatory authorities.

The Statement of Directors' Responsibility in respect of the Audited Financial Statements for the year ended 2024 is set out on page 118 of this Annual Report.

Relationship With the Auditors

Through the Audit Committee, the Board maintains a formal and professional relationship with the internal and external auditors and ensures the Company has transparent procedures with the auditors in line with the auditors' professional requirements. The role of the Audit Committee in relation to both auditors is described in the terms of reference of the Audit Committee which is available on the Company's website.

The Audit Committee reviews and discusses with the external auditors any issues arising from the interim and final audits, audit plans, audit findings and other matters of concern. The Audit Committee members meet with the external auditors at least twice a year without the presence of the Executive Directors and Management.

For the financial year under review, the external auditors confirmed that they are and have been independent throughout the conduct of the audit engagement. The Audit Committee makes its own annual assessment of their suitability and independence in connection with the recommendation to retain them as auditors and also ensures that provisions of other non-audit services rendered by them is not in conflict with their audit function.

The Audit Committee is satisfied that the objectivity and independence of the external auditors are not in any way impaired by reasons of the non-audit services provided to the Group.

(2) Risk Management and Internal Control Framework

Risk Management and Internal Controls

The Board maintains a sound risk management framework and internal control system to safeguard shareholders' investment and the Group's assets. The Board recognizes its overall responsibility for the Group's internal control system and its effectiveness including reviewing its adequacy and integrity. The internal and external auditors support the Board in exercising its supervisory and control functions.

Corporate Governance Overview Statement (continued)

Mindful of its duties in terms of identification of principal risks as well as the need to institute risk management and internal control measures, the Group has implemented risk management guidelines, control measures, and processes consistent with the DKSH Holding Ltd. Risk Management Framework, thereby promoting effective risk management and enhance the corporate governance assurance process.

To enhance risk management function and ensure the effective operation of the risk management framework, the Risk Management provides regular reports directly to the Country Leadership Team, comprising senior management members, and subsequently to the Audit Committee.

The Group adopts a balanced and pragmatic risk management approach in achieving its objectives. An overview of the state of risk management and internal controls of the Group is set out in the Statement on Risk Management and Internal Control on pages 110 to 112 of this Annual Report.

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

(1) Communication With Stakeholders

Shareholder Communication and Investor Relations

The Company acknowledges the need for shareholders to be informed of all material business matters affecting the Company. The Company observes a corporate disclosure policy in accordance with Bursa Securities's Corporate Disclosure Guide and has in place appropriate corporate communications policies and procedures when liaising with shareholders and investors to ensure dissemination of information that is factual, accurate and clear in a timely manner.

The Company actively engages all its stakeholders through various platforms including the announcements via BursaLINK, disclosures on the Company's website and engagement through the investor relations activities. In addition to various announcements made during the year, the timely release of quarterly financial results provides shareholders and the investing public with an overview of the Group's performance and operations. Shareholders and the investing public may also obtain the up-to-date information and activities of the Company and/or the Group, corporate announcements, quarterly results and annual reports by accessing the Company's website at www.dksh.com.my. The Company maintains and ensures that its website is current, informative and contains information relevant to all shareholders.

The Company believes that the AGM is the principal platform of communication with shareholders of the Company for better appreciation of the Company's objectives and challenges. The Board encourages shareholders' participation during question and answer sessions at the AGM and provides sufficient opportunity for shareholders to communicate their expectations and concerns. The external auditors are invited to the meeting to provide their professional and independent view to shareholders on the conduct of the statutory audit and the preparation and content of their audit report, if required.

The Group's Investor Relations function plays an important role in providing proactive engagements and communication with shareholders and investors. The Company conducts regular investor relations meetings post announcement of results and welcomes the visit of investors for dialogue or discussions on the performance of the Group. The Non-Independent Non-Executive Chairman is available for such meetings to address queries or issues regarding the Company and/or the Group may be conveyed to him. During the financial year under review, six (6) investor relations meetings were held.

(2) Conduct of General Meetings

Notice of Annual General Meeting

In accordance with the Constitution of the Company, a notice to convene the AGM is issued by the Board. Pursuant to Practice 13.1 of the MCCG, notice is given at least twenty-eight (28) days prior to the meeting.

The Board had on April 18, 2024 issued its Notice of Thirty-Second AGM of the Company ("32nd AGM") at least twenty eight (28) days before the date of the meeting i.e May 17, 2024 in compliance with Practice 13.1 of the MCCG.

Attendance of Directors at General Meetings

All Board members attended the AGM of the Company which was held physically on May 17, 2024 and provided responses to the shareholders on the key matters arose during the Meeting. Mr. Stephen John Ferraby, Non-Independent Non-Executive Chairman had presented a short review of the Company's 2023 performance and key initiatives for 2024 to the shareholder on operations highlights, financial snapshot and growth strategies.

Poll Voting

The Company had conducted the poll voting electronically for all resolutions set out in the Notice of 32nd AGM held on April 18, 2024. The Company has appointed an independent scrutineer to validate the votes cast at the 32nd AGM. The poll results were announced by the Company to the Bursa Securities on the same day.

Compliance Statement

The Board is satisfied that the Company had observed good governance practices and in all, complied with the principles and practices of the MCCG.

This statement is made in accordance with Board's approval on April 14, 2025.

Statement on Risk Management and Internal Control

The Board of Directors ("the Board") is committed to a sound system of risk management and internal controls. These have and always will be an essential success factor for the Group and are an integral part of our organization's culture. The Board is therefore pleased to present its Statement on Risk Management and Internal Control for the financial year ended December 31, 2024, which has been prepared pursuant to Paragraph 15.26 (b) of the Main Listing Requirements of Bursa Malaysia Securities Berhad and as guided by the Malaysian Code on Corporate Governance and the Statement on Risk Management and Internal Control; Guidelines for Directors of Listed Issuers. This statement outlines the nature and state of internal control of the Group (comprising the Company and its subsidiaries) during the financial year.

Board's responsibility

The Board is responsible for the adequacy and effectiveness of the Group's risk management processes and internal control system to protect the assets of the Group and to safeguard shareholders' investments. Risk management and internal controls are embedded in the Group's management systems which range from the business planning processes, the management of client relationships, to the execution of the Group's daily business affairs.

The Group's system of internal controls is designed to manage and control risks within an acceptable risk appetite, rather than to eliminate risks altogether. Due to the inherent limitations of internal controls, the system can only provide reasonable but not absolute assurance against material misstatements, losses or fraud.

Management assists the Board in implementing and continuously fostering the risk management and internal control system of the Group. Management has therefore established a regular risk review and a Group risk register, as well as a documented Internal Control system, which is subject to review. Management also regularly evaluates and identifies the key risks and establishes action plans to further improve controls and reduce risks.

Enterprise Risk Management

The Board recognizes that risk management is an integral part of the Group's business objectives and is critical for the Group to achieve continued profitability and sustainable growth in shareholders' value. In pursuing these objectives, the Group has in place a risk management framework to promote effective risk management and enhance the corporate governance assurance process.

To further strengthen the risk management of the Group, the Board has set up an Enterprise Risk Management ("ERM") Committee in February 2020 which reports directly to the Country Leadership Team, which consists of the members of senior management of the Group and subsequently to the Audit Committee, with the primary responsibility of ensuring the effective functioning of the risk management framework.

The ERM Committee has developed a risk assessment template, whereby the current year actual incidences and impacts for the respective risks identified are recorded for review and mitigating actions are established.

The ERM Committee meeting is held every quarter to identify, assess, evaluate and manage risks of the Group. Principal risks are identified and appropriate risk mitigations are planned for implementation. These are reviewed on quarterly basis to ensure ongoing effectiveness, adequacy and integrity. Enhancements are made in line with the Board's commitment to improve the Group's governance, risk management and internal control framework, and practicing effective control culture and environment for the Group's business operations. The on-going ERM exercise is presented quarterly to the Audit Committee for the Board to be updated on the risk management.

The Group's risk management framework encompasses the following key elements:

(i) Risk register: The Group regularly reviews its risk management system and the related risk registers which is guided by the ISO 31000 – Risk Management Principles and guidelines. This risk management system includes significant strategic, operational, financial and compliance risks, as well as clearly defined action plans. The Board was briefed by Management on the Risk Register 2024 and on the regular risk reviews conducted by Management;

(ii) Treasury: The Treasury department follows strictly the DKSH Corporate Treasury policy. The Group executes a conservative financial risk policy and hedges significant foreign exchange risks pertaining to the accounts payables; and

(iii) Insurance: The Group consciously covers and transfers certain risks exposure by securing adequate insurance coverage based on the Group's guidelines provided in the Group Policy on Risk and Insurance.

Internal control system

The following internal control components have been embedded to assist the Board to maintain a sound system of internal controls in the Group:

(i) Internal Control System ("ICS"): The Group maintains a formally documented ICS which focuses on the most critical financial reporting and operational risks. The ICS has been in place for more than ten (10) years and has since its beginning undergone regular reviews and testing by Management, whilst risks relevant to financial reporting have been reviewed and assessed by external auditors. Management further provides assurance on the adequacy and effectiveness of the internal control system through annual Management Certifications;

Statement on Risk Management and Internal Control (continued)

(ii) Policies and procedures: The Group has put in place various formally documented policies and procedures and they are implemented throughout the Group. These policies and procedures are subject to periodic reviews, updates and continuous improvements to reflect the changing risks and operational needs;

(iii) Tone at the top: The Group's management team actively enforces good governance and internal controls and further instils a culture of risk management and zero tolerance for fraud; All Board members serving more than 6 months have completed DKSH Anti-Bribery and Anti-Corruption training;

(iv) Code of Conduct ("CoC"): The CoC was updated in 2024. This policy complements our corporate values and sets overall standards for ethical and compliant behavior in all business dealings by employees and appointed third parties (further guided by the Business Partner's Code of Conduct). To foster understanding and compliance with the CoC, it is compulsory for all employees to complete the CoC New Hire e-learning module launched in March 2016 and obtain a certification. In 2020, a CoC refresher course was rolled-out to all employees and was successfully completed by all employees. The CoC is also an integral part of the induction programs for new employees;

(v) Anti-Bribery and Anti-Corruption Policy ("ABAC"): This policy which was reviewed and updated in 2021 by the Board of Directors, supplements the Group's CoC and outlines a clear zero tolerance policy for bribery and corruption. It sets out the anti-bribery and corruption controls and procedures which are adopted to prevent and mitigate the Group's bribery risks. It is compulsory for new employees to complete the ABAC training module and obtain a certification. A refresher training for a targeted group of employees as selected by the Group's Governance, Risk and Compliance Function was conducted and 100% of selected employees had completed the refresher course;

(vi) Limits of Authority ("LOA"): LOA which provides clarity on authorities assigned at Corporate, Business Unit, as well as country level was updated in 2022 and is reviewed periodically to cater for the changing business environment in which the Group operates;

(vii) Fraud and Compliance Incidents Reporting and Investigations (IRI): In line with the Group's IRI policy which was established in 2024, the Audit Committee and the management team review all fraud cases and ensures that the Group's zero fraud tolerance policy is adhered to. Formal reports are issued on all fraud cases and a fraud logbook is maintained to record and monitor recuperation strategy, efforts and successes including any sanction or legal action taken;

(viii) Fraud/Non-Compliance Reporting: The Group has made available in 2016, a fraud/non-compliance platform for fraud/non-compliance related matters to be reported by employees and others. Genuine and legitimate concerns can be raised via e-mail to myethics@dksh.com and/or my.compliance@dksh.com. In 2020, DKSH Holding Ltd. launched the new "Integrity Line" for the employees and external stakeholders to report any potential misconduct at https://dksh.integrityline.org/;

(ix) Whistleblower Policy and Procedures: Since 2019, the Group has demarcated the direct reporting channels to serve as a platform for all employees and external parties to raise legitimate concerns about illegal, unethical or otherwise inappropriate behavior observed in the course of our business. These include questionable accounting, fraud or employee misconduct. The policy assures whistleblowers protection from reprisals and handled with confidential safeguards, if reports are made in good faith or are not malicious;

(x) Insider Trading Policy: The Group has established measures to eliminate trading of shares during blocked periods and for persons with insider knowledge. The policy was last reviewed in February 2023;

(xi) Financial Reporting: The monthly and year-end financial reports are provided to Management, business managers and Finance department for review and discussion;

(xii) Credit Control: Formalized credit control procedures are in place and reviewed regularly;

(xiii) Inventory Management: Stringent controls are in place for inventories, which are further subject to regular cycle counts and stock takes;

(xiv) System access rights: Regular reviews of system access rights and segregation of duties have been carried out to strengthen internal controls;

(xv) Internal Audit: The Internal Audit Department, which has been in place since the Company's listing on Bursa Malaysia in 1994, continues to independently review key business processes, risks and evaluate compliance with policies and procedures as well as assess the adequacy and effectiveness of internal controls. Findings and corrective measures are regularly reported to the Audit Committee. The modus operandi of Internal Audit is further explained on pages 113 to 115 of this Annual Report;

(xvi) Governance, Risk and Compliance ("GRC"): The GRC Department is a central contact point for all matters relating to the Company's Governance, Risk Management and Ethics and Compliance initiatives. The GRC department reports all Compliance updates to the Country Compliance Committee, a subset of the Country Leadership Team; and

Statement on Risk Management and Internal Control (continued)

(xvii) Organization Structure: The Board provides direction and oversight to the Group and Management and is supported by established Board Committees, namely the Audit Committee and the Nomination Committee. Each Committee has clearly defined terms of reference. Responsibility for implementing the Group's strategies, operation and day-to-day businesses is delegated to the Management. The organization structure sets out clear segregation of roles and responsibilities, lines of accountability and limits of authority to ensure effective and independent stewardship.

Other Elements of the Group's Risk Management and Internal Control Processes

(i) Business Continuity Planning: A formalized business continuity plan is established; and

(ii) Enterprise Resource Planning System: All operating units of the Group run on a standardized and integrated SAP platform with system integrated controls.

Review of This Statement by External Auditors

Pursuant to Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the 2024 Annual Report, and have reported to the Board that nothing has come to their attention that causes them to believe that the statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers, nor is the statement factually inaccurate.

Conclusion

For the year under review, and up to the date of approval of this statement, the Board considers the risk management framework and internal control system throughout the Group as sound and adequate to safeguard the shareholders' investment, stakeholders' interest and the Group's assets. The Board is satisfied that various initiatives and reviews undertaken in 2024 have further strengthened the effectiveness of the risk management processes and the internal control environment of the Group. There were no significant control failures or weaknesses that would result in material misstatements, losses or fraud.

The Board has received assurance from the Senior Director, Country Finance, Malaysia who is primarily responsible for the financial management of the Group that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, during the year under review and up to the date of approval of this statement.

The Board together with Management will continuously assess the suitability, adequacy and effectiveness of the Group's system of risk management and internal controls and will take corrective measures to enhance the system, as and when necessary.

This statement is made in respect of the financial year ended December 31, 2024 and in accordance with the Board's approval on April 14, 2025.

Audit Committee Report

The Audit Committee of DKSH Holdings (Malaysia) Berhad is pleased to present the Audit Committee Report for the financial year ended December 31, 2024 ("FY 2024") in compliance with Paragraph 15.15 of the Main LR of Bursa Malaysia.

The Audit Committee comprises three (3) Independent Non-Executive Directors. The Chairman of the Audit Committee is Richard Lai Tak Loi, who was appointed by the Board as a member of the Audit Committee and assumed the role of Chairman on November 4, 2022. This complies with Paragraph 15.09 (1) of the Main LR of Bursa Malaysia. All members are financially literate and have over 20 years of business experience in various management, finance, and audit functions.

The Audit Committee of DKSH Holdings (Malaysia) Berhad was established by the Board of Directors (the "Board") in September 1994. In performing their duties and discharging their responsibilities, the Audit Committee is guided by its terms of reference. The Audit Committee's Terms of Reference is available at the Company's website at www.dksh.com.my.

Composition and Meetings

As a standing practice, all other Directors (including the Senior Director, Country Finance, Malaysia, who is also a Director) were invited to attend all Audit Committee Meetings (except private sessions). The Non-Independent Executive Director and Senior Director, Country Finance, Malaysia facilitates the presentation as well as provides clarification on audit issues arising from the Group's operation. The Head of the Internal Audit Department was invited to attend the Audit Committee Meetings to table their Internal Audit reports. A total of four (4) Audit Committee Meetings were held during the financial year. The details of attendance of each Audit Committee member at the Committee's meetings held during the financial year 2024 are set out below:

Audit Committee: Composition and Attendance at the Audit Committee Meetings Held in 2024

Name	Status	No. of meetings attended
Richard Lai Tak Loi	Chairman, Independent Non-Executive Director	4 out of 4 meetings
Dr. Leong Yuen Yoong	Member, Independent Non-Executive Director	4 out of 4 meetings
Fa'izah Binti Mohamed Amin	Member, Independent Non-Executive Director (Deceased on September 8, 2024)	3 out of 3 meetings
Datin Suryani binti Ahmad Sarji	Member, Independent Non-Executive Director (Appointed on November 21, 2024)	N/A

For FY 2024, the External Auditors attended two (2) Audit Committee meetings during the financial year. At the meetings, the Audit Committee had separate private sessions with the External Auditors without the presence of any Executive Director and Management of the Company to discuss relevant audit issues and obtain feedback.

The company secretaries recorded the minutes of the Audit Committee Meetings, tabled them for confirmation at the following Audit Committee Meeting, and subsequently presented them to the Board for notation. The Audit Committee Chairman conveyed to the Board issues of significant concern raised by the Audit Committee, Internal Auditors, and/or External Auditors.

Online Assessment of Term of Office and Performance

The Company has developed its online Audit Committee members' self and peer assessment survey, which the Audit Committee members duly completed. Upon review, the Nomination and Remuneration Committee noted the Audit Committee and its members have carried out their duties in accordance with the Terms of Reference of the Audit Committee, thereby complying with Paragraph 15.20 of the Main LR of Bursa Malaysia.

Summary of the Work of the Audit Committee in 2024

In 2024, the Audit Committee worked with Management, internal auditors and external auditors to conduct its activities as required under its terms of reference of the Audit Committee. The following is a summary of the main activities carried out by the Committee during FY 2024:

(i) Reviewed and recommended to the Board for approval the quarterly financial results and annual audited financial statements, focusing particularly on:
   - a) The overall performance of the Group;
   - b) The prospects for the Group;
   - c) The changes and implementation of major accounting policies and practices; and
   - d) Compliance with accounting standards and other legal requirements.

Audit Committee Report (continued)

(ii) Reviewed the significant assumptions made in preparing the financial statements, including accounting estimates that have been identified as having high estimation uncertainty;
(iii) Reviewed the results of the interim and final audit by the External Auditors and the resolution of issues or areas of concern highlighted in their report;
(iv) Reviewed the independence, objectivity and effectiveness of the External Auditors and the services provided;
(v) Conducted the annual assessment on the suitability and independence of the External Auditors and received written assurance from the External Auditors confirming that they were and have been independent throughout the conduct of their audit engagement in accordance with all relevant professional and regulatory requirements;
(vi) Reviewed with the External Auditors on the scope of work, audit plan and fees for the statutory audit for the financial year 2024 and thereafter recommended to the Board;
(vii) Assessment of the adequacy and effectiveness of the system of internal controls, reporting and risk management along with its risk profile, risk levels and action plans;
(viii) Assessment of the adequacy and performance of the Internal Audit Function;
(ix) Reviewed and approved the annual internal audit plan, scope of work and adequacy of its resources and monitoring of the audit plan;
(x) Reviewed the internal audit reports and the work performed by Internal Audit, including audit findings, proposed action plans and status updates of internal audit recommendations;
(xi) Received the quarterly updates on investigations into fraud and ethics cases reported;
(xii) Received the quarterly updates of new/amended accounting standards relevant to the Company;
(xiii) Reviewed the results of ad-hoc investigation audits performed by Internal Audit and the corrective actions taken;
(xiv) Reviewed and recommended to the Board for approval the renewal of the 2025 Shareholders' Mandate for recurrent related party transactions of a revenue and trading nature entered with DKSH Holding Ltd. and/or its subsidiaries;
(xv) Received the quarterly updates on the actual value of recurrent related party transactions of a revenue and trading nature entered into by the Company and its subsidiaries and compliance with the authority granted pursuant to the 2023/2024 Shareholders' Mandate obtained for recurrent related party transactions; and
(xvi) Reviewed and recommended to the Board for the approval of the Audit Committee Report and the Statement on Risk Management and Internal Control for inclusion in the Company's 2024 Annual Report.

Summary of the Work of the Internal Audit Function

The Audit Committee is supported by the in-house internal audit department in discharging its duties and responsibilities. The Internal Audit Function, which is independent, undertakes regular, objective and systematic review of the Group's system of internal controls, risk management and governance processes to provide reasonable assurance that the system continues to operate satisfactorily and effectively within the Group. The Head of Internal Audit role is currently helmed by a Senior Manager and supported by an Assistant Manager and one Senior Executive. The Internal Audit Function reports directly and regularly to the Chairman of the Audit Committee, and a private meeting without the Management is held at four times a year with the Audit Committee members.

The Internal Audit Charter describes the objective, authority, and responsibility of the Internal Audit Department, as well as the nature of assurance and consultancy activities provided by the Function.

The annual internal audit plan is reviewed and approved by the Audit Committee prior to the commencement of the audits. The audit plan is formulated based on internal audit's risk assessment of the audit universe, which is then sense-checked against focus risks identified in the Group Risk Profile prepared by the Risk Management Department.. The audit approach is to focus on high-risk business processes and to assess the effectiveness of internal controls therein.

The Management and Audit Committee are presented with audit updates, which include significant findings regarding non-compliance and process improvements, along with root causes and overall audit conclusions. Measures and agreed actions by management to address the highlighted improvement areas are followed up and reviewed on a quarterly basis.

As a subsidiary of the international DKSH Group of Switzerland, the Internal Audit Department receives regular support, training and resources from the Global Internal Audit team, which is based in Singapore. In the year under review, Internal Audit has continued its collaborative efforts with the Global Internal Audit team. This has benefited audits and audit coverage and the transfer of knowledge and best practices from other DKSH worldwide operations into Malaysian operations.

Audit Committee Report (continued)

The internal audit activities carried out during the year encompassed the following:

(i) Operational, financial and compliance audits, as well as fraud investigations;
(ii) Collaboration with auditors from the Global Internal Audit team on selected areas;
(iii) Follow-up on implementation of recommendations and/or corrective actions by Management in addressing issues based on the audit findings; and
(iv) Performing ad-hoc consultation and operational reviews as requested by the Audit Committee and/or Management.

The Audit Committee has assessed the adequacy and performance of the Internal Auditors for FY 2024 based on the following main criteria:

(i) Qualification;
(ii) Understanding;
(iii) Charter and Structure;
(iv) Skills and experiences;
(v) Communication;
(vi) Internal Audit Function; and
(vii) Performance.

All Internal Auditors have relevant audit background and experience. The total costs incurred for the Internal Audit function in respect of the financial year ended December 31, 2024, was RM571,128 (2023: RM 573,933), comprising mainly salaries, travelling, training and operational expenses.

This Audit Committee Report is made in accordance with the Resolution of the Board of Directors passed on April 14, 2025.

Additional Compliance Information

Utilisation of Proceeds
During the financial year, no proceeds were raised by the Company from any corporate proposal.

Share Buybacks
The Company did not undertake any share buy-back exercise during the financial year.

Recurrent Related Party Transactions of A Revenue or Trading Nature ("RRPTs")
At the last Annual General Meeting of the Company held on May 17, 2024, the Company had obtained approval from shareholders to allow the Group to enter into RRPTs as specified in the Circular to Shareholders of the Company dated April 18, 2024.

In accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, the details of RRPTs conducted during the financial year 2024 pursuant to the aforesaid shareholders' mandate are set out in the table below:

	Nature of RRPTs	Transacting parties with whom DKSH Group Transact(s)	Interested Related Parties (as defined hereinunder)*	Amount Transacted During the Financial Year 2024 RM'000
(i)	Hosting and support of system applications, data processing applications, provision of infrastructure and support facilities, provision of IT, organizational consultancy and outsourced accounting services by the transacting party to DKSH Group	DKSH Corporate Shared Services Center Sdn. Bhd. ("CSSC")	DKSH Resources [1] DKSH Asia [2] DKSH Holding Ltd. [3] ST [4] STAT [5]	38,776
(ii)	Sale of goods by DKSH Group to transacting parties	DKSH Holding Ltd. and its subsidiaries	DKSH Resources [1] DKSH Asia [2] DKSH Holding Ltd. [3] ST [4] STAT [5]	48,363
(iii)	Provision of distribution and logistics services by DKSH Group to transacting parties	DKSH Holding Ltd. and its subsidiaries	DKSH Resources [1] DKSH Asia [2] DKSH Holding Ltd. [3] ST [4] STAT [5]	16,618

***Notes:**

1) DKSH Resources (Malaysia) Sdn. Bhd. ("DKSH Resources") is a major shareholder of DKSH Holdings (Malaysia) Berhad ("DHMB") (74.31% direct interest as at March 26, 2025) and a wholly-owned subsidiary of DKSH Asia.
2) DKSH Holdings (Asia) Sdn. Bhd. ("DKSH Asia") is the holding company of DKSH Resources and a wholly-owned subsidiary of DKSH Holding Ltd.
3) DKSH Holding Ltd. is the holding company of DKSH Asia and the ultimate holding company of DKSH Resources.
4) Sandeep Tewari ("ST") is a Non-Independent Executive Director. ST is a person connected with DKSH Holding Ltd., DKSH Asia and DKSH Resources.
5) Senthilathiban a/l Thirunilakantan ("STAT") is a Non-Independent Executive Director. STAT is a person connected with DKSH Holding Ltd., DKSH Asia and DKSH Resources.

Additional Compliance Information (continued)

Audit and Non-Audit Fees
The amount of audit fees and non-audit fees paid or payable to the Company's External Auditors by the Group and the Company for financial year 2024 are as follows:

	Group (RM)	Company (RM)
Audit services rendered	1,678,000	295,310
Non-Audit services rendered • Report on Directors' Statement on Risk Management and Internal Control	8,000	8,000
Total	1,686,000	303,310

Material Contracts and Contracts Relating to Loan
None of the Directors and/or major shareholders has any material contract with the Company and/or its subsidiaries either still subsisting at the end of the financial year ended December 31, 2024 or entered into since the end of the previous financial year.

Directors' Training and Education
The Directors attended numerous trainings during the financial year ended December 31, 2024, and the details of trainings are disclosed in the Statement on Corporate Governance on pages 105 to 106 of this Annual Report.

Share Issuance Scheme for Employees
The Group did not offer any share scheme for employees during the financial year ended December 31, 2024.

List of Properties
The Group did not own any properties as at December 31, 2024.

Statement of Directors’ Responsibility

In Respect of the Audited Financial Statements

The Directors are required by the Companies Act 2016 (“CA”) to prepare the financial statements for each financial year which have been made out in accordance with the applicable MFRS Accounting Standards (“MFRSs”), IFRS Accounting Standards (“IFRSs”), the requirements of the CA in Malaysia, and the Main Market Listing Requirements.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Companies Act 2016.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

This Statement on Directors’ Responsibility is made in accordance with a resolution of the Board of Directors passed on April 14, 2025.

Directors' Report

The Directors wishes to present their report together with the audited financial statements of the Group and of the Company for the financial year ended December 31, 2024.

Principal activities
The Company is principally an investment holding company. The principal activities of the Group are the provisioning of Market Expansion Services, which ranges from marketing, to providing sales force, distribution and logistics, invoicing and credit control, handling of inventory and returned goods, and other value added services. These services are provided to consumer goods, healthcare, and performance materials clients. The Group also operates retail outlets selling Famous Amos cookies, manufacturing and supplying of butter and margarine, and related bakery, confectionery, and dairy products.

Other information relating to the subsidiaries are disclosed in Note 13 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit net of tax	123,124	23,430
Profit attributable to owners of the parent	123,124	23,430

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends
The amount of dividend paid by the Company since December 31, 2023, was as follows:

	RM'000
In respect of the financial year ended December 31, 2023:	
• a final single tier dividend of 17.0 sen per share, on 157,658,076 ordinary shares was paid on July 18, 2024	26,802

The Directors have recommended for shareholders' approval, at the forthcoming Annual General Meeting, a final single tier dividend of 19.0 sen per share on 157,658,076 ordinary shares amounting to RM29,955,034. The financial statements for the current financial year do not reflect this proposed final dividend. Such dividend, if approved by the shareholders, will be accounted for in the financial year ending December 31, 2025.

Directors' Report (continued)

Directors
The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Dr. Leong Yuen Yoong	
Richard Lai Tak Loi	
Sandeep Tewari*	
Oh Sae Ung	(Appointed on July 5, 2024)
Senthilathiban Thirunilakantan*	(Appointed on November 21, 2024)
Datin Suryani Binti Ahmad Sarji	(Appointed on November 21, 2024)
Jaclyn Ang Swee Yin*	(Resigned on July 5, 2024)
Fa'izah Binti Mohamed Amin	(Demised on September 8, 2024)
Stephen John Ferraby	(Retired on November 21, 2024)

* These Directors are also Directors of the Company's subsidiaries.

The names of the Directors of the subsidiaries in office since the beginning of the financial year to the date of this report (not including those Directors listed above) are:

Ooi Eng Keong	
Gan Wen Nie	
Gertrude Ting Hie Yieng	
Thamayenthi Narayanan	
Liew Mei Ling	
Chan Choon Moy	
Ghiraiani Binti Haji Abdul Ghani	
Lee Kok Mun	(Appointed on July 5, 2024)
Jayanandhan Vasudevan	(Appointed on July 5, 2024)
Daniel Schwalb	(Appointed on July 19, 2024)
Ten Lam Sam @ Teh Lam Sam	(Resigned on June 18, 2024)

Share capital
No shares were issued by the Company and no option has been granted to any person or party to acquire shares in the Company during the financial year.

Directors' Benefits
Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Directors' Report (continued)

Directors' Benefits (continued)

The details of remuneration received/receivable by the Directors of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Non-executive Directors:		
• fees		
Richard Lai Tak Loi	84	84
Datin Suryani binti Ahmad Sarji	6	6
Dr. Leong Yuen Yoong	68	68
Fa'izah Binti Mohamed Amin	40	40
Total remuneration		
• Non-executive Directors	198	198
Executive Directors:		
Jaclyn Ang Swee Yin		
• salaries	366	-
• bonuses	309	-
• defined contribution plan	105	-
• other employee benefits	160	-
	940	-
Senthilathiban Thirunilakantan		
• salaries	299	-
• defined contribution plan	48	-
• other employee benefits	23	-
	370	-
Sandeep Tewari		
• salaries	834	-
• bonuses	153	-
• defined contribution plan	76	-
• other employee benefits	280	-
	1,343	-
Total remuneration		
• Executive Directors	2,653	-

Directors' Report (continued)

Directors' Interests

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares			
	At 1.1.2024	Acquired/ Option Exercised	Disposed	At 31.12.2024
Ultimate Holding Company DKSH Holding Ltd.				
Oh Sae Ung	-	2,526	-	2,526

	Number of Option Over Ordinary Shares			
	At 1.1.2024	Granted	Exercised	At 31.12.2024
Ultimate Holding Company DKSH Holding Ltd.				
Oh Sae Ung	9,972	4,811	2,526	12,257
Sandeep Tewari	541	534	-	1,075
Senthilathiban Thirunilakantan	-	104	-	104

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Holding Companies

The immediate and intermediate holding companies of the Company are DKSH Resources (Malaysia) Sdn. Bhd. and DKSH Holdings (Asia) Sdn. Bhd. respectively, both of which are incorporated in Malaysia. The ultimate holding company of the Company is DKSH Holding Ltd., a company incorporated in Switzerland and listed on the SIX Swiss Exchange.

Indemnity and Insurance

During the financial year, the total amount of indemnity given to the Directors and officers of the Group and of the Company is limited to a maximum liability of RM22,000,000 in aggregate. The total amount of insurance premium paid for the financial year ended December 31, 2024, was RM14,311.

Significant event subsequent to the financial year end

Details of the significant event are disclosed in Note 33 to the financial statements.

Other Statutory Information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known debts and that adequate allowance had been made for doubtful debts; and
   (ii) to ensure that any current assets which were unlikely to realize their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realize.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:
   (i) it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
   (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Directors' Report (continued)

Other Statutory Information (continued)

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:
  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:
  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Auditors and Auditors' Remuneration

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT		
• statutory audits	1,626	295
• other services	8	8
Other auditors		
• statutory audits	52	-
	1,686	303

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated April 14, 2025.

Sandeep Tewari **Senthilathiban Thirunilakantan**

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Sandeep Tewari and Senthilathiban Thirunilakantan, being two of the Directors of DKSH Holdings (Malaysia) Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 129 to 188 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at December 31, 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated April 14, 2025.

Sandeep Tewari

Senthilathiban Thirunilakantan

Statutory declaration

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

I, Senthilathiban Thirunilakantan, being the Director primarily responsible for the financial management of DKSH Holdings (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 129 to 188 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Senthilathiban Thirunilakantan

at Kuala Lumpur, Wilayah Persekutuan
on April 14, 2025

Senthilathiban Thirunilakantan
(MIA 22746)

Before me,

Zainul Abidin bin Ahmad
Commissioner of Oath
No. W790

Independent Auditors' Report

to the Members of DKSH Holdings (Malaysia) Berhad (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of DKSH Holdings (Malaysia) Berhad, which comprise the statements of financial position as at 31 December 2024, of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 129 to 188.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion
We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities
We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. We have determined that there is no key audit matter to communicate in our report on the financial statements of the Company. The key audit matter for the audit of the financial statements of the Group is described below.

This matter was addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the A*uditors' responsibilities for the audit of the financial statements* section of our report, including in relation to the matter reported below. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue recognition

We draw your attention to Note 2.17 and Note 4 to the financial statements.

Total revenue for the Group for the financial year ended 31 December 2024, amounted to RM7.94 billion, which represents the most significant amount in the financial statements of the Group.

Independent Auditors' Report

to the Members of DKSH Holdings (Malaysia) Berhad (Incorporated in Malaysia) (continued)

Key audit matters (continued)

Revenue recognition (continued)

The Group derives different streams of revenues arising from different structures of transactions and arrangements with its suppliers and customers from its business models. Management has determined the following streams of revenues from its business models:

- Revenue from Consumer Goods stream is primarily derived from the comprehensive portfolio of services provided, ranging from marketing and sales, to distribution and logistics, invoicing and credit control, handling of inventory and trade returns, and other value-added services; and
- Revenue from Healthcare stream is derived from supply chain services provided, ranging from warehousing and distribution, to order processing and collections.

Tailor-made services offered along this value chain result in distinctive services being provided to cater the needs of each supplier and customer of the Group. For each distinctive arrangement, assessment is required on revenue earned from each contract with customer based on the five-step model of MFRS 15 Revenue from Contracts with Customers ("MFRS 15"). The assessment includes the point of revenue recognition in relation to the satisfaction of performance obligations, revenue cut off, estimation of the probability of return of damaged goods and principal versus agent considerations.

<u>Our audit response</u>
In addressing this area of focus, we have performed, amongst others, the following procedures:

a) We have obtained an understanding of the recognition process including trade returns and issuance of credit note, and tested its relevant controls;
b) We have involved our information technology ("IT") specialists to test in-scope IT application controls and IT general controls in the revenue recognition process;
c) We have read and analyzed the contractual terms of the contracts with suppliers and arrangements with customers, on sampling basis, to evaluate management's assessment with regards to whether the Group is acting as a principal or an agent and determined the rights of customers in returning damaged and/or expired goods;
d) We have used data analytics including cash anchor testing to analyze the correlation between revenue, trade receivable and cash and bank balances and perused the data to identify any material new revenue streams; and
e) We have performed cut-off procedures for revenue recognition in the relevant financial periods.

Information other than the financial statements and auditors' report thereon
The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report

to the Members of DKSH Holdings (Malaysia) Berhad (Incorporated in Malaysia) (continued)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report

to the Members of DKSH Holdings (Malaysia) Berhad (Incorporated in Malaysia) (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 13 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Chong Tse Heng
No. 03179/05/2025 J
Chartered Accountant

Kuala Lumpur, Malaysia
14 April 2025

Statements of Comprehensive Income

For the financial year ended December 31, 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	4	7,943,356	7,524,314	29,177	51,993
Changes in inventories of finished goods		214,161	84,894	-	-
Raw materials and packaging materials used and finished goods purchased		(7,307,829)	(6,766,368)	-	-
Other income		11,644	12,635	67	37
Staff costs	5	(302,388)	(293,608)	-	-
Warehousing and logistics expenses		(157,358)	(156,359)	-	-
Allowance for trade receivables		(3,522)	(6,131)	-	-
Rental expenses		(4,816)	(3,824)	-	-
Depreciation of property, plant and equipment		(10,450)	(9,741)	-	-
Depreciation of rights-of-use assets		(37,295)	(37,835)	-	-
Amortization of intangible assets		(4,840)	(13,896)	-	-
Travelling and entertainment expenses		(15,017)	(13,907)	-	-
Information technology and communication expenses		(45,151)	(44,596)	-	-
Utilities, upkeep, repairs and maintenance costs		(24,264)	(21,860)	-	-
Office expenses		(3,618)	(4,792)	-	-
Other selling, advertising and promotional expenses		(29,092)	(49,399)	-	-
Other expenses		(35,207)	(25,633)	(1,425)	(1,169)
Finance costs	7	(25,684)	(26,691)	(4,389)	(3,459)
Profit Before Tax	8	162,630	147,203	23,430	47,402
Income tax expense	9	(39,506)	(36,688)	-	(58)
Profit Net of Tax		123,124	110,515	23,430	47,344
Other Comprehensive (Loss)/Income					
Currency translation differences to be reclassified to profit or loss in subsequent periods		(8)	12	-	-
Other Comprehensive (Loss)/Income for the Financial Year, Net of Tax		(8)	12	-	-
Total Comprehensive Income for the Financial Year		123,116	110,527	23,430	47,344
Profit attributable to owners of the parent		123,124	110,515	23,430	47,344
Total comprehensive income attributable to owners of the parent		123,116	110,527	23,430	47,344
Earnings per share attributable to owners of the parent • basic (sen)	10	78.10	70.10	-	-

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As at December 31, 2024

	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Assets					
Non-current Assets					
Property, plant and equipment	11	30,604	28,978	-	-
Intangible assets	12	360,337	364,168	-	-
Investments in subsidiaries	13	-	-	563,028	563,028
Deferred tax assets	14	13,030	8,864	-	-
Advances to subsidiaries	15	-	-	626	637
Right-of-use assets	26	106,962	117,867	-	-
		510,933	519,877	563,654	563,665
Current Assets					
Inventories	16	1,089,410	870,330	-	-
Right of return assets	17	6,324	2,056	-	-
Trade and other receivables	18	1,757,518	1,637,622	777	616
Advances to subsidiaries	15	-	-	32,725	59,786
Advances to holding company	15	21,276	-	21,276	-
Tax recoverable		936	2,011	892	761
Cash and bank balances	19	93,521	39,026	13	19
Derivative financial instruments	23	807	-	-	-
		2,969,792	2,551,045	55,683	61,182
Total Assets		3,480,725	3,070,922	619,337	624,847
Equity and Liabilities					
Equity Attributable to Owners of the Parent					
Share capital	20	182,172	182,172	182,172	182,172
Foreign currency translation reserve		177	185	-	-
Retained earnings	21	805,598	709,276	307,198	310,570
Total Equity		987,947	891,633	489,370	492,742

Statements of Financial Position

As at December 31, 2024 (continued)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current Liabilities					
Trade and other payables	22	1,810,545	1,574,106	1,050	709
Derivative financial instruments	23	-	4	-	-
Borrowings (unsecured)	24	538,000	358,000	50,000	50,000
Income tax payable		11,386	9,038	-	-
Lease liabilities	26	33,539	35,735	-	-
		2,393,470	1,976,883	51,050	50,709
Non-current Liabilities					
Borrowings (unsecured)	24	-	85,000	-	-
Advances from subsidiaries	15	-	-	66,932	60,688
Advances from holding companies	15	11,985	20,708	11,985	20,708
Provision for other liability	25	2,812	2,833	-	-
Deferred tax liabilities	14	897	1,886	-	-
Lease liabilities	26	83,614	91,979	-	-
		99,308	202,406	78,917	81,396
Total Liabilities		2,492,778	2,179,289	129,967	132,105
Total Equity and Liabilities		3,480,725	3,070,922	619,337	624,847

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended December 31, 2024

		Attributable to Owners of the Parent			
		Non-distributable		Distributable	
	Note	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Group					
At January 1, 2024		182,172	185	709,276	891,633
Total Comprehensive Income		-	(8)	123,124	123,116
Transaction with Owners					
Dividends for financial year ended December 31, 2023	27	-	-	(26,802)	(26,802)
Total transaction with owners		-	-	(26,802)	(26,802)
At December 31, 2024		182,172	177	805,598	987,947
At January 1, 2023		182,172	173	649,211	831,556
Total Comprehensive Income		-	12	110,515	110,527
Transaction with Owners					
Dividend for financial year ended December 31, 2022	27	-	-	(50,450)	(50,450)
Total transaction with owners		-	-	(50,450)	(50,450)
At December 31, 2023		182,172	185	709,276	891,633

Statements of Changes in Equity

For the financial year ended December 31, 2024 (continued)

			Distributable	
	Note	Share Capital RM'000	Retained Earnings RM'000	Total RM'000
Company				
At January 1, 2024		182,172	310,570	492,742
Total Comprehensive Income		-	23,430	23,430
Transaction with Owners				
Dividends for financial year ended December 31, 2023	27	-	(26,802)	(26,802)
Total transaction with owners		-	(26,802)	(26,802)
At December 31, 2024		182,172	307,198	489,370
At January 1, 2023		182,172	313,676	495,848
Total Comprehensive Income		-	47,344	47,344
Transaction with owners				
Dividend for financial year ended December 31, 2022	27	-	(50,450)	(50,450)
Total transaction with owners		-	(50,450)	(50,450)
At December 31, 2023		182,172	310,570	492,742

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

For the financial year ended December 31, 2024

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Cash Flows from Operating Activities				
Profit before tax	162,630	147,203	23,430	47,402
Adjustments for non-cash items:				
Property, plant and equipment:				
• depreciation	10,450	9,741	-	-
• written off	37	45	-	-
• net gain on disposals	(70)	(83)	-	-
Depreciation of right-of-use assets	37,295	37,835	-	-
Write-back of provision for property restoration cost	(21)	(18)	-	-
Inventories:				
• written off	25,607	25,634	-	-
• net write-down/(reversal of write-down) of slow moving inventories	6,801	(493)	-	-
Net allowance for impairment on trade receivables	3,522	6,131	-	-
Interest income (Note c)	(241)	(277)	(2,377)	(1,493)
Interest expense (Note b)	25,684	26,691	4,389	3,459
Dividend income	-	-	(26,800)	(50,500)
Net unrealized losses/(gains):				
• foreign exchange	585	(1,187)	100	(37)
• derivatives	(806)	(1,105)	-	-
Amortization of intangible assets	4,840	13,896	-	-
Operating cash flows before changes in working capital	276,313	264,013	(1,258)	(1,169)
Changes in working capital:				
Inventories	(250,424)	(104,657)	-	-
Right of return assets	(4,268)	1,238	-	-
Receivables	(123,418)	(93,107)	157	183
Payables	235,833	18,623	163	93
Cash flows generated from/(used in) operations	134,036	86,110	(938)	(893)
Dividend received	-	-	26,800	50,500
Interest received (Note c)	241	304	1,959	1,456
Interest paid (Note b)	(25,652)	(26,567)	(4,211)	(3,355)
Tax paid	(41,238)	(46,934)	(131)	(216)
Net cash flows generated from operating activities	67,387	12,913	23,479	47,492

Statements of Cash Flows

For the financial year ended December 31, 2024 (continued)

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Cash Flows from Investing Activities				
Proceeds from disposals of property, plant and equipment	135	245	-	-
Purchase of property, plant and equipment (Note a)	(12,975)	(13,240)	-	-
Purchase of intangible asset	(1,009)	-	-	-
Net cash outflows from acquisition of a subsidiary	-	(2,400)	-	-
Net cash flows used in from investing activities	(13,849)	(15,395)	-	-
Cash Flows from Financing Activities				
Dividends paid on ordinary shares	(26,802)	(50,450)	(26,802)	(50,450)
Net drawdown of borrowings	95,000	88,000	-	50,000
Net advances from/(to):				
• intermediate holding company	360	336	360	336
• immediate holding company	(30,359)	12,615	(30,359)	12,615
• subsidiaries	-	-	33,316	(60,014)
Repayment of lease liabilities	(37,234)	(36,669)	-	-
Net cash flows generated from/(used in) financing activities	965	13,832	(23,485)	(47,513)
Changes in Cash and Cash Equivalents	54,503	11,350	(6)	(21)
Currency Translation Differences	(8)	12	-	-
Cash and Cash Equivalents at Beginning of Financial Year	39,026	27,664	19	40
Cash and Cash Equivalents at End of Financial Year (Note 19)	93,521	39,026	13	19

Note:
(a) The additions in property, plant and equipment were acquired by way of:

	Group	
	2024 RM'000	**2023 RM'000**
Cash	12,975	13,240
Deferred payment	-	16
Less: Payment made for previous financial year acquisitions	(16)	(1,394)
Additions (Note 11)	12,959	11,862

Statements of Cash Flows

For the financial year ended December 31, 2024 (continued)

(b) A reconciliation of interest expense and interest paid is as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Interest paid	25,652	26,567	4,211	3,355
Interest payable	312	280	574	396
Less: Payment made for previous financial year interest expense	(280)	(156)	(396)	(292)
Interest expense (Note 7)	25,684	26,691	4,389	3,459

(c) A reconciliation of interest income and interest received is as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Interest received	241	304	1,959	1,456
Interest receivable	-	-	576	158
Less: Receipt for previous financial year interest income	-	(27)	(158)	(121)
Interest income (Note 8)	241	277	2,377	1,493

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

December 31, 2024

1. Corporate Information

The Company is a public limited company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at B-11-01, The Ascent, Paradigm, No. 1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The Company is principally an investment holding company. The principal activities of the Group are the provisioning of Market Expansion Services, which range from marketing, to providing sales force, distribution and logistics, invoicing and credit control, handling of inventory and returned goods and other value added services. These services are provided to consumer goods, healthcare and performance materials clients. The Group also operates retail outlets selling Famous Amos cookies, manufacturing and supplying of butter and margarine, and related bakery, confectionery and dairy products.

There have been no significant changes in the nature of the principal activities during the financial year.

The immediate and intermediate holding companies of the Company are DKSH Resources (Malaysia) Sdn. Bhd. and DKSH Holdings (Asia) Sdn. Bhd. respectively, both of which are incorporated in Malaysia. The ultimate holding company of the Company is DKSH Holding Ltd., a company incorporated in Switzerland and listed on the SIX Swiss Exchange.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on April 14, 2025.

2. Material Accounting Policies

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards ("MFRS"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000), except when otherwise indicated.

2.2 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

These amendments and interpretations were Amendments to MFRS 16 Leases *(Lease Liability in a Sale and Leaseback)*, Amendments to MFRS 101 Presentation of Financial Statements *(Non-current Liabilities with Covenants)* and Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures *(Supplier Finance Arrangements)*.

The adoption of the above amendments did not have material impact on the financial statements of the Group and of the Company.

Notes to the Financial Statements

December 31, 2024 (continued)

2. Material Accounting Policies (continued)

2.3 Standards Issued but not yet Effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group and the Company financial statements are disclosed below. The Company intends to adopt these standards and interpretations, if applicable, when they become effective.

	Effective for annual periods beginning on or after
• Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)	1 January 2025
• Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: (Classification and Measurement of Financial Instruments)	1 January 2026
• Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
• Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures (Contracts Referencing Nature-dependent Electricity)	1 January 2026
• MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
• MFRS 19 Subsidiaries without Public Accountability	1 January 2027
• Amendments to MFRS 10 and MFRS 128 Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group and the Company will adopt the above new amendments and standards when they become effective. The adoption of the above amendments and standards do not have material impact on the financial statements of the Group and of the Company except for the amendment and new standard summarized below:

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures *(Amendments to the Classification and Measurement of Financial Instruments)*

These narrow scope amendments clarify the classification and measurement requirements in MFRS 9, including the:-

- classification of financial assets with environmental, social and corporate governance (ESG) and similar features. The amendments clarify how the contractual cash flows on such loans should be assessed, specifically the assessment of interest focuses on what a company is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the company receives may indicate that it is being compensated for something other than basic lending risks and costs.

- settlement of liabilities through electronic payment systems. The amendments clarify the date on which a financial asset or financial liability is derecognized. In addition, the amendments permit a company to derecognize a financial liability before it delivers cash on the settlement date if specified criteria are met.

New disclosure requirements are also introduced in the amendments to MFRS 7 relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

MFRS 18 Presentation and Disclosure in Financial Statements

The newly introduced standard aims to provide better information about companies' financial performance. MFRS 18 Presentation and Disclosure in Financial Statements replaces MFRS 101 Presentation of Financial Statements. MFRS 18 aims to enhance financial reporting quality by:

- requiring defined subtotals in the statement of profit or loss;
- requiring disclosures about management-defined performance measures; and
- adding new principles for aggregation and disaggregation of information.

These improvements will enable investors to make more informed decisions leading to better allocations of capital that will contribute to long-term financial stability.

Notes to the Financial Statements

December 31, 2024 (continued)

2. Material Accounting Policies (continued)

2.4 Economic Entities in the Group

(a) Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date.

(b) Business Combinations and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in profit or loss in accordance with MFRS 9.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviewed the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2.5 Fair Value Measurement
The Group measures financial instruments such as derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes to the Financial Statements

December 31, 2024 (continued)

2. Material Accounting Policies (continued)

2.5 Fair Value Measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Quantitative disclosures of fair value measurement hierarchy — Note 31(e)
- Financial instruments (including those carried at amortized cost) — Notes 18, 22

2.6 Intangible Assets

(a) Trademarks

Trademarks have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks over its estimated useful life of an average of 10 years.

(b) Goodwill

The accounting policy on goodwill is disclosed in Note 2.4(b).

(c) Distribution Rights

Distribution rights acquired in a business combination are recognized at fair value at the acquisition date. Distribution rights have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over its estimated useful life ranging from 3 - 5 years.

2.7 Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

The present value of the expected cost for the restoring an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. The accounting policy on restoration cost is further disclosed in Note 2.16.

Notes to the Financial Statements

December 31, 2024 (continued)

2. Material Accounting Policies (continued)

2.7 Property, Plant and Equipment (continued)
Property, plant and equipment are depreciated on the straight-line basis to write off the cost of the assets, to their residual values over their estimated useful lives, summarized as follows:

Renovations	5 - 10 years
Plant and machinery	5 - 10 years
Furniture, fittings and equipment	3 - 10 years
Motor vehicles	5 years

Depreciation on work-in-progress commences when the assets are ready for their intended use.

At the end of the financial year, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of comprehensive income.

2.8 Investments in Subsidiaries
Investment in subsidiaries are carried at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

2.9 Impairment of Non-financial Assets
Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of the financial year.

The impairment loss is charged to the statements of comprehensive income. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognized in the statements of comprehensive income.

2.10 Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Notes to the Financial Statements

December 31, 2024 (continued)

2. Material Accounting Policies (continued)

2.10 Leases

As lessee
The Group applies a single recognition and measurement approach for all leases.

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Warehouse and office buildings	2 - 11 years

The right-of-use assets are also subject to impairment.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's leases typically include an initial non-cancellable period with an option to renew for an additional fixed period.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. All relevant factors that create an economic incentive for it to exercise the renewal are considered. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that could affect the exercise.

The Group applies the short-term lease recognition exemption in case the lease period is shorter than 12 months. It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

As lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statements of comprehensive income due to its operating nature.

Notes to the Financial Statements

December 31, 2024 (continued)

2. Material Accounting Policies (continued)

2.11 Inventories
Inventories comprise raw materials, packaging materials and finished goods. Inventories are stated at the lower of cost and net realizable value.

Cost is principally determined on a weighted average basis and comprises cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. It excludes borrowing costs. The cost of conversion includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2.12 Share Capital

(a) Classification
Ordinary shares with discretionary dividends are classified as equity.

(b) Dividends Distribution
Distributions to holders of an equity instrument is debited directly to equity, net of any related income tax benefit and the corresponding liability is recognized in the period in which the dividends are approved.

2.13 Taxes

(a) Current Tax
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognized in the statements of comprehensive income except to the extent that the tax relates to items recognized outside the statements of comprehensive income, either in other comprehensive income or directly in equity.

(b) Deferred Tax
Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all temporary differences, except:
- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:
- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Notes to the Financial Statements

December 31, 2024 (continued)

2. Material Accounting Policies (continued)

2.13 Taxes (continued)

(b) Deferred Tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.14 Employee Benefits

(a) Short Term Employee Benefits

The Group recognizes a liability and an expense for bonuses. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the financial year in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plan

Companies incorporated in Malaysia contribute to the Employees Provident Fund, the defined contribution plan. The Group's contributions are charged to the statement of comprehensive income.

2.15 Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash in hand and bank balances that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value and net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.16 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Notes to the Financial Statements

December 31, 2024 (continued)

2. Material Accounting Policies (continued)

2.16 Provisions (continued)

Restoration Cost

Provision for restoration cost is the estimated cost of dismantling, removing or restoring the property, plant and equipment at the lease inception date for operating leases with requirements to remove leasehold improvements at the end of the lease term.

2.17 Revenue Recognition

Sale of Goods and Rendering of Services

The Group's sales are generated from the distribution of consumer goods, healthcare products, and from rendering of services. Revenue is recognized when a contractual promise to a customer has been fulfilled by transferring control over the promised goods or services, principally at the time of shipment to or receipt of the products by the customer, or over time when the services are performed. The Group's contractual promises generally represent one performance obligation. However, if a contract includes more than one performance obligation. The amount of revenue recognized is based on the expected consideration in exchange for the goods and services, taking into account contractually defined terms (e.g. trade discounts, cash discounts, volume rebates and returns) and excluding taxes or duty.

In both Consumer Goods and Healthcare segments, the Group enters into contracts with its suppliers for the distribution of products. Under these contracts, the Group might also provide procurement, marketing, sales, warehousing, logistics and collection services. The Group assesses on a contract-by-contract basis whether it is acting as a principal or agent. In some cases, the Group might not be considered the party primarily responsible for fulfilling the promise to the customer to provide the products, and/or might not have inventory risk before products has been transferred to the customer and/or might not have discretion in establishing the price for the specified product. In limited cases where the Group is acting as an agent, only the margin on sale, the fees or commissions earned are recorded in net sales. There is no significant financing component in the contract.

Some contracts for the sale of goods provide customers with a right of return, allowance and rebate.

(i) Rights of Return

The Group uses the most likely amount method to estimate the goods that will not be returned. For goods that are expected to be returned, instead of revenue, the Group recognizes a refund liability (included in trade and other payables). A right of return asset and corresponding adjustment to cost of sales are also recognized for the right to recover products from a customer.

(ii) Allowance and Rebate

Allowance and rebate are offset against amounts payable by the customer. The Group applies the most likely amount method to estimate the allowance and rebate. The Group then applies the requirements on constraining estimates of variable consideration.

2.18 Right of Return Assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

2.19 Refund Liabilities

Refund liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Notes to the Financial Statements

December 31, 2024 (continued)

2. Material Accounting Policies (continued)

2.20 Foreign Currencies

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign Currency Transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognized in the statements of comprehensive income except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognized initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the statements of comprehensive income of the Group and of the Company on disposal of the foreign operation.

(c) Foreign Operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On the disposal of a foreign operation, the cumulative amount recognized in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognized in the statements of comprehensive income.

2.21 Financial Instruments - Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15. The accounting policy for revenue recognition is set out in Note 2.17.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group subsequently measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements

December 31, 2024 (continued)

2. Material Accounting Policies (continued)

2.21 Financial Instruments - Initial Recognition and Subsequent Measurement (continued)

(a) Financial Assets (continued)
Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's and the Company's financial assets at amortized cost includes trade receivables, cash and bank balances and other financial receivables.

Financial assets that do not meet the criteria for being measured at amortized cost or at fair value through other comprehensive income ("FVTOCI") are measured at FVTPL, including:
- investments in equity instruments are classified as FVTPL, unless management designates an equity investment as FVTOCI on initial recognition;
- debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as FVTPL. Debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases; and
- derivative instruments.

Financial assets at FVTPL are measured at fair value, with fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial assets.

The Group has designated derivative financial instruments as at fair value through profit or loss.

Impairment of Financial Assets
The Group recognizes an allowance for expected credit losses ("ECLs") based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. These provisions represent the difference between the trade receivables gross carrying amount and the estimated net collectible amount. The Group considers a financial asset in risk of default when contractual payments are 270 days past due. Trade receivables are written off against the provision account when there is an official announcement of liquidation or bankruptcy confirming that the receivable will not be collected.

(b) Financial Liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Notes to the Financial Statements

December 31, 2024 (continued)

2. Material Accounting Policies (continued)

2.21 Financial Instruments - Initial Recognition and Subsequent Measurement (continued)

(b) Financial Liabilities (continued)
The Group's and the Company's financial liabilities include trade and other payables, borrowings and derivative financial instruments.

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group has designated derivative financial instruments as at fair value through profit or loss.

Financial Liabilities at Amortized Cost
After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

2.22 Derivatives and Hedging
The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such instruments are initially recognized at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.23 Offsetting Financial Instruments
Financial assets and liabilities are offset and the net amount is presented in the statements of financial position when there is a currently legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, and to realize the asset and settle the liability simultaneously.

2.24 Borrowing Costs
Borrowing costs are capitalized as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset.

All other borrowing costs are recognized in the statements of comprehensive income in the period they are incurred.

Notes to the Financial Statements

December 31, 2024 (continued)

2. Material Accounting Policies (continued)

2.25 Segment Reporting

For management purposes, the Group is organized into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. These segmental information are reviewed by the chief operating decision maker. Additional disclosures on each of these segments are shown in Note 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. Significant Accounting Judgments and Estimates

The preparation of the Group's and the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of Goodwill

Goodwill are tested for impairment at least annually and upon the occurrence of an indication of impairment. The impairment tests are performed annually at the same time each financial year at the cash-generating unit ("CGU") level. The Group defines its CGUs based on the way that it monitors and derives economic benefits from the acquired goodwill. The impairment tests are performed by comparing the carrying value of the assets of these CGUs with their recoverable amount. The recoverable amount is the greater of the fair value less cost of disposal and value-in-use. Generally, the Group starts with a value-in-use calculation based on the future projected free cash flows discounted at an appropriate pre-tax rate of return. These calculations use free cash flow projections for the next five years based on financial budgets and economic growth rates approved by the Executive Committee. The discount rate reflects the current assessment of the time value of money and the risks specific to the CGUs (essentially country risks). The carrying amount of goodwill at December 31, 2024 was RM359 million (2023: RM359 million). Further details are disclosed in Note 12.

3.2 Critical Judgement in Applying the Entity's Accounting Policies

There is no critical judgement made by management in the process of applying the accounting policies that have a significant effect on the amounts recognized in financial statements.

Notes to the Financial Statements

December 31, 2024 (continued)

4. Revenue

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Sale of goods	7,812,947	7,393,792	-	-
Rendering of services	130,409	130,522	-	-
Interest income				
• subsidiaries	-	-	2,343	1,479
• immediate holding company	-	-	33	11
• others	-	-	1	3
Dividend income:				
• subsidiaries	-	-	26,800	50,500
	7,943,356	7,524,314	29,177	51,993

	Group	
	2024 RM'000	2023 RM'000
Timing of Transfer of Goods and Services		
At a point in time	7,812,947	7,393,792
Over time	130,409	130,522
	7,943,356	7,524,314

5. Staff Costs

	Group	
	2024 RM'000	2023 RM'000
Salaries and bonuses	215,890	208,278
Defined contribution plan	31,826	30,554
Other employee benefits	57,299	57,010
	305,015	295,842
Staff costs included in cost of conversion of inventories	(2,627)	(2,234)
	302,388	293,608

Included in staff costs are Executive Directors' remuneration as disclosed in Note 6.

Notes to the Financial Statements

December 31, 2024 (continued)

6. Directors' Remuneration

The details of remuneration received/receivable by the Directors of the Group and of the Company for the financial year are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-executive Directors:				
• fees	198	214	198	214
Executive Directors:				
• salaries	1,499	1,707	-	-
• bonuses	462	528	-	-
• defined contribution plan	229	307	-	-
• other employee benefits	463	303	-	-
	2,653	2,845	-	-
Total remuneration	2,851	3,059	198	214
Non-executive Directors:				
• fees				
Richard Lai Tak Loi	84	80	84	80
Datin Suryani binti Ahmad Sarji	6	-	6	-
Dr. Leong Yuen Yoong	68	65	68	65
Fa'izah Binti Mohamed Amin	40	55	40	55
Lian Teng Hai	-	14	-	14
Total remuneration				
• Non-executive Directors	198	214	198	214
Executive Directors:				
Puneet Mishra				
• salaries	-	744	-	-
• bonuses	-	436	-	-
• defined contribution plan	-	189	-	-
• other employee benefits	-	105	-	-
	-	1,474	-	-

Notes to the Financial Statements

December 31, 2024 (continued)

6. Directors' Remuneration (continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Executive Directors: (continued)				
Jaclyn Ang Swee Yin				
• salaries	366	634	-	-
• bonuses	309	92	-	-
• defined contribution plan	105	118	-	-
• other employee benefits	160	79	-	-
	940	923	-	-
Senthilathiban Thirunilakantan				
• salaries	299	-	-	-
• defined contribution plan	48	-	-	-
• other employee benefits	23	-	-	-
	370	-	-	-
Sandeep Tewari				
• salaries	834	329	-	-
• bonuses	153	-	-	-
• defined contribution plan	76	-	-	-
• other employee benefits	280	119	-	-
	1,343	448	-	-
Total remuneration				
• Executive Directors	2,653	2,845	-	-

7. Finance Costs

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense:				
• bankers' acceptances	1,474	1,427	-	-
• promissory notes	1,088	1,164	-	-
• revolving credits	10,724	7,532	1,764	1,063
• term loans	5,395	9,117	-	-
• advances from holding companies	1,026	693	1,026	693
• advance from subsidiaries	-	-	1,599	1,703
• lease liabilities (Note 26)	5,977	6,740	-	-
• others	-	18	-	-
	25,684	26,691	4,389	3,459

Notes to the Financial Statements

December 31, 2024 (continued)

8. Profit Before Tax

The following items have been included in arriving at profit before tax:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Auditors' remuneration:				
• Statutory audits:				
• Ernst & Young PLT	1,626	1,046	295	198
• Other auditors	52	49	-	-
• Other services:				
• Ernst & Young PLT	8	8	8	8
Property, plant and equipment:				
• written off	37	45	-	-
• net gain on disposals	(70)	(83)	-	-
Write-back of provision for property restoration cost	(21)	(18)	-	-
Net allowance for impairment on trade receivables	3,522	6,131	-	-
Interest income:				
• subsidiaries	-	-	(2,343)	(1,479)
• immediate holding company	(33)	(11)	(33)	(11)
• external parties	(208)	(266)	(1)	(3)
Net derivatives losses/(gain):				
• realized	4,848	(2,244)	-	-
• unrealized	(806)	(1,105)	-	-
Net foreign exchange (gains)/losses:				
• realized	(1,589)	(681)	(67)	-
• unrealized	585	(1,187)	100	(37)
Inventories:				
• written off	25,607	25,634	-	-
• net write-down/(reversal of write-down) of slow moving inventories	6,801	(493)	-	-
Rental expenses	4,816	3,824	-	-
Rental income:				
• related companies	(734)	(708)	-	-
• external parties	(2,355)	(1,869)	-	-

Notes to the Financial Statements

December 31, 2024 (continued)

9. Income Tax Expense

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Malaysian income tax:				
• Current financial year	45,564	42,537	-	-
• (Over)/under provision in prior financial years	(903)	(1,717)	-	58
	44,661	40,820	-	58
Deferred tax (Note 14):				
• Relating to origination and reversal of temporary differences	(4,741)	(3,971)	-	-
• Over provision in prior financial years	(414)	(161)	-	-
	(5,155)	(4,132)	-	-
Total income tax expense	39,506	36,688	-	58

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

Taxation for other jurisdiction is calculated at the rate prevailing in the respective jurisdiction. The income tax rate applicable to the subsidiaries, DKSH (B) Sdn. Bhd. and FACC (B) Sdn. Bhd. in Brunei is 18.5% (2023: 18.5%).

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Profit before tax	162,630	147,203	23,430	47,402
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	39,031	35,329	5,623	11,376
Different tax rate in other country	13	6	-	-
Expenses not deductible for tax purposes	2,028	3,454	809	744
Income not subject to tax		-	(6,432)	(12,120)
Utilization of previously unrecognized deferred tax assets	(282)	(238)	-	-
Deferred tax assets not recognized	33	15	-	-
(Over)/under provision in prior financial years:				
• income tax	(903)	(1,717)	-	58
• deferred tax	(414)	(161)	-	-
Income tax expense	39,506	36,688	-	58

Notes to the Financial Statements

December 31, 2024 (continued)

10. Earnings Per Share - Basic

The earnings per share is calculated by dividing the net profit for the financial year attributable to the owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2024 RM'000	2023 RM'000
Profit net of tax attributable to owners of the parent	123,124	110,515
Weighted average number of ordinary shares in issue ('000)	157,658	157,658

	Group	
	2024 sen	2023 sen
Earnings per share - Basic	78.10	70.10

Diluted earnings per share is not presented as there were no potential dilutive ordinary shares during the financial year.

11. Property, Plant and Equipment

	Renovations RM'000	Plant and Machinery RM'000	Furniture, Fittings and Equipment RM'000	Motor Vehicles RM'000	Work-in-Progress RM'000	Total RM'000
Group						
At December 31, 2024						
Cost						
At January 1, 2024	41,441	31,678	55,879	1,864	-	130,862
Additions	3,469	4,354	5,066	-	70	12,959
Disposals	-	(178)	(301)	(58)	-	(537)
Written off	(2,119)	(402)	(1,213)	(50)	-	(3,784)
At December 31, 2024	42,791	35,452	59,431	1,756	70	139,500
Accumulated Depreciation						
At January 1, 2024	29,609	21,405	49,431	1,439	-	101,884
Charge for the financial year (1)	3,224	3,597	4,271	139	-	11,231
Disposals	-	(136)	(278)	(58)	-	(472)
Written off	(2,093)	(395)	(1,209)	(50)		(3,747)
At December 31, 2024	30,740	24,471	52,215	1,470	-	108,896
Net Carrying Amount	12,051	10,981	7,216	286	70	30,604

Notes to the Financial Statements

December 31, 2024 (continued)

11. Property, Plant and Equipment (continued)

	Renovations RM'000	Plant and Machinery RM'000	Furniture, Fittings and Equipment RM'000	Motor Vehicles RM'000	Work-in-Progress RM'000	Total RM'000
Group (continued)						
At December 31, 2023						
Cost						
At January 1, 2023	37,263	29,056	54,309	1,619	449	122,696
Additions	3,296	2,758	4,465	370	973	11,862
Disposals	(5)	(121)	(187)	(117)	-	(430)
Written off	(535)	(15)	(2,708)	(8)	-	(3,266)
Reclassification	1,422	-	-	-	(1,422)	-
At December 31, 2023	41,441	31,678	55,879	1,864	-	130,862
Accumulated Depreciation						
At January 1, 2023	27,454	18,075	48,157	1,366	-	95,052
Charge for the financial year [1]	2,651	3,463	4,030	177	-	10,321
Disposals	(5)	(118)	(49)	(96)	-	(268)
Written off	(491)	(15)	(2,707)	(8)	-	(3,221)
At December 31, 2023	29,609	21,405	49,431	1,439	-	101,884
Net Carrying Amount	11,832	10,273	6,448	425	-	28,978

[1] The depreciation charged for the financial year of RM781,000 (2023: RM580,000) is included as part of the cost of conversion of inventories during the financial year.

Notes to the Financial Statements

December 31, 2024 (continued)

12. Intangible Assets

	Group			
	Trademarks RM'000	Goodwill RM'000	Distribution Rights RM'000	Total RM'000
Cost:				
At January 1, 2023, December 31, 2023, and January 1, 2024	8,493	358,510	65,867	432,870
Addition	-	-	1,009	1,009
At December 31, 2024	8,493	358,510	66,876	433,879
Accumulated Amortization:				
At January 1, 2023	8,442	-	46,364	54,806
Amortization during the financial year	27	-	13,869	13,896
At December 31, 2023, and January 1, 2024	8,469	-	60,233	68,702
Amortization during the financial year	24	-	4,816	4,840
At December 31, 2024	8,493	-	65,049	73,542
Net Carrying Amount:				
At December 31, 2024	-	358,510	1,827	360,337
At December 31, 2023	24	358,510	5,634	364,168

(a) Trademarks

Trademarks refer to the Alladdin's and Eva's trademarks acquired by the Group. The estimated average useful life of these trademarks is 10 years. Alladdin's trademark had been fully amortized in 2017 and Eva's trademark has been fully amortized during the year (2023: 0.7 years).

(b) Distribution Rights

Distribution rights refer to the distribution contracts that were acquired through business combination. Distribution rights have a finite useful life and are amortized using the straight-line method over its estimated useful life ranging from 3 to 5 (2023: 3 to 5) years.

(c) Goodwill

The goodwill of RM342,261,000 and RM16,249,000 arose from the acquisition of equity interest in DKSH Food Services (M) Sdn. Bhd. and its subsidiaries during the financial year ended December 31, 2019 ("DKSHFS Goodwill") and AcuTest Systems (M) Sdn. Bhd. ("AcuTest Goodwill") during the financial year ended December 31, 2022, respectively.

Impairment Test for Goodwill

For the purposes of goodwill impairment testing, DKSHFS Goodwill has been allocated to the Consumer Goods CGU, while the AcuTest Goodwill has been allocated to the Healthcare CGU. The recoverable amounts of CGUs are determined based on value-in-use calculation, which use free cash flow projections for the next five financial years based on financial budgets and economic growth rates approved by the Executive Committee.

Notes to the Financial Statements

December 31, 2024 (continued)

12. Intangible Assets (continued)

(c) Goodwill (continued)

The following key assumptions were applied for value-in-use calculations:

	Pre-tax Discount Rate		Terminal Growth Rate	
Cash-generating Unit	**2024**	**2023**	**2024**	**2023**
Consumer Goods	14.74%	14.76%	2.06%	2.43%
Healthcare	14.16%	14.29%	2.06%	2.43%

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Growth rate for the 5-year projection is determined based on the management's estimate on the industry trends and past performances of the CGUs, thereafter terminal growth rate takes into consideration the current and projected long term inflation and the average growth rate of similar industry in Malaysia.

(ii) Pre-tax discount rate of 14.16% to 14.74% (2023: 14.29% to 14.76%) were applied in determining the recoverable amount of the CGUs. The discount rates used to discount the future cash flows reflect the specific risks relating to the CGUs.

The outcome of impairment testing is sensitive to variations in estimates and assumptions. Variations in estimates and assumptions have the following effect on the recoverable amount calculations (all else equal):

DKSHFS Goodwill

- A 0.8% (2023: 1.6%) point increase in the discount rate would result in an impairment of RM4.9 million (2023: RM2.3 million).

AcuTest Goodwill

- Management believes that no reasonably possible change in key assumptions above would cause the carrying amount to materially exceed its recoverable amount.

13. Investments in Subsidiaries

	Company	
	2024 RM'000	**2023 RM'000**
Unquoted shares at cost	563,028	563,028

Notes to the Financial Statements

December 31, 2024 (continued)

13. Investments in Subsidiaries (continued)

Details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Proportion of Ownership Interest 2024 %	2023 %	Principal Activities
DKSH Malaysia Sdn. Bhd. ("DMSB")	Malaysia	100	100	Provision of Market Expansion Services for consumer goods and healthcare clients.
DKSH Distribution Malaysia Sdn. Bhd. ("DDM")	Malaysia	100	100	Provision of Market Expansion Services for healthcare clients.
The Famous Amos Chocolate Chip Cookie Corporation (M) Sdn. Bhd. ("FACCM")	Malaysia	100	100	Sale of chocolate chip cookies and operation of retail outlets.
DKSH Central Services Malaysia Sdn. Bhd.^α	Malaysia	100	100	Provision of estate management services.#
DKSH Food Services (M) Sdn. Bhd. ("DFS")	Malaysia	100	100	Investment holding company.#
Held through DMSB:				
• DKSH Management Malaysia Sdn. Bhd.	Malaysia	100	100	Distribution and marketing of a wide range of consumer and healthcare products together with products merchandising, business advisory work, advertisement and related services.
• AcuTest Systems (M) Sdn. Bhd. ("AcuTest")^	Malaysia	100	100	Provision of medical laboratory services, related tests and supply laboratory and medical equipment and its related accessories.
Held through DDM:				
• DKSH (B) Sdn. Bhd.*	Brunei Darussalam	100	100	Provision of Market Expansion Services for consumer goods, healthcare and performance materials clients.#
Held through FACCM:				
• FACC (B) Sdn. Bhd.*	Brunei Darussalam	100	100	Sale of chocolate chip cookies and operation of retail outlets.
Held through DFS:				
• DKSH Manufacturing Sdn. Bhd.	Malaysia	100	100	Manufacturer of and dealer in butter and margarine and related confectionery products.
• DKSH Market Expansion Services Sdn. Bhd.	Malaysia	100	100	Supply of bakery and confectionary materials, and other general products.#

All other companies are audited by Ernst & Young PLT, except for the following:
- * Audited by a member firm of Ernst & Young Global.
- ^ Audited by a firm of auditors other than Ernst & Young PLT.
- α This subsidiary has been placed under members' voluntary liquidation in the previous financial years. The liquidation process was completed and the subsidiary was dissolved on May 16, 2024.
- \# These subsidiaries remained dormant during the financial year.

Notes to the Financial Statements

December 31, 2024 (continued)

14. Deferred Tax

	Group	
	2024 RM'000	2023 RM'000
At January 1	6,978	2,846
Recognized in statement of comprehensive income (Note 9)	5,155	4,132
At December 31	12,133	6,978

Presented after appropriate offsetting as follows:

	Group	
	2024 RM'000	2023 RM'000
Deferred tax assets	13,030	8,864
Deferred tax liabilities	(897)	(1,886)
	12,133	6,978

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Group	As at January 1, 2023 RM'000	Recognized in Statement of Comprehensive Income RM'000	As at December 31, 2023 RM'000	Recognized in Statement of Comprehensive Income RM'000	As at December 31, 2024 RM'000
Deferred Tax Liabilities:					
Intangible assets	(4,682)	3,328	(1,354)	1,145	(209)
Right-of-use assets	(29,239)	1,050	(28,189)	1,961	(26,228)
Property, plant, and equipment	(1,216)	108	(1,108)	669	(439)
	(35,137)	4,486	(30,651)	3,775	(26,876)
Offsetting	30,232		28,765		25,979
	(4,905)		(1,886)		(897)
Deferred Tax Assets:					
Receivables	1,401	763	2,164	188	2,352
Inventories	2,355	(236)	2,119	2,304	4,423
Lease liabilities	31,293	(718)	30,575	(1,890)	28,685
Others	2,934	(163)	2,771	778	3,549
	37,983	(354)	37,629	1,380	39,009
Offsetting	(30,232)		(28,765)		(25,979)
	7,751		8,864		13,030

Notes to the Financial Statements

December 31, 2024 (continued)

14. Deferred Tax (continued)

Deferred tax assets have not been recognized in respect of the following items:

	Group	
	2024 RM'000	**2023 RM'000**
Unabsorbed capital allowances	79	76
Unutilized business losses	8,037	9,076
	8,116	9,152

Deferred tax assets have not been recognized where it is not probable that future taxable profits will be available against which the deductible temporary differences can be utilized for certain subsidiaries in the Group.

The Malaysia Finance Act gazetted on December 27, 2018, has imposed a time limitation to restrict the carry forward of the unutilized tax losses. The unutilized tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 10 consecutive years of assessment until year of assessment 2028 and any balance of the unutilized thereafter shall be disregarded.

However, for any unutilized tax losses that originated from the year of assessment 2019 onwards, these are allowed to be carried forward for a maximum period of 10 (2023: 10) consecutive years of assessment immediately following that originating year of assessment and any balance of the unutilized tax losses thereafter shall be disregarded.

The foreign unabsorbed business losses applicable to subsidiary companies incorporated in Brunei are pre-determined by and subject to the tax legislation of Brunei.

These tax losses will expire as follows:

	Group	
	2024 RM'000	**2023 RM'000**
Expiring in 1 year	159	-
Expiring in 2 years	139	159
Expiring in 3 years	132	139
Expiring in 4 years	17	132
Expiring in 5 years	7,455	17
Expiring later than 5 years	135	8,629
Total Unrecognized Tax Losses	8,037	9,076

Notes to the Financial Statements

December 31, 2024 (continued)

15. Advances to/(from) Related Parties

		Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
Advances to:					
• subsidiaries	(a)	-	-	626	637
Advances from:					
• intermediate holding company	(c)	(11,985)	(11,625)	(11,985)	(11,625)
• immediate holding company	(c)	-	(9,083)	-	(9,083)
• subsidiaries	(d)	-	-	(66,932)	(60,688)
		(11,985)	(20,708)	(78,917)	(81,396)
Current					
Advances to:					
• subsidiaries	(a)	-	-	32,725	59,786
• immediate holding company	(b)	21,276	-	21,276	-
		21,276	-	54,001	59,786
Total net advances to/(from)		9,291	(20,708)	(24,290)	(20,973)

(a) Advances to Subsidiaries

Advances to subsidiaries are unsecured and carry interest rates which range between 2.60% to 4.30% (2023: 2.85% to 4.20%) per annum. Advances of RM626,000 (2023: RM637,000) are not intended to be recalled, in full or in part, within the next 12 months from the reporting date. Advances of RM32,725,000 (2023: 59,786,000) are repayable within the next 12 months.

(b) Advances to Immediate Holding Company

In the current financial year, advances to immediate holding company are unsecured and carry interest rates range between 2.60% to 2.80% per annum.

(c) Advances from Holding Companies

Advances from intermediate holding company and immediate holding company bear interest which ranges between 4.20% to 4.30% (2023: 3.80% to 4.20%) per annum. These advances are unsecured and are not repayable within the next 12 (2023: 12) months.

(d) Advances from Subsidiaries

Advances from subsidiaries are deposits of excess cash placed with the Company and bear interest which ranges between 2.60% to 2.80% (2023: 2.80% to 3.10%) per annum. These advances are unsecured and are not repayable within the next 12 (2023: 12) months.

Notes to the Financial Statements

December 31, 2024 (continued)

16. Inventories

	Group	
	2024 RM'000	2023 RM'000
Raw materials (at cost)	13,345	9,302
Packaging materials (at cost)	3,535	2,659
Finished goods (at lower of cost and net realizable value)	1,072,530	858,369
	1,089,410	870,330

During the financial year, the amount of inventories recognized as an expense in the statement of comprehensive income of the Group was RM7,093,668 (2023: RM6,681,474,000) and the amount written off was RM25,607,000 (2023: RM25,634,000).

17. Right of Return Assets

	Group	
	2024 RM'000	2023 RM'000
Right of return assets	6,324	2,056

Right of return assets are recognized for the right to recover products from customers when the customers exercise their right of return.

18. Trade and Other Receivables

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current					
Trade receivables	(a)	1,733,245	1,635,328	-	-
Third parties		1,732,423	1,634,635	-	-
Related companies		822	693	-	-
Less: Allowance for trade receivables		(21,926)	(19,445)	-	-
		1,711,319	1,615,883	-	-
Other Receivables					
Deposits		9,747	9,174	2	2
Prepayments		2,110	771	199	456
Sundry receivables		29,227	10,920	-	-
Amounts due from:					
• subsidiaries	(b)	-	-	576	158
• related companies	(b)	5,115	874	-	-
		46,199	21,739	777	616

Notes to the Financial Statements

December 31, 2024 (continued)

18. Trade and Other Receivables (continued)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total trade and other receivables		1,757,518	1,637,622	777	616
Add: Advances to related parties (Note 15)		21,276	-	54,627	60,423
Less: Prepayments		(2,110)	(771)	(199)	(456)
Less: Net Goods and Services Tax ("GST") refundable		(626)	(626)	-	-
Add: Cash and bank balances (Note 19)		93,521	39,026	13	19
Total financial assets at amortized cost		1,869,579	1,675,251	55,218	60,602

(a) Trade Receivables

Credit terms of trade receivables range from payment in advance to 120 days (2023: payment in advance to 120 days). They are recognized at their original invoice amounts which represent their fair values on initial recognition.

Aging Analysis of Trade Receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2024 RM'000	2023 RM'000
Neither past due nor impaired	1,558,353	1,488,038
Less than three months past due but not impaired	146,011	121,180
Between three to six months past due but not impaired	6,955	6,472
More than six months past due but not impaired	-	193
	152,966	127,845
Impaired	21,926	19,445
	1,733,245	1,635,328

	Group	
	2024 RM'000	2023 RM'000
Trade receivables - nominal amounts	21,926	19,445
Less: Allowance for trade receivables	(21,926)	(19,445)
	-	-

Notes to the Financial Statements

December 31, 2024 (continued)

18. Trade and Other Receivables (continued)

(a) Trade Receivables (continued)

Set out below is the movement in the allowance accounts used to record the impairment:

	Group	
	2024 RM'000	**2023 RM'000**
Movement in allowance accounts:		
At January 1	19,445	13,644
Allowance for the financial year	3,536	6,213
Reversal of allowance for impairment	(14)	(82)
Written off	(1,041)	(330)
At December 31	21,926	19,445

Trade receivables that are collectively determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

Credit risk management with respect to trade receivables is disclosed in Note 31(d).

The currency exposure profile of net trade receivables is as follows:

	Group	
	2024 RM'000	**2023 RM'000**
Ringgit Malaysia	1,680,013	1,592,612
Brunei Dollar	13,951	15,853
US Dollar	12,378	2,169
Singapore Dollar	1,110	822
Australian Dollar	3,331	3,752
Japanese Yen	-	3
Sterling Pound	-	136
Euro	536	536
	1,711,319	1,615,883

Notes to the Financial Statements

December 31, 2024 (continued)

18. Trade and Other Receivables (continued)

(b) Related Party Balances

The amounts receivable from subsidiaries and related companies are unsecured, non-interest bearing and repayable within 60 days (2023: 60 days).

The currency exposure profile of related party balances is as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Ringgit Malaysia	177	331	576	158
US Dollar	35	371	-	-
Singapore Dollar	18	172	-	-
Brunei Dollar	4,885	-	-	-
	5,115	874	576	158

19. Cash and Bank Balances

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Cash and bank balances, representing total cash and cash equivalents	93,521	39,026	13	19

The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Ringgit Malaysia	77,611	24,259	13	19
US Dollar	11,070	5,802	-	-
Singapore Dollar	864	333	-	-
Euro	316	898	-	-
Swiss Franc	187	214	-	-
Australian Dollar	1,698	3,094	-	-
Thai Baht	854	3,422	-	-
Brunei Dollar	921	1,004	-	-
	93,521	39,026	13	19

Notes to the Financial Statements

December 31, 2024 (continued)

20. Share Capital

	Group and Company			
	Number of Shares		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
Issued and Fully Paid with No Par Value:				
Ordinary shares				
At January 1/December 31	157,658	157,658	182,172	182,172

The holders of ordinary shares are entitled to receive dividends as declared from time to time and entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

21. Retained Earnings

The Company may distribute dividends out of its retained earnings as at December 31, 2024 under the single tier system.

22. Trade and Other Payables

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade Payables				
Third parties	1,591,469	1,394,784	-	-
Other Payables				
Accruals	139,256	118,760	274	216
Sundry payables	60,503	47,438	196	97
Refund liabilities	7,632	7,028	-	-
Amounts due to:				
• intermediate holding company	85	81	85	81
• immediate holding company	227	89	227	89
• subsidiaries	-	-	262	226
• related companies	11,373	5,926	6	-
	219,076	179,322	1,050	709
Total trade and other payables	1,810,545	1,574,106	1,050	709
Add: Advance from related parties (Note 15)	11,985	20,708	78,917	81,396
Less: Refund liabilities	(7,632)	(7,028)	-	-
Add: Borrowings (Note 24)	538,000	443,000	50,000	50,000
Add: Lease liabilities (Note 26)	117,153	127,714	-	-
Total financial liabilities at amortized cost	2,470,051	2,158,500	129,967	132,105

Included in sundry payables are earnout accrued amounting to RM2,400,000 (2023: RM2,400,000) arising from the acquisition of AcuTest during the financial year ended December 31, 2022.

Notes to the Financial Statements

December 31, 2024 (continued)

22. Trade and Other Payables (continued)

The currency exposure profile of payables is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade and Sundry Payables				
Ringgit Malaysia	1,477,175	1,335,842	196	97
Brunei Dollar	314	419	-	-
Swiss Franc	2	2	-	-
US Dollar	142,646	69,964	-	-
Euro	14,698	18,511	-	-
Singapore Dollar	5,222	4,222	-	-
Australian Dollar	6,768	7,468	-	-
Japanese Yen	2,944	1,754	-	-
Thai Baht	1,534	4,022	-	-
New Zealand Dollar	-	18	-	-
Chinese Yuan	669	-	-	-
	1,651,972	1,442,222	196	97
Amounts due to Related Parties				
Ringgit Malaysia	3,055	1,915	580	396
Swiss Franc	3,448	184	-	-
Singapore Dollar	1,694	-	-	-
US Dollar	3,346	3,668	-	-
Thai Baht	95	68	-	-
Brunei Dollar	4	261	-	-
Euro	43	-	-	-
	11,685	6,096	580	396

The average credit terms of payables are as follows:

	Group/Company	
	2024	2023
Trade payables	0 to 390 days	0 to 330 days
Sundry payables	30 days	30 days
Amounts due to related parties	60 days	60 days

The amounts payable to intermediate holding company, immediate holding company, subsidiaries and related companies are unsecured and non-interest bearing.

Notes to the Financial Statements

December 31, 2024 (continued)

23. Derivative Financial Instruments

	Contract Value RM'000	Fair Value RM'000	Asset/ (Liabilities) RM'000
Group			
2024			
Designated as hedging instruments			
Forward foreign exchange contracts			
• at fair value through profit or loss	57,801	807	807
2023			
Designated as hedging instruments			
Forward foreign exchange contracts			
• at fair value through profit or loss	31,791	(4)	(4)

The Group's derivative financial instruments relate to forward foreign exchange contracts which are entered into in currencies other than the Group's functional currency to manage exposure to fluctuations in foreign currency exchange rates on specified transactions.

At December 31, 2024, the settlement dates on open forward contracts ranged between 2 days and 7 months (2023: 4 days and 4 months).

The foreign currency amounts to be received and contractual exchange rates of the Group's outstanding contracts are as follows:

Hedged Item	Currency to be Received	Currency to be Paid	RM'000 Equivalent	Contractual Rate
At December 31, 2024				
Trade Payables:				
EUR 860,881	EUR	MYR	4,040	1EUR=RM4.6931
USD 10,293,294	USD	MYR	44,958	1USD=RM4.3677
AUD 978,528	AUD	MYR	2,828	1AUD=RM2.8900
CHF 633,128	CHF	MYR	3,194	1CHF=RM5.0453
SGD 338,078	SGD	MYR	1,117	1SGD=RM3.3048
THB 12,862,850	THB	MYR	1,664	1THB=RM0.1294
			57,801	
At December 31, 2023				
Trade Payables:				
EUR 151,880	EUR	MYR	768	1EUR=RM5.0544
USD 6,000,842	USD	MYR	27,829	1USD=RM4.6375
AUD 959,154	AUD	MYR	2,942	1AUD=RM3.0670
CHF 47,438	CHF	MYR	252	1CHF=RM5.3139
			31,791	

Notes to the Financial Statements

December 31, 2024 (continued)

24. Borrowings (Unsecured)

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Current				
Revolving credits	453,000	268,000	50,000	50,000
Term loans	85,000	90,000	-	-
	538,000	358,000	50,000	50,000
Non-current				
Term loans	-	85,000	-	-
Total loans and borrowings	538,000	443,000	50,000	50,000

The revolving credits were unsecured and repayable within 12 (2023: 12) months.

The term loans were unsecured fixed rates loans and repayable in full in March 2025 (2023: March 2025).

Weighted average financial year end effective interest rates

	Group		Company	
	2024 %	**2023 %**	**2024 %**	**2023 %**
Revolving credit	3.52 - 4.53	3.62 - 4.52	3.86	3.86
Term loans	4.10 - 4.29	4.10 - 4.29	-	-

Notes to the Financial Statements

December 31, 2024 (continued)

24. Borrowings (Unsecured) (continued)

Reconciliation of Liabilities/(Assets) Arising from Financing Activities

	Lease Liabilities (Note 26) RM'000	Bank Overdraft, Revolving Credits and Term Loans RM'000	Advances from Inter-mediate Holding Company RM'000	Advances from/(to) Immediate Holding Company RM'000	Total RM'000
Group					
At January 1, 2024	127,714	443,000	11,625	9,083	591,422
Net repayments	(37,234)	-	-	-	(37,234)
Net drawdowns	-	95,000	-	-	95,000
New leases	29,755	-	-	-	29,755
Lease modification	(3,068)	-	-	-	(3,068)
Exchange difference	(14)	-	-	-	(14)
Net advances from/(to)	-	-	360	(30,359)	(29,999)
At December 31, 2024	117,153	538,000	11,985	(21,276)	645,862
At January 1, 2023	140,714	363,259	11,289	(3,532)	511,730
Net repayments	(36,669)	-	-	-	(36,669)
Net drawdowns	-	79,741	-	-	79,741
New leases	20,107	-	-	-	20,107
Lease modification	3,553	-	-	-	3,553
Exchange difference	9	-	-	-	9
Net advances from	-	-	336	12,615	12,951
At December 31, 2023	127,714	443,000	11,625	9,083	591,422

	Revolving Credit and Term Loans RM'000	Advances from Inter-mediate Holding Company RM'000	Advances from/(to) Immediate Holding Company RM'000	Advances from/(to) Subsidiaries RM'000	Total RM'000
Company					
At January 1, 2024	50,000	11,625	9,083	265	70,973
Net advances from/(to)	-	360	(30,359)	33,316	3,317
At December 31, 2024	50,000	11,985	(21,276)	33,581	74,290
At January 1, 2023	-	11,289	(3,532)	60,279	68,036
Net drawdown of borrowings	50,000	-	-	-	50,000
Net advances from/(to)	-	336	12,615	(60,014)	(47,063)
At December 31, 2023	50,000	11,625	9,083	265	70,973

Notes to the Financial Statements

December 31, 2024 (continued)

25. Provision for Other Liability

	Group	
	2024 RM'000	**2023 RM'000**
Property restoration cost:		
At January 1	2,833	2,851
Write-back of provision	(21)	(18)
At December 31	2,812	2,833

The amount represents a provision for property restoration cost upon expiry of lease term ranging from 3 to 5 (2023: 4 to 6) years.

26. Leases

Group as a Lessee

The Group has lease contracts for warehouse and office buildings in its operations with lease terms between 2 and 11 years. The Group's obligations under its leases are secured by the lessor's titled to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and therefore income from leasing is insignificant. There are several lease contracts that include extension and termination options and variable lease payments.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the financial year:

	Group	
	Properties	
	2024 RM'000	**2023 RM'000**
At January 1	117,867	132,313
Depreciation charge for the financial year*	(37,578)	(38,115)
Additions	29,755	20,107
Lease modification	(3,068)	3,553
Exchange differences	(14)	9
At December 31	106,962	117,867

* The depreciation charged for the financial year includes RM283,000 (2023: RM280,000), which has been accounted for in the cost of conversion of inventories during the financial year.

Notes to the Financial Statements

December 31, 2024 (continued)

26. Leases (continued)

Group as a Lessee (continued)

Set out below are the carrying amounts of lease liabilities and the movements during the financial year:

	Group	
	2024 RM'000	**2023 RM'000**
At January 1	127,714	140,714
Additions	29,755	20,107
Accretion of interest (Note 7)	5,977	6,740
Payments	(43,211)	(43,409)
Lease modification	(3,068)	3,553
Exchange differences	(14)	9
At December 31	117,153	127,714
Current	33,539	35,735
Non-current	83,614	91,979
	117,153	127,714

The maturity analysis of lease liabilities are disclosed in Note 31(c).

The following are the amounts recognized in profit or loss:

	Group	
	2024 RM'000	**2023 RM'000**
Depreciation of right-of-use assets	37,578	38,115
Interest expenses on lease liabilities (Note 7)	5,977	6,740
Expenses relating to short-term leases (presented as rental expenses)	975	945
Variable lease payments (presented as rental expenses)	3,841	2,879
Total amount recognized in profit or loss	48,371	48,679

The Group had total cash outflows for leases of RM48,027,000 (2023: RM47,233,000). The Group also had non-cash additions to right-of-use assets and lease liabilities RM29,755,000 (2023: RM20,107,00) and RM29,755,000 (2023: RM20,107,000) respectively. The Group does not have future cash outflows relating to leases that have not yet commenced as at December 31, 2024.

Notes to the Financial Statements

December 31, 2024 (continued)

26. Leases (continued)

Group as a Lessor
The Group, with consent from the landlord has entered into operating leases for its leased office. The leases have terms of 3 (2023: 3) years. Rental income recognized by the Group during the year is RM2,355,000 (2023: RM1,869,000).

Future minimum rentals receivable under non-cancellable operating leases as at December 31 are, as follows:

	Group	
	2024 RM'000	2023 RM'000
Within one year	1,595	2,355
Between 1 and 2 years	486	2,081
	2,081	4,436

27. Dividends

Dividends paid in respect of ordinary shares for the financial year are as follows:

	Group and Company			
	2024		2023	
	Gross Dividend per Share Sen	Amount of Dividends RM'000	Gross Dividend per Share Sen	Amount of Dividends RM'000
Special Dividend:				
For financial year ended December 31, 2022 paid on March 20, 2023:				
• single tier	-	-	16.0	25,225
Final Dividend:				
For financial year ended December 31, 2023 paid on July 18, 2024:				
• single tier	17.0	26,802	-	-
For financial year ended December 31, 2022 paid on July 20, 2023:				
• single tier	-	-	16.0	25,225
Dividends in respect of the year	17.0	26,802	32.0	50,450

The Directors have recommended for shareholders' approval, at the forthcoming Annual General Meeting, a final single tier dividend of 19.0 sen per share on 157,658,076 ordinary shares amounting to RM29,955,034. The financial statements for the current financial year do not reflect this proposed final dividend. Such dividend, if approved by the shareholders, will be accounted for in the financial year ending December 31, 2025.

Notes to the Financial Statements

December 31, 2024 (continued)

28. Commitments

Capital commitments

	Group	
	2024 RM'000	2023 RM'000
Property, plant and equipment, approved and contracted for	6,982	842

29. Significant Related Party Transactions

In addition to related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company, and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(a) Sales of Goods and Services:				
Sales of goods and services:				
• related companies (goods)	48,363	5,648	-	-
• related companies (rental)	734	708	-	-
• related companies (cost sharing)	474	758	-	-
• related companies (information technology charges)	77	93	-	-
• related companies (human resources charges)	469	562	-	-
• a related company (warehousing and distribution services)	-	220	-	-
• a related company (regulatory)	32	14	-	-
	50,149	8,003	-	-
Others (interest):				
• subsidiaries	-	-	2,343	1,479
• immediate holding company	33	11	33	11
Others (dividend):				
• subsidiaries	-	-	26,800	50,500
	33	11	29,176	51,990
	50,182	8,014	29,176	51,990

Notes to the Financial Statements

December 31, 2024 (continued)

29. Significant Related Party Transactions (continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(b) Purchases of Goods and Services:				
Purchases of goods and services:				
• related companies (goods)	16,618	14,551	-	-
• a related company (services)	-	7,831	-	-
• a related company (management fee)	10,906	9,376	-	-
• related companies (royalty fee)	6,713	4,377	-	-
• a related company (information technology charges)	38,776	39,057	-	-
	73,013	75,192	-	-
Others (interest):				
• immediate holding company	523	234	523	234
• intermediate holding company	503	459	503	459
• subsidiaries	-	-	1,599	1,703
	1,026	693	2,625	2,396
	74,039	75,885	2,625	2,396
(c) Net Advances from/(to):				
Intermediate holding company	360	336	360	336
Immediate holding company	(30,359)	12,615	(30,359)	12,615
Subsidiaries	-	-	33,316	(60,014)
	(29,999)	12,951	3,317	(47,063)
(d) Compensation of Key Management Personnel				
The remuneration of Directors and other members of key management during the financial year are as follows: Non-executive Directors:				
• fees	198	214	198	214
Key management personnel:				
• Salaries and bonuses	8,016	7,025	-	-
• Defined contribution plan	1,025	1,028	-	-
• Other employee benefits	1,000	1,230	-	-
	10,041	9,283	-	-
	10,239	9,497	198	214

Notes to the Financial Statements

December 31, 2024 (continued)

29. Significant Related Party Transactions (continued)

The related parties of the Group and of the Company are as follows:

Related Parties	Relationships
DKSH Holding Ltd.	Ultimate holding company
DKSH Holdings (Asia) Sdn. Bhd.	Immediate holding company of DRSB
DKSH Resources (Malaysia) Sdn. Bhd. ("DRSB")	Immediate holding company
DKSH Distribution Malaysia Sdn. Bhd.	Subsidiary
DKSH (B) Sdn. Bhd.	Subsidiary
DKSH Central Services Malaysia Sdn. Bhd.	Subsidiary
DKSH Malaysia Sdn. Bhd.	Subsidiary
DKSH Management Malaysia Sdn. Bhd.	Subsidiary
The Famous Amos Chocolate Chip Cookie Corporation (M) Sdn. Bhd.	Subsidiary
FACC (B) Sdn. Bhd.	Subsidiary
DKSH Food Services (M) Sdn. Bhd.	Subsidiary
DKSH Manufacturing Sdn. Bhd.	Subsidiary
DKSH Market Expansion Services Sdn. Bhd.	Subsidiary
AcuTest Systems (M) Sdn. Bhd.	Subsidiary
DKSH Corporate Shared Services Center Sdn. Bhd.	Related company
DKSH Luxury & Lifestyle (Malaysia) Sdn. Bhd.	Related company
DKSH Technology Sdn. Bhd.	Related company
DKSH Singapore Pte. Ltd.	Related company
DKSH Smollan Field Marketing (Malaysia) Sdn. Bhd.^	Related company
PT DKSH (Indonesia), Jakarta	Related company
DKSH (Thailand) Ltd.	Related company
DKSH Japan K.K., Tokyo	Related company
Medinova AG	Related company
DKSH Management Ltd.	Related company
DKSH Market Expansion Services Pte. Ltd.	Related company
DKSH South East Asia Pte. Ltd.	Related company
DKSH South East Asia Pte. Ltd. (SG Division)	Related company
FAVOREX Pte. Ltd.	Related company
DKSH Switzerland Ltd.	Related company
DKSH Vietnam Co. Ltd.	Related company
DKSH Philippines Inc.	Related company
DKSH Marketing Services Pte. Ltd.	Related company
DKSH Hong Kong Ltd.	Related company
Edward Keller (Philippines) Inc.	Related company
DKSH Performance Materials Malaysia Sdn. Bhd.	Related company
DKSH (Myanmar) Ltd.	Related company

Notes to the Financial Statements

December 31, 2024 (continued)

29. Significant Related Party Transactions (continued)

Related Parties	Relationships
DKSH Performance Materials Australia Pty Ltd	Related company
PT Wicaksana Overseas International Tbk	Related company
DKSH Performance Materials Singapore Pte. Ltd.	Related company
DNIV Electronics Sdn. Bhd.	Related company
DKSH BRN Sdn. Bhd.*	Related company

Subsidiary refers to companies within the listed Group of DKSH Holdings (Malaysia) Berhad ("DHMB Group").

Related company refers to companies outside of the DHMB Group but are companies under the DKSH Holding Ltd. Group of companies.

^ Ceased to be a related company effective from July 1, 2023.
* A related company effective from March 1, 2024.

30. Segmental Information

The Group is organized into three main business segments:

- Consumer Goods
- Healthcare
- Others - Famous Amos chocolate chip cookie business and central overheads

All the major operations of the Group are carried out in Malaysia. The segment reports as presented below had been reviewed by the chief operating decision maker.

(a) Primary Reporting Format - Business Segments

	Consumer Goods RM'000	Healthcare RM'000	Others RM'000	Eliminations RM'000	Group RM'000
At December 31, 2024					
Revenue					
Sale of goods	4,252,283	3,457,416	103,248	-	7,812,947
Rendering of services	32,898	97,511	-	-	130,409
Segment revenue	4,285,181	3,554,927	103,248	-	7,943,356
Intersegment revenue	2,030	-	-	(2,030)	-
Revenue	4,287,211	3,554,927	103,248	(2,030)	7,943,356
Results					
Segment results	108,639	79,241	434	-	188,314
Finance costs					(25,684)
Income tax expense					(39,506)
Profit for the financial year					123,124

Notes to the Financial Statements

December 31, 2024 (continued)

30. Segmental Information (continued)

(a) Primary Reporting Format - Business Segments (continued)

	Consumer Goods RM'000	Healthcare RM'000	Others RM'000	Eliminations RM'000	Group RM'000
At December 31, 2024					
Net Assets					
Segment assets	1,971,894	1,250,063	82,999	-	3,304,956
Unallocated assets					175,769
Total assets					3,480,725
Segment liabilities	(734,484)	(905,044)	(69,094)	-	(1,708,622)
Unallocated liabilities					(784,156)
Total liabilities					(2,492,778)
Other Information					
Capital expenditure	4,146	3,975	4,838	-	12,959
Depreciation of property, plant and equipment	2,548	4,607	4,076	-	11,231
Depreciation on right-of-use assets	19,456	8,379	9,743	-	37,578
Amortization of intangible assets	3,052	1,788	-	-	4,840
(Reversal of allowance for)/allowance for trade receivables	(684)	4,220	(14)	-	3,522
Inventories written off	20,294	4,948	365	-	25,607
At December 31, 2023					
Revenue					
Sale of goods	4,115,260	3,190,473	88,059	-	7,393,792
Rendering of services	40,175	90,347	-	-	130,522
Segment revenue	4,155,435	3,280,820	88,059	-	7,524,314
Intersegment revenue	1,865	-	-	(1,865)	-
Revenue	4,157,300	3,280,820	88,059	(1,865)	7,524,314
Results					
Segment results	100,703	77,448	(4,257)	-	173,894
Finance costs					(26,691)
Income tax expense					(36,688)
Profit for the financial year					110,515

Notes to the Financial Statements

December 31, 2024 (continued)

30. Segmental Information (continued)

(a) Primary Reporting Format - Business Segments (continued)

	Consumer Goods RM'000	Healthcare RM'000	Others RM'000	Eliminations RM'000	Group RM'000
At December 31, 2023					
Net Assets					
Segment assets	1,832,673	1,095,500	71,109	-	2,999,282
Unallocated assets					71,640
Total assets					3,070,922
Segment liabilities	(689,400)	(776,509)	(56,589)	-	(1,522,498)
Unallocated liabilities					(656,791)
Total liabilities					(2,179,289)
Other Information					
Capital expenditure	2,191	4,089	5,582	-	11,862
Depreciation of property, plant and equipment	2,567	4,545	3,209	-	10,321
Depreciation on right-of-use assets	20,426	8,327	9,362	-	38,115
Amortization of intangible assets	12,159	1,737	-	-	13,896
Allowance for/(reversal of allowance for) trade receivables	6,093	119	(81)	-	6,131
Inventories written off	21,423	3,912	299	-	25,634

Segment assets consist primarily of property, plant and equipment, intangible assets, right-of-use assets, inventories, right of return assets, and trade receivables. Segment liabilities comprise primarily of trade payables and lease liabilities. Capital expenditure comprises additions to property, plant and equipment (Note 11).

	Group	
	2024 RM'000	2023 RM'000
Unallocated assets mainly consists of:		
Cash and bank balances	93,521	39,026
Other receivables	46,199	21,739
Deferred tax assets	13,030	8,864
Others	23,019	2,011
	175,769	71,640

Notes to the Financial Statements

December 31, 2024 (continued)

30. Segmental Information (continued)

(a) Primary Reporting Format - Business Segments (continued)

	Group	
	2024 RM'000	**2023 RM'000**
Unallocated liabilities mainly consists of:		
Accruals and sundry payables	(199,759)	(166,198)
Bank overdraft	-	-
Revolving credit	(453,000)	(268,000)
Advances from holding companies	(11,985)	(20,708)
Term loans	(85,000)	(175,000)
Amounts due to:		
• intermediate holding company	(85)	(81)
• immediate holding company	(227)	(89)
• related companies	(11,373)	(5,926)
Deferred tax liabilities	(897)	(1,886)
Others	(21,830)	(18,903)
	(784,156)	(656,791)

(b) Secondary Reporting Format - Geographical Segments

Although the Group has two operations in Brunei Darussalam, there is no disclosure of the operations as separate geographical segment as the revenue contributed by the foreign incorporated companies are not material to constitute an independent geographical segment as stipulated under MFRS 8: Operating Segments.

31. Financial Risk Management Objectives and Policies

The activities of the Group and of the Company expose the Group and the Company to a variety of financial risks, in the areas of interest rate risk, foreign currency risk, liquidity risk and credit risk. The Group's and the Company's overall financial risk management objective is to ensure that the Group and the Company are adequately protected. Financial risk management involves risk reviews, monitoring of the compliance of internal control systems and adherence to DKSH Holding Ltd. Group's financial risk management policies.

(a) Interest Rate Risk

Interest rate exposures arise from the Group's and the Company's borrowings and advances from immediate and intermediate holding company and subsidiaries. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

At the reporting date, the interest rate profile of the interest-bearing financial instruments is as below:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Net financial liabilities:				
• Fixed rate instruments	(85,000)	(175,000)	-	-
• Floating rate instruments	(443,709)	(288,708)	(74,290)	(70,973)
	(528,709)	(463,708)	(74,290)	(70,973)

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

Notes to the Financial Statements

December 31, 2024 (continued)

31. Financial Risk Management Objectives and Policies (continued)

(a) Interest Rate Risk (continued)

Fair Value Sensitivity Analysis for Fixed Rate Instruments
The Group and the Company do not account for any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the statements of comprehensive income.

Sensitivity Analysis for Floating Rate Instruments
A change of 5% in interest rates at the reporting date would result in the profit before tax to be higher/(lower) by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Floating rate instruments (denominated in RM):				
5% increase	(59)	(52)	(5)	(16)
5% decrease	59	52	5	16

(b) Foreign currency risk
The Group is exposed to transactional currency risk primarily through sales, purchases and payments on behalf that are denominated in a currency other than the functional currency to which they relate. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Brunei Dollar ("BND"), Euro ("EUR"), Swiss Franc ("CHF"), Australian Dollar ("AUD"), Thai Baht ("THB"), Sterling Pound ("GBP"), Singapore Dollar ("SGD"), Japanese Yen ("JPY"), New Zealand Dollar ("NZD") and Chinese Yuan ("CNY").

The Group is required to hedge its foreign currency risk exposure arising from foreign currency cash flows that are not naturally offset by a simultaneous opposite commercial transaction in the same currency or mitigated in another way against its functional currency.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in its functional currency are as follows:

	Note
Trade receivables	18 (a)
Due from related companies	18 (b)
Cash and bank balances	19
Trade and other payables	22
Due to related companies	22

Notes to the Financial Statements

December 31, 2024 (continued)

31. Financial Risk Management Objectives and Policies (continued)

Sensitivity Analysis for Foreign Currency Risk
The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD, BND, EUR, CHF, AUD, THB, GBP, SGD, JPY, NZD and CNY exchange rates against the functional currency of the Group entities, with all other variables held constant.

		Group	
		2024	2023
		Profit Net of Tax RM'000	Profit Net of Tax RM'000
USD/RM	• strengthened 5%	(3,669)	(2,290)
	• weakened 5%	3,669	2,290
BND/RM	• strengthened 5%	729	614
	• weakened 5%	(729)	(614)
EUR/RM	• strengthened 5%	(517)	(649)
	• weakened 5%	517	649
CHF/RM	• strengthened 5%	(122)	1
	• weakened 5%	122	(1)
AUD/RM	• strengthened 5%	(63)	(21)
	• weakened 5%	63	21
THB/RM	• strengthened 5%	(29)	(25)
	• weakened 5%	29	25
GBP/RM	• strengthened 5%	-	5
	• weakened 5%	-	(5)
SGD/RM	• strengthened 5%	(185)	(110)
	• weakened 5%	185	110
JPY/RM	• strengthened 5%	(110)	(67)
	• weakened 5%	110	67
NZD/RM	• strengthened 5%	-	(1)
	• weakened 5%	-	1
CNY/RM	• strengthened 5%	27	-
	• weakened 5%	(27)	-

(c) Liquidity Risk

The Group and the Company manage operating cash flows and the availability of funding so as to ensure that all refinancing, repayment, and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. The Company relies on the distribution of dividends and interest income from subsidiaries to meet its working capital requirements.

Notes to the Financial Statements

December 31, 2024 (continued)

31. Financial Risk Management Objectives and Policies (continued)

(c) Liquidity Risk (continued)

The table below analyzes the Group's and the Company's financial liabilities into relevant maturity profile based on the remaining period in the statements of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying amounts as the impact of discounting is insignificant.

Analysis of Undiscounted Financial Instruments by Remaining Contractual Maturities

	Within 1 Year RM'000	1 to 5 Years RM'000	More than 5 Years RM'000	Total RM'000
Group				
2024				
Trade and other payables	1,802,913	-	-	1,802,913
Borrowings and advances from holding companies	539,367	12,500	-	551,867
Lease liabilities	43,648	95,192	23,795	162,635
Derivatives - settled net	57,801	-	-	57,801
	2,443,729	107,692	23,795	2,575,216
2023				
Trade and other payables	1,567,078	-	-	1,567,078
Borrowings and advances from holding companies	364,252	107,425	-	471,677
Lease liabilities	41,539	87,186	17,456	146,181
Derivatives - settled net	31,791	-	-	31,791
	2,004,660	194,611	17,456	2,216,727

	Within 1 Year RM'000	1 to 5 Years RM'000	Total RM'000
Company			
2024			
Trade and other payables	1,050	-	1,050
Borrowings, advances from subsidiaries and holding companies	52,255	81,172	133,427
	53,305	81,172	134,477
2023			
Trade and other payables	709	-	709
Borrowings, advances from subsidiaries and holding companies	52,569	83,850	136,419
	53,278	83,850	137,128

Notes to the Financial Statements

December 31, 2024 (continued)

31. Financial Risk Management Objectives and Policies (continued)

(d) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and other financial instruments.

The Group's current credit risk grading framework comprises the following categories:

Category	Definition of Category	Basis for Recognizing Expected Credit Loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is more than 270 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL
III	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

	Note	Category	12-month or Lifetime ECL	Gross Carrying Amount RM'000	Loss Allowance RM'000	Net Carrying Amount RM'000
Group						
At December 31, 2024						
Trade receivables - third parties	18	Note 1	Lifetime ECL (simplified)	1,732,423	(21,926)	1,710,497
Sundry receivables	18	I	12-month ECL	29,227	-	29,227
Amounts due from related companies (trade and non-trade)	18	I	12-month ECL	5,937	-	5,937
					(21,926)	
At December 31, 2023						
Trade receivables - third parties	18	Note 1	Lifetime ECL (simplified)	1,634,635	(19,445)	1,615,190
Sundry receivables	18	I	12-month ECL	10,920	-	10,920
Amounts due from related companies (trade and non-trade)	18	I	12-month ECL	1,567	-	1,567
					(19,445)	
Company						
At December 31, 2024						
Advances to related parties	15	I	12-month ECL	54,627	-	54,627
Amounts due from:						
• related parties (non-trade)	18	I	12-month ECL	576	-	576
					-	
At December 31, 2023						
Advances to related parties	15	I	12-month ECL	60,423	-	60,423
Amounts due from:						
• fellow subsidiaries (non-trade)	18	I	12-month ECL	158	-	158

Notes to the Financial Statements

December 31, 2024 (continued)

31. Financial Risk Management Objectives and Policies (continued)

(d) Credit Risk (continued)

Note 1 Trade receivables
For trade receivables, the Group has applied the simplified approach in MFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Other Receivables, Advances to Subsidiaries and Immediate Holding Company, and Amounts due from Subsidiaries and Related Companies
Expected credit loss is determined individually after considering the historical default experience and financial strength. Based on management's assessment, the probability of the default of these receivables is low and hence, ECL is insignificant.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets. However, the Company has a significant concentration of credit risk in the form of advances to subsidiaries and immediate holding company.

(e) Fair Values
The carrying amounts of the following financial assets and liabilities approximate their fair values due to the relatively short term maturity of these financial instruments: cash and bank balances, receivables and payables (including amounts due to/ from related companies) and short-term borrowings.

Set out below is a comparison, of the carrying amounts and fair value of the financial instruments (classified as Level 2 financial instruments in accordance with MFRS 7 Financial Instruments: Disclosures classification hierarchy), other than those carrying amounts that are reasonable approximations of fair values:

	2024		2023	
	Carrying Amount RM'000	Fair Value (Level 2) RM'000	Carrying Amount RM'000	Fair Value (Level 2) RM'000
Group				
Financial assets				
Derivative financial instruments	807	807	-	-
Financial Liabilities				
Derivative financial instruments	-	-	4	4
Interest-bearing borrowings Fixed rate term loans	85,000	78,182	175,000	170,703

Notes to the Financial Statements

December 31, 2024 (continued)

31. Financial Risk Management Objectives and Policies (continued)

(e) Fair Values (continued)

The fair value of the fixed term loans are determined by using the discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting date.

The Group and the Company do not have any financial instruments classified as Level 1 and Level 3 as at December 31, 2024, and 2023.

32. Capital Management

The primary objective of the Group's and the Company's capital management is to maintain an optimal capital structure in order to support their business via a mixture of equity and its debt obligation in adherence to DKSH Holding Ltd. Group's financial risk management policies.

The Group and the Company optimize the overall capital management performance through improvement in the cash flows. The Group's and the Company's cash flows management focuses on inventories, receivables, and payables by ensuring that they have sufficient liquidity to meet their obligations. No significant changes were made in the objectives, policies or processes during the financial years ended December 31, 2024, and December 31, 2023.

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Borrowings and advances from related parties	549,985	463,708	128,917	131,396
Less: Cash and bank balances	(93,521)	(39,026)	(13)	(19)
Net debt	456,464	424,682	128,904	131,377
Equity attributable to the owners of the parent, representing total capital	987,947	891,633	489,370	492,742
Total capital and net debt	1,444,411	1,316,315	618,274	624,119
% of net debt to total capital and net debt	32%	32%	21%	21%

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one group/company to another.

Notes to the Financial Statements

December 31, 2024 (continued)

33. Significant event subsequent to the financial year end

DKSH Malaysia Sdn Bhd ("Issuer"), a wholly-owned subsidiary of the Company has established a proposed issuance, offer or invitation to subscribe or purchase of medium term notes ("MTN") and commercial papers ("CP") (collectively, the "Notes") under, respectively, a medium term notes programme ("MTN Programme") and a commercial papers programme ("CP Programme") (collectively, the "Programmes") which have a combined aggregate limit of up to RM800 million in nominal value guaranteed by the Company for the issuance of Notes thereunder. On March 25, 2025, the Issuer successfully issued sustainability-linked MTN of RM300 million with a tenure of 3 years. The sustainability-linked MTN are unrated.

The proceeds raised from the sustainability-linked MTN under the MTN Programme shall be utilized for the following purposes:

(a) to finance/reimburse or part finance/reimburse investments, acquisition, capital expenditure and/or working capital requirements of DKSH Malaysia Sdn Bhd and its subsidiaries ("Issuer Group");

(b) for general corporate purposes; and/or

(c) to refinance debt obligations of the Issuer Group.

Analysis of Shareholdings

As of March 26, 2025

Total number of issued shares	:	157,658,076
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share
Number of shareholders	:	3,191

Analysis by Size of Shareholdings (as per the Record of Depositors)

Size of Holdings	No. of Holders	% of Holders	No. of Shares Held	% of Issued Shares
Less than 100	243	7.62	1,715	Negligible
100 to 1,000	1,407	44.10	1,068,108	0.68
1,001 to 10,000	1,144	35.85	4,467,608	2.83
10,001 to 100,000	331	10.37	9,701,468	6.15
100,001 to less than 5% of issued shares	65	2.04	25,264,101	16.02
5% and above of issued shares	1	0.03	117,155,076	74.31
Total	**3,191**	**100.00**	**157,658,076**	**100.00**

Directors' Interests in Shares in the Company (as per the Register of Directors' Shareholdings)

	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Oh Sae Ung	-	-	-	-
Richard Lai Tak Loi	-	-	-	-
Dr. Leong Yuen Yoong	-	-	-	-
Datin Suryani binti Ahmad Sarji	-	-	-	-
Senthilathiban a/l Thirunilakantan	-	-	-	-
Sandeep Tewari	-	-	-	-

Save as disclosed above, none of the Directors had any interest in shares of the Company or its related corporations.

Analysis of Shareholdings

As of March 26, 2025 (continued)

Shareholdings of Substantial Shareholders in the Company (as per the Register of Substantial Shareholders)

	Direct interest		Deemed interest	
Name	**No. of Shares Held**	**% of Issued Shares**	**No. of Shares Held**	**% of Issued Shares**
DKSH Resources (Malaysia) Sdn Bhd	117,155,076	74.31	–	–

Top 30 Largest Shareholders (as per the Record of Depositors)

	Name	No. of Shares Held	% of Issued Shares
1.	DKSH Resources (Malaysia) Sdn Bhd	117,155,076	74.31
2.	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank Ag Singapore for Pangolin Asia Fund	4,274,600	2.71
3.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastspring Investments Small – Cap Fund	2,206,900	1.40
4.	Neoh Choo EE & Company, Sdn. Berhad	2,000,000	1.27
5.	Citigroup Nominees (Tempatan) Sdn Bhd Lembaga Tabung Haji (Eastspring)	1,136,000	0.72
6.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Yee Hui	930,000	0.59
7.	HSBC Nominees (Asing) Sdn Bhd Caceis Bank for HMG Globetrotter	744,101	0.47
8.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	617,300	0.40
9.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Khoo Bee Lian	614,300	0.39
10.	Wong Lok Jee @ Ong Lok Jee	512,000	0.32
11.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Susy Ding	494,700	0.31
12.	Kenanga Nominees (Asing) Sdn Bhd Exempt An For Phillip Securities Pte Ltd (A/C Clients)	441,800	0.28
13.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kian Aik	438,200	0.28
14.	Affin Hwang Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Little Rain Assets Limited	430,000	0.27

Analysis of Shareholdings

As of March 26, 2025 (continued)

Top 30 Largest Shareholders (as per the Record of Depositors) (continued)

	Name	No. of Shares Held	% of Issued Shares
15.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Dynaquest Sdn. Bhd. (PB)	400,000	0.25
16.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for See Hock Chuan (E-BPT)	400,000	0.25
17.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tay Ong Ngo @ Tay Boon Fang	375,000	0.24
18.	Tan Aik Choon	370,700	0.24
19.	Lee Yau Chew	360,000	0.23
20.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Investment Al-Faid (4389)	344,400	0.22
21.	Tan Hock Hin	308,000	0.20
22.	Chong Ah Suan	300,000	0.19
23.	Phillip Nominees (Tempatan) Sdn Bhd Exempt An For Phillip Capital Management Sdn Bhd (EPF)	294,300	0.19
24.	Tan Sai Peng @ Tan Kit Ho	276,300	0.18
25.	Tay Boon Teck	268,500	0.17
26.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh Peng Seng (CCTS)	265,000	0.17
27.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd.	252,900	0.16
28.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Boon Keat	244,000	0.15
29.	Sik Ming Hing	229,100	0.15
30.	Nahoorammah a/p Sithamparam Pillay	225,000	0.14
	Total	**139,171,477**	**88.28**

Notice of Annual General Meeting

Notice is hereby given that the Thirty-Third Annual General Meeting ("33rd AGM") of DKSH Holdings (Malaysia) Berhad (199101021067 (231378-A)) ("the Company") will be held on Wednesday, May 14, 2025, at 10:00 a.m. at Ballroom I & II, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan to transact the following businesses:

Agenda

As Ordinary Business:

1. To receive the Audited Financial Statements of the Company for the financial year ended December 31, 2024 and the Reports of the Directors and Auditors thereon.
   (Refer Note 9)

2. To approve the Directors' fees payable up to an amount of RM280,000 for the period from May 15, 2025, until the next Annual General Meeting of the Company to be held in 2026.
   Ordinary Resolution 1

3. To re-elect Mr. Richard Lai Tak Loi who retires pursuant to Article 105 of the Constitution of the Company.
   Ordinary Resolution 2

4. To re-elect Dr Leong Yuen Yoong who retires pursuant to Article 105 of the Constitution of the Company.
   Ordinary Resolution 3

5. To re-elect Mr. Oh Sae Ung who retires pursuant to Article 101 of the Constitution of the Company.
   Ordinary Resolution 4

6. To re-elect Datin Suryani binti Ahmad Sarji who retires pursuant to Article 101 of the Constitution of the Company.
   Ordinary Resolution 5

7. To re-elect Mr. Senthilathiban A/L Thirunilakantan who retires pursuant to Article 101 of the Constitution of the Company.
   Ordinary Resolution 6

8. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending December 31, 2025, and to authorize the Directors to fix their remuneration.
   Ordinary Resolution 7

As Special Business:

9. **Final Single Tier Dividend**
   "THAT the payment of a final single tier dividend of 19.0 sen per ordinary share in respect of the financial year ended December 31, 2024 be hereby approved."
   Ordinary Resolution 8

10. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**
    "THAT, subject to the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("DKSH Group") to enter into all arrangements and/or transactions of a revenue or trading nature involving the interests of Directors, major shareholders or persons connected with the Directors and/or major shareholders of DKSH Group ("Related Parties") as specified in Section 2.5(a) of the Circular to Shareholders dated April 15, 2025 ("Proposed Shareholders' Mandate") provided that such arrangements and/or transactions are:
    (i) recurrent transactions of a revenue or trading nature;
    (ii) necessary for the day-to-day operations; and
    (iii) carried out in the ordinary course of business on normal commercial terms which are consistent with DKSH Group's normal business practices and policies, on terms and price not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

    AND THAT such authority conferred by the shareholders of the Company upon passing of this resolution pertaining to the Proposed Shareholders' Mandate will continue to be in force until:
    (i) the conclusion of the next Annual General Meeting of the Company at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed; or
    (ii) the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
    (iii) until the authority is revoked or varied by a resolution passed by the shareholders in a general meeting,

    whichever is the earlier.

    AND THAT the Directors of the Company be and are hereby empowered to complete and to do all such acts and things, including executing all such documents as may be required, as they may consider expedient or necessary to give effect to this resolution."
    Ordinary Resolution 9

11. To transact any other business of which due notice is given.

Notice of Annual General Meeting (continued)

Notice of Dividend Entitlement and Payment Dates

Notice is also hereby given that subject to the approval of members at the 33rd AGM of DKSH Holdings (Malaysia) Berhad (199101021067 (231378-A)) ("the Company") to be held on Wednesday, May 14, 2025, a final single tier dividend of 19.0 sen per share in respect of the financial year ended December 31, 2024 will be paid on July 31, 2025 to shareholders whose names appear in the Record of Depositors of the Company on July 3, 2025.

A Depositor shall qualify for entitlement to the dividend in respect of:
(i) shares transferred into the Depositor's securities account before 4.30 p.m on July 3, 2025, in respect of transfers; and
(ii) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

By order of the Board

Serene Lee Huey Fei
(SSM PC No. 202208000450)
(LS0009912)

Company Secretary

Petaling Jaya
April 15, 2025

Notes:

Proxy

1. A member of the Company entitled to attend and vote at a general meeting of the Company is entitled to appoint proxy(ies) to attend, vote and speak on such member's behalf. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.

2. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.

3. The instrument appointing a proxy shall:
   (i) in the case of an individual, be signed by the appointer or by his/her attorney; and
   (ii) in the case of a corporation, be either under its common seal or under the hand of an officer or attorney duly authorised.

4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportion of the shareholdings to be represented by each proxy in the instrument appointing the proxies.

5. The instrument appointing the proxy must be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its drop-in box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, not less than 48 hours before the time appointed for holding the meeting or adjournment thereof; otherwise the instrument of proxy shall not be treated as valid and person so named shall not be entitled to vote in respect thereof. Only original copies of the duly executed form of proxy are acceptable. Alternatively, you may submit the proxy appointment electronically via TIIH Online at https://tiih.online before the proxy form cut off time as mentioned above. Kindly refer to the Administrative Guide for the 33rd AGM for further information on the electronic submission of proxy form.

6. The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so.

Entitlement to attend AGM

7. For the purpose of determining members who shall be entitled to attend the 33rd AGM, only the Company's members whose names appear in the Record of Depositors of the Company maintained by Bursa Malaysia Depository Sdn Bhd on May 7, 2025, shall be entitled to attend the said meeting or appoint proxies to attend, vote, and speak on their behalf.

Voting by poll

8. Pursuant to Paragraph 8.29A (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice will be put to vote by poll.

Notice of Annual General Meeting (continued)

Audited Financial Statements and the Reports of the Directors and Auditors thereon

9. The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

Directors' fees

10. Pursuant to Section 230(1) of the CA 2016, fees and benefits payable to Directors of the Company will have to be approved by shareholders at a general meeting. In this respect, the Board has agreed that the shareholders' approval shall be sought at the 33rd AGM on the Directors' fees payable with effect from May 15, 2025, until the next AGM in 2026.

    The Directors' fees of an amount up to RM 280,000 are payable to Non-Executive Directors ("NEDs") who are not employed by DKSH group of companies. The Directors' fees are calculated based on the assumption that all the NEDs will remain in office until the next AGM in 2026 and have included additional provisional sum for future increase in directors' fees of NEDs. There is no change in the structure of the proposed Directors' fees for the period from May 15, 2025, until the next AGM in 2026. The Board will seek shareholders' approval at the next AGM in the event the Directors' fees proposed is insufficient.

Re-election of Directors who retire pursuant to Articles 105 and 101 of the Constitution of the Company

11. Mr. Richard Lai Tak Loi, Dr Leong Yuen Yoong, Mr. Oh Sae Ung, Datin Suryani binti Ahmad Sarji and Mr. Senthilathiban A/L Thirunilakantan are due for retirement at this 33rd AGM and being eligible, have offered themselves for re-election as Directors of the Company. The abovementioned Directors have met the relevant requirements under the fit and proper assessment and the Nomination and Remuneration Committee had assessed that each individual Director was fit and proper to continue to hold the position as a Director of the Company. The Nomination and Remuneration Committee is also of the view that Oh Sae Ung, Datin Suryani binti Ahmad Sarji and Senthilathiban A/L Thirunilakantan who were recently appointed to the Board on July 5, 2024, November 21, 2024, respectively would be able to provide valuable contributions to the Company based on his qualification, skills and experience. Premised on the satisfactory outcome of the assessments, the Board has considered the Nomination and Remuneration Committee's evaluation of the eligibility of the five retiring Directors and is satisfied that they will continue to bring their knowledge, experience and skills and contribute effectively to the Board's discussions, deliberations and decisions.

Re-appointment of Auditors

12. Messrs Ernst & Young PLT ("EY"), the auditors of the Company have expressed their willingness to continue in office as auditors of the Company for the financial year ending December 31, 2025. The Board has approved the Audit Committee's recommendation that they be retained having considered relevant feedback on their experience, performance and independence.

Explanatory Note to Special Business:

Final Single Tier Dividend

1. With reference to Section 131 of the Companies Act 2016 ("CA 2016"), a Company may only make a distribution to the shareholders out of profits of the Company available if the Company is solvent. On April 15, 2025, the Board had considered the amount of dividend and decided to recommend the same for the shareholders' approval. The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on July 31, 2025, in accordance with the requirements under Section 132(2) and (3) of CA 2016.

2. **Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**
   The proposed Ordinary Resolution 9, if passed, will renew the authority obtained at the last AGM in 2024 and allow DKSH Group to enter into recurrent related party transactions with DKSH Holding Ltd. and its subsidiaries involving the interests of Directors, major shareholders or persons connected with the Directors and/or major shareholders of DKSH Group, which are of a revenue or trading nature and necessary for DKSH Group's day-to-day operations.

   Further information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated April 15, 2025.

Statement Accompanying Notice of Thirty-Third Annual General Meeting
(pursuant to paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Mr. Richard Lai Tak Loi is standing for re-election as Director of the Company. His profile is set out as below:

Mr. Richard Lai Tak Loi, aged 54, male, a Singaporean, was appointed to the Board of DKSH Holdings (Malaysia) Berhad on November 4, 2022, as an Independent Non-Executive Director and Chairman of the Audit Committee.

Notice of Annual General Meeting (continued)

He graduated with a Bachelor of Arts in Economics majoring in Accounting and Finance from the University of Manchester, United Kingdom. Mr. Richard Lai has more than 30 years of working experience in various industries from financial services, property development and investment to eCommerce, shipping, supply chain and logistics. He started his career as a banker in Kuala Lumpur, Malaysia, before moving to Singapore to join the corporate sector. For the past 20 years, Mr. Richard Lai held various C-suite positions at SGX-listed entities such as CEO at Mapletree Logistics Trust, and Group CFO at GuocoLand Limited and later, Singapore Post Limited. He was last the Group CFO at IMC Pan Asia Alliance Pte Ltd (now known as Tsao Pau Chee), a position he relinquished since June 2023.

Mr. Richard Lai is a seasoned corporate professional with strong entrepreneurial skills and a proven track record in developing strategy, driving business transformation, and establishing and growing financial value of businesses. He has served as a key advisor on various governance committees.

He does not hold any directorship in other public companies. He does not have any family relationship with any Director and/or major shareholder of DKSH Holdings (Malaysia) Berhad and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

He has no convictions for offences within the past five years nor any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

Mr. Richard Lai attended all four Board meeting held during the financial year ended December 31, 2024.

Dr. Leong Yuen Yoong is standing for re-election as Director of the Company. Her profile is set out as below:

Dr. Leong Yuen Yoong, aged 47, female, a Malaysian, was appointed to the Board of DKSH Holdings (Malaysia) Berhad on June 16, 2021 as an Independent Non-Executive Director and a member of the Audit Committee.

Dr. Leong was then appointed as the Chairman of the Nomination & Remuneration Committee. Currently, Dr. Leong is an Independent Non-Executive Director, member of the Audit Committee, and Chairman of the Nomination & Remuneration Committee of the Company.

Dr. Leong is a recognised leader in sustainability, driving Sustainability Studies at the UN Sustainable Development Solutions Network, Asia Headquarters, and serving as a Professor at Sunway University. She cultivates future sustainability leaders through research mentorship and shapes energy policy through rigorous analysis and strategic engagement with policymakers. Her expertise encompasses managing complex, multi-country projects and leading multidisciplinary teams to analyse climate policy, focusing on de-carbonisation pathways and integrating renewable energy solutions, particularly within critical energy systems. She also works on empowering resilient futures by climate-proofing power systems and communities, and on natural ecosystem re-carbonisation, for comprehensive policy recommendations.

Dr. Leong's career is marked by a diverse background, beginning in prominent organizations such as Golden Hope Plantations Berhad, Sime Darby Berhad, and the Malaysian Life Sciences Capital Fund. She further demonstrated her entrepreneurial spirit by co-founding WAYY Consulting and Natural Ease.

Dr. Leong holds a Ph.D. in International Manufacturing Strategy and Network Systems from the University of Cambridge and a Master of Engineering in Electrical and Electronic Engineering from Imperial College London. Her commitment to lifelong learning is further exemplified by her Certificate in Business Sustainability Management from the University of Cambridge Institute for Sustainability Leadership.

Dr. Leong does not hold any directorship in other public companies and listed companies. She does not have any family relationship with any Director and/or major shareholder of DKSH Holdings (Malaysia) Berhad and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Dr. Leong has no convictions for offences within the past five years nor any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

Dr. Leong attended all four Board meetings held during the financial year ended December 31, 2024.

Mr. Oh Sae Ung is standing for re-election as Director of the Company. His profile is set out as below:

Mr. Oh Sae Ung (also known as Sam Oh), aged 58, male, an American, was appointed to the Board of DKSH Holdings (Malaysia) Berhad on July 5, 2024, as a Non-Independent Non-Executive Director. On November 21, 2024, he was re-designated as the Non- Independent Non-Executive Chairman of DKSH Holdings (Malaysia) Berhad and was appointed as a Member of the Nomination and Remuneration Committee of the Company.

Notice of Annual General Meeting (continued)

He holds a bachelor's degree in mathematics and computer science from the University of California, San Diego, United States of America ("USA").

He started his career in the USA in 1990 at Fujitsu Systems of America. From 1998 to 2004, he held various senior positions at Tesco Plc (Tesco Lotus), Thailand before returning to USA in 2004 to rejoin Fujitsu Systems of America as Vice President, Business Development. From 2006 to 2018, he held positions including Chief Information Officer and Vice President at Fresh and Easy Neighbourhood Market Inc. (Tesco Plc.), USA, Chief Information Officer at Fresh and Easy LLC (Yucaipa Private Equity Companies), USA and Group Chief Information Officer and Member of the Executive Leadership at Dairy Farm International, Hong Kong.

Mr. Sam Oh brings to the Board extensive experience spanning 30 years in the areas of business development, e-commerce, and information technology/digital transformation across Asia and USA. He has been a member of the Board of Directors of a Commerce Group Public Company Limited in Thailand since August 2023.

Mr. Sam Oh is currently the Chief Information Officer, Head of eCommerce and a member of the Executive Committee of DKSH Holding Ltd. ("DKSH"), Switzerland. Prior to this role, he was the Senior Vice President and Head of Global IT of Global Logistic Properties, Hong Kong from 2018 to 2021, where he led significant digital transformation and digital business. Mr. Sam Oh has been pivotal in the further development of DKSH Group-wide e-commerce, digital and IT strategy and accelerated DKSH's digital transformation. He also oversees DKSH Corporate Shared Services Center Sdn Bhd, a wholly-owned subsidiary of DKSH, which comprises the global IT hub and Business Process Operations with around 500 employees.

He does not hold any directorship in other public companies. He does not have any family relationship with any Director and/or major shareholder of DKSH Holdings (Malaysia) Berhad and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

He has no convictions for offences within the past five years nor any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

Mr. Sam Oh attended two Board meetings held during the financial year ended December 31, 2024, upon his appointment to the Board on July 5, 2024.

Datin Suryani binti Ahmad Sarji is standing for re-election as Director of the Company. Her profile is set out as below:

Datin Suryani binti Ahmad Sarji, aged 57, female, a Malaysian, was appointed as an Independent Non-Executive Director and a member of the Audit Committee and Nomination & Remuneration Committee of DKSH Holdings (Malaysia) Berhad on November 21, 2024.

She graduated with a Bachelor of Science (Hons) in Accounting from the University of Hull, United Kingdom in 1990. She is a corporate member of the Institute of Corporate Directors Malaysia. Datin Suryani started her career with Petronas Carigali Sdn. Bhd. in the Finance Department and later joined Seacorp Schroders Capital Management Bhd. (now MIDF Amanah Asset Management) as an Investment Analyst until 1998. Thereafter, she ventured into entrepreneurship with Digiray (M) Sdn. Bhd. as a retail partner to Caltex. As the owner, she led the business's operations, sales, branding, and financial management. In 2010, she explored further into retail and joined Chopard (Malaysia) Sdn. Bhd. where she eventually became the Customer Relationship Management (CRM) specialist under Chopard's global CRM system.

Datin Suryani currently serves as an Independent Non-Executive Director (INED) in MST Golf Group Bhd. and is on the Board of Projek Lintasan Kota Holdings Sdn. Bhd. and a few of its subsidiaries.

She does not have any family relationship with any Director and/or major shareholder of DKSH Holdings (Malaysia) Berhad and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

She has no convictions for offences within the past five years nor any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

There were no Board meetings held subsequent to her appointment to the Board on November 21, 2024.

Mr. Senthilathiban A/L Thirunilakantan is standing for re-election as Director of the Company. His profile is set out as below:

Mr. Senthilathiban A/L Thirunilakantan, aged 50, male, a Malaysian, was appointed to the Board of DKSH Holdings (Malaysia) Berhad on November 21, 2024, as a Non-Independent Executive Director.

Presently, Mr. Senthilathiban holds the position as the Senior Director, Country Finance, Malaysia and Brunei.

Mr. Senthilathiban has a Master's Degree in Accounting and Finance from the University of Southampton. He is also a fellow member of Association of Chartered Certified Accountants (ACCA) and a member of the Malaysian Institute of Accountants (MIA). He started his career with

Notice of Annual General Meeting (continued)

PwC, moving on to Ernst & Young, and KPMG which gave him a strong background in audit, accounting and finance. He is a professional with 26 years of experience, of which 15 years was in finance business partnering having worked for multinationals such as Continental, Hilti Corporation and British American Tobacco as well as local corporation, Digi. Mr. Senthilathiban has been involved in investment planning, strategic and commercial decision-making, leading finance teams, and overseeing shared services operations.

Currently, Mr. Senthilathiban leads the finance team, build capabilities and is responsible for the execution of the Group-wide strategic finance initiatives in DKSH Malaysia. Mr. Senthilathiban sits on the board of several subsidiaries of DKSH Holdings (Malaysia) Berhad and does not hold any directorship in other public companies and listed companies. He does not have any family relationship with any Director and/or major shareholder of DKSH Holdings (Malaysia) Berhad and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

He has no convictions for any offences within the past five years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

There were no Board meetings held subsequent to his appointment to the Board on November 21, 2024.

Personal Data Privacy:

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

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Proxy Form

for the Thirty-Third Annual General Meeting

DKSH Holdings (Malaysia) Berhad

(199101021067 (231378-A))

No. of Shares held:	CDS Account No.:

I/We *(full name and in capital letters)* ______________________________

NRIC (new and old)/Passport/Company No.: ______________ of *(full address)* ______________

______________________________ *(Telephone No.)* ______________

being a member of **DKSH Holdings (Malaysia) Berhad**, hereby appoint *(full name as per NRIC and in capital letters)* ______________

______________________________ NRIC No. (new and old): ______________

of (full address) ______________________________

and/or* (*delete as appropriate) *(full name as per NRIC and in capital letters)* ______________

NRIC No. (new and old): ______________ of (full address) ______________

____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty-Third Annual General Meeting of the Company to be held at Ballroom I & II, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, May 14, 2025 at 10:00 a.m. or at any adjournment thereof. I/We indicate with an "X" in the spaces below how I/we wish my/our vote to be cast:

No.	Ordinary Resolutions	For	Against
1.	To approve the Directors' fees payable for the period from May 15, 2025 until the next Annual General Meeting of the Company to be held in 2026.		
2.	To re-elect Mr. Richard Lai Tak Loi as a Director of the Company.		
3.	To re-elect Dr. Leong Yuen Yoong as a Director of the Company.		
4.	To re-elect Mr. Oh Sae Ung as a Director of the Company.		
5.	To re-elect Datin Suryani binti Ahmad Sarji as a Director of the Company.		
6.	To re-elect Mr. Senthilathiban A/L Thirunilakantan as a Director of the Company.		
7.	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company.		
8.	To approve the payment of a final single tier dividend of 19.0 sen per share for the financial year ended December 31, 2024.		
9.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature.		

Subject to the above stated voting instruction, my/our proxy/proxies may vote or abstain from voting on any resolutions as he/she may think fit.

____

Signature of Member/Common Seal *(if Member is a Corporation)*

Dated this ________ day of ______________ , 2025.

The proportions of my/our shareholdings to be represented by my/our proxies are as follows:

First Proxy
No. of shares: ______________
Percentage: ______________%

Second Proxy
No. of shares: ______________
Percentage: ______________%

Notes:

1. A member of the Company entitled to attend and vote at a general meeting of the Company is entitled to appoint proxy(ies) to attend, vote and speak on such member's behalf. A proxy may but need not be a member of the Company there shall be no restriction as to the qualification of the proxy.
2. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.
3. The instrument appointing a proxy shall:
   (i) in the case of an individual, be signed by the appointer or by his/her attorney; and
   (ii) in the case of a corporation, be either under its common seal or under the hand of an officer or attorney duly authorised.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportion of the shareholdings to be represented by each proxy in the instrument appointing the proxies.
5. The instrument appointing the proxy must be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its drop-in box at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof; otherwise the instrument of proxy shall not be treated as valid and person so named shall not be entitled to vote in respect thereof. Only original copies of the duly executed form of proxy are acceptable. Alternatively, you may submit the proxy appointment electronically via TIIH Online at https://tiih.online before the proxy form cut off time as mentioned above. Kindly refer to the Administrative Guide for the 33rd AGM for further information on the electronic submission of proxy form.
6. The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so.
7. Only the Company's members whose names appear in the Record of Depositors on May 7, 2025, shall be entitled to attend the said meeting or appoint proxies to attend, vote and speak on their behalf.

Fold this flap for sealing

Then fold here

Affix
Stamp

The Share Registrar of
DKSH Holdings (Malaysia) Berhad
(199101021067 (231378-A))

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No.8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

1st fold here

DKSH Holdings (Malaysia) Berhad
199101021067 (231378-A)

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