

ONE WORLD



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



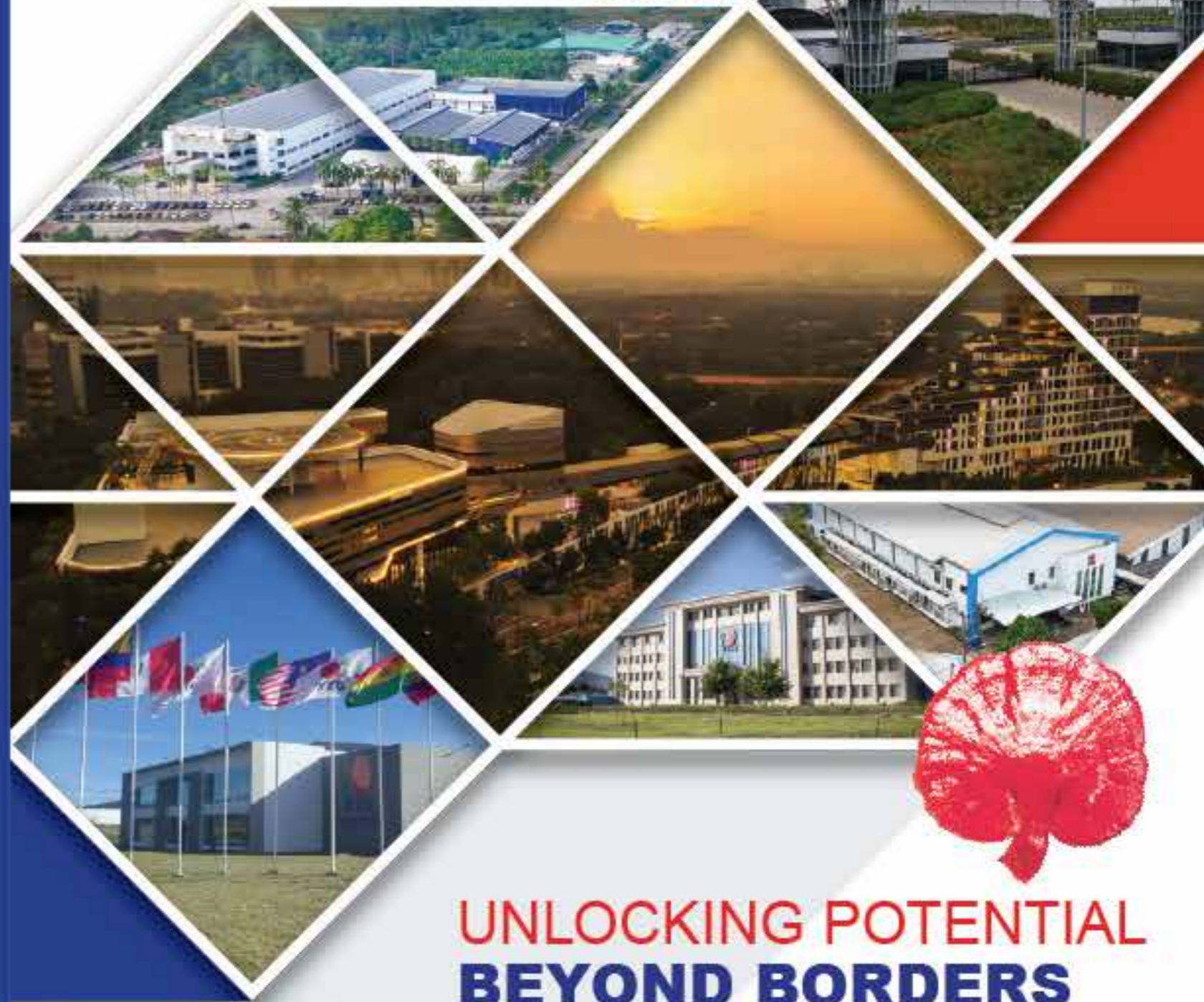
ONE MARKET

DXN Cyberville,
Jalan Teknokrat 1, Cyber 3,
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UNLOCKING POTENTIAL BEYOND BORDERS

ANNUAL REPORT 2025

COVER RATIONALE

The cover of DXN's Annual Report 2025 presents a modern design that reflects our global aspirations and aligns with this year's theme, "Unlocking Potential Beyond Borders." The phrase "One World One Market" reinforces DXN's vision of a unified global presence and market integration.

The diamond-shaped collage showcases DXN-owned facilities across multiple countries, symbolising our expanding international footprint and operational strength. Complemented by upward-pointing arrows and our signature Ganoderma mushroom, the design highlights our growth, resilience, and commitment to wellness innovation on a global scale.

Together, these elements tell a story of ambition, unity, and progress beyond borders.

INSIDE THIS REPORT

SECTION 01

ABOUT US

- 02 Business Overview
- 08 Corporate Milestones
- 11 Awards, Recognitions, and Certifications
- 13 Corporate Information
- 14 Corporate Structure

SECTION 02

MANAGEMENT'S PERFORMANCE REVIEW

- 16 Chairman's Statement
- 20 Management Discussion and Analysis
- 30 Financial Highlights



SECTION 03

SUSTAINABILITY

- 32 Sustainability Statement
- 49 Sustainability Performance Summary
- 95 Bursa ESG Performance Data
- 98 Limited Assurance Statement
- 101 GRI Content Index



SECTION 04

LEADERSHIP

- 106 Profile of Board of Directors
- 114 Profile of Key Management Team



SECTION 05

CORPORATE GOVERNANCE

- 117 Corporate Governance Overview Statement
- 135 Statement on Risk Management and Internal Control
- 145 Board Audit Committee Report
- 150 Additional Compliance Information

SECTION 06

FINANCIAL STATEMENTS

- 153 Financial Statements



SECTION 07

ADDITIONAL INFORMATION

- 267 List of Top 10 Properties
- 271 Analysis of Shareholdings
- 274 Notice of Annual General Meeting
- 280 Statement Accompanying Notice of Annual General Meeting
- 281 Administrative Guide to the Twenty-Ninth (29th) Annual General Meeting
 - Proxy Form

29TH ANNUAL GENERAL MEETING



DATE

Wednesday, 13 August 2025



TIME

10.00am



Held physically at

DXN Cyberville

Jalan Teknokrat 1, Cyberjaya
63000 Cyberjaya, Selangor



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

BUSINESS OVERVIEW



DXN factory in Siddipet, Telangana, India.



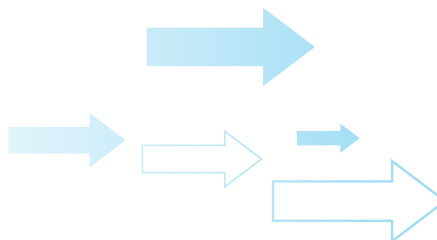
OUR MISSION

To uplift global well-being by offering high-quality, affordable products through an inclusive business model. We empower individuals with accessible entrepreneurial opportunities, guided by integrity and simplicity. We are dedicated to elevate the quality of life of people across the globe through tangible solutions.



OUR VISION

To promote health, wealth, and happiness.



BLUE

The Colour BLUE represents water. It symbolises the Company as the flowing foundation for all the vigorous developments.

The Blue Horizontal Line symbolises the Company's power source for the business.

RED

The Colour RED represents fire. It symbolises the Company's resilience and spirit to develop and progress.

The Red Oval symbolises rising sun and it represents aggressiveness, singlemindedness, and persistence in achieving DXN Group's vision.

GREEN

The Colour GREEN represents trees showing the dynamic growth and expansion of our market.

The Green Branches symbolise Ganoderma which represents the Company's strong commitment to growth and relentless strive towards excellence by focusing on health-based industry.

BUSINESS OVERVIEW

NATURAL WELLNESS, GLOBAL REACH, HUMAN CONNECTION

ONE WORLD ONE MARKET

WHO WE ARE AND WHAT WE DO

Established in 1995 with the inception of DXN Marketing in Kedah, Malaysia, under the visionary leadership of Datuk Lim Siow Jin ("DLSJ"), DXN Holdings Bhd. and its subsidiaries ("DXN Group" or "the Group") have evolved into a global force in the wellness industry. Driven by DLSJ's pioneering commitment to the benefits of traditional medicines and herbal remedies across key Asian markets and beyond, DXN today stands as a vertically-integrated, multinational manufacturer of premium nutraceutical products. Leveraging the synergistic properties of natural sources, notably fungi and spirulina, our innovation yields a comprehensive portfolio encompassing fortified food and beverages ("FFB"), health and dietary supplements ("HDS"), and personal care and cosmetics ("PCC") formulations, all designed to empower health and well-being through our expansive network.

DXN Group's operations are underpinned by a robust, vertically-integrated supply chain, a key strength enabling our global reach. This includes our dedicated research team across facilities in Malaysia and China, focused on product development and continually enhancing our cultivation and manufacturing processes. Supporting this are our eight (8) cultivation facilities worldwide, strategically located to ensure the sustainable growth

of core ingredients such as spirulina, Ganoderma lucidum (also known as Lingzhi or Reishi), tiger milk mushroom, noni, and roselle, guaranteeing a consistent supply of quality raw materials. Complementing this upstream control is our network of fourteen (14) manufacturing facilities across strategic locations including Malaysia, China, India, Indonesia, Dubai, Mexico, and Bangladesh, where 413 of our 562 product offerings are produced in-house, underscoring our commitment to quality and control.

DXN Group's global reach extends across 54 countries through 82 strategically positioned sales branches and 12 exclusive external distribution agencies, effectively serving our extensive membership. This network is further amplified by 1,885 stockists worldwide. Our vibrant global community comprises over 19.3 million registered Members spanning more than 180 countries, with a strong base of 3.6 million active Members who are integral to the DXN ecosystem and its widespread adoption of our wellness solutions.

Looking ahead, DXN Group is strategically positioned for further expansion, with plans to add one (1) cultivation facility and two (2) manufacturing facilities by 2025, significantly bolstering our production capacity to meet growing global engagement with our products.



PRESENCE IN

54 countries

with

82
sales
branches

12
exclusive
external
distribution
agencies



MEMBERS IN MORE THAN

180 countries

with

19.3
million registered members



OPERATIONS SUPPORTED BY

2
research facilities in
Malaysia and China

14
manufacturing
facilities
2 in pipeline

8
cultivation
facilities
1 in pipeline

*across Malaysia, China, India, Indonesia,
Dubai, Mexico, and Bangladesh*

BUSINESS OVERVIEW

OUR VALUE CHAIN



UPSTREAM



Spirulina cultivation farm in our facility in Jitra, Kedah.

RESEARCH

- In-house research team to optimise cultivation and manufacturing processes, develop new products and test products for certification and compliance.
- Provides testing services to third-party clients.

CULTIVATION

Internal Cultivation

- In-house cultivation of Ganoderma, mycelium, Spirulina, and various other herbs and ingredients.
- Enables close control over quality and efficacy of active ingredients.

External Cultivation

- Diversified supply base.
- Opportunistic purchases from external suppliers when prices of certain commodities are temporarily depressed.



MIDSTREAM



The packing section in our facility in Jitra, Kedah.

MANUFACTURING

Internal Manufacturing

- In-house manufacturing capabilities across a broad range of product formats.
- Enables close quality control to reduce contamination.

External Manufacturing

- All externally manufactured products are solely DXN Group-branded.
- For products requiring niche expertise outside of DXN Group's core competency.
- For low volume products with minimal technical capabilities of value to be built internally.



DOWNSTREAM

DISTRIBUTION

Sales Branches

Sales branches keep sufficient buffer stocks of at least three (3) months and not more than six (6) months of sales volume to avoid stockout situation for any product.

Stockists

- Members (appointed as stockists) operate service centres which can on-sell our products to Members.
- Facilitate physical distribution in areas without local branches by reselling our products to other Members without a mark-up.

External Distribution Agencies

- Exclusively carries our products to on-sell and distribute to other Members and/or end consumers.
- May have their own sales branches which are not managed by us.

Members

- No joining fees.
- Members purchase and distribute products within their personal network, and can conduct sales online and host personal e-commerce shopfronts on our website and mobile application.

BUSINESS OVERVIEW

OUR COMPETITIVE STRENGTHS

1. DXN has Built a Solid Presence in Emerging Markets, Where Our Business Model has Proven Highly Effective.

Our commitment to continual product innovation and self sustaining vertically-integrated supply chain and manufacturing continues to drive our competitiveness and scalability in high-growth regions. The significant market share we command in key Latin American countries reflects our operational strength and market responsiveness, a key driver of our global expansion and long-term growth trajectory. This reinforces our position as a resilient and forward-looking player in the international health and wellness industry.

2. Delivering Innovation and Quality Through In-House Expertise.

The growing demand for quality, health-focused products is met through our commitment to product innovation and in-house manufacturing. We exclusively market our products with our own brand to ensure sound quality control from development to the consumer, a process informed by nutrition science. Our in-house Research & Development ("R&D") team allows us to proactively address evolving consumer needs and current health trends with timely and relevant innovations.

3. Global Reach Anchored by a Resilient Business Model.

DXN maintains a wide-reaching global distribution network, spanning 54 countries across Europe, Latin America, North America, Central and South Asia, Southeast Asia, the Middle East, Africa, and Oceania. This diversified geographical presence ensures stable revenue generation and reduces dependence on any single market.

Our business strategy is designed to drive sustainable consumer sales while fostering long-term engagement. Central to this is our "One World One Market" compensation plan, which is structured to reward performance-based sales across global markets. To further empower our distributor network, DXN provides comprehensive support, including marketing tools, training, and business development resources—ensuring that each Member is equipped for success.

4. Consistent Track Record of Profitable Growth, Strong Cash Generation, and Shareholder Returns.

DXN is a growth-focused company with a consistent track record of year-on-year ("YoY") increases in both revenue and profit efficient business model that enables expansion into new and existing markets fast, supported by streamlined operational processes and deep market experience.

Our strong operating performance consistently translates into healthy cash flow generation, underpinning our commitment to delivering shareholder value. In line with this, we have maintained a policy of distributing attractive dividends, reflecting both the strength of our fundamentals and our disciplined approach to capital management.

5. Robust Technology Ecosystem Enabling Scalable Global Operations.

DXN's integrated technology infrastructure enables efficient scaling across global markets while streamlining operations and supporting agile decision-making. Our information technology ("IT") ecosystem, that is connected through Application Programming Interfaces ("API"), ensures seamless data flow across business functions, and is tailored to local market needs. This digital backbone is vital to our members, who depend on it for transactions, performance tracking, and business tools. As we grow, digital innovation remains central to driving both operational excellence and member success.

BUSINESS OVERVIEW

STRATEGIC PILLARS DRIVING SUSTAINABLE GLOBAL GROWTH

Clear Pathway for Growth in New and Existing Markets

We will continue to expand our presence by establishing new sales branches or partnering with external distribution agencies in regions where a strong member base and sufficient sales volume support sustainable network marketing efforts.



Adapting to Evolving Consumer Needs and Strengthening Member Engagement

Our structured approach to product ideation, development, and launch is driven by our proven ability to introduce a diverse range of offerings. We remain focused on delivering relevant, high-quality products while deepening engagement with our members.



Ongoing Expansion of Our Vertically-Integrated Global Supply Chain

We aim to scale our global supply infrastructure to ensure consistent and reliable demand fulfillment. This proactive supply chain management minimises the risk of disruptions and supports our continued topline growth.



Advancing Our Technological Ecosystem

Leveraging on digital platforms and social media, we enhance our global reach and facilitate member enrolment. Our technology enables members to share success stories across their networks, amplifying our brand's visibility and effectively communicating the value we offer to a broader audience.



DXN's manufacturing facility in Ningxia, China.

BUSINESS OVERVIEW

OUR PRODUCT PORTFOLIO

562 Stock Keeping Units ("SKUs")

of Health-Oriented and Wellness Consumer Products

236

FFB products

148

HDS products

113

PCC products

65

Lifestyle & living products



Fortified Food and Beverages ("FFB")

Out of our 236 products under FFB, Lingzhi Black Coffee and Lingzhi Coffee 3-in-1 are our main revenue contributors, each accounting for more than 5% of our gross revenue. The key products under this category include:



DXN Lingzhi
Coffee 3-in-1



DXN Lingzhi
Black Coffee



DXN
Cocozhi



DXN Spirulina
Cereal



Personal Care and Cosmetics ("PCC")

Key products under our range of 113 PCC products are:



Ganozhi
Toothpaste



Ganozhi
Soap



Gano
Massage
Oil



Ganozhi
Shampoo



Health and Dietary Supplements ("HDS")

We produce and sell 148 types of supplements made with various natural ingredients such as Ganoderma, Spirulina, Cordyceps, and Green Chiretta. Following are the key products of this category:



DXN RG/GL



DXN
Spirulina



DXN Lion's Mane
Mushroom



DXN
Cordyceps



Other Products and Other Business Activities

Our portfolio also includes a range of sixty-five (65) other products including DXN Kimono, pressure cooker, tea infuser, diesel fuel additives, fruit and vegetable washing liquid, laundry detergent, kettles, air purifiers, and a home water filtration system.

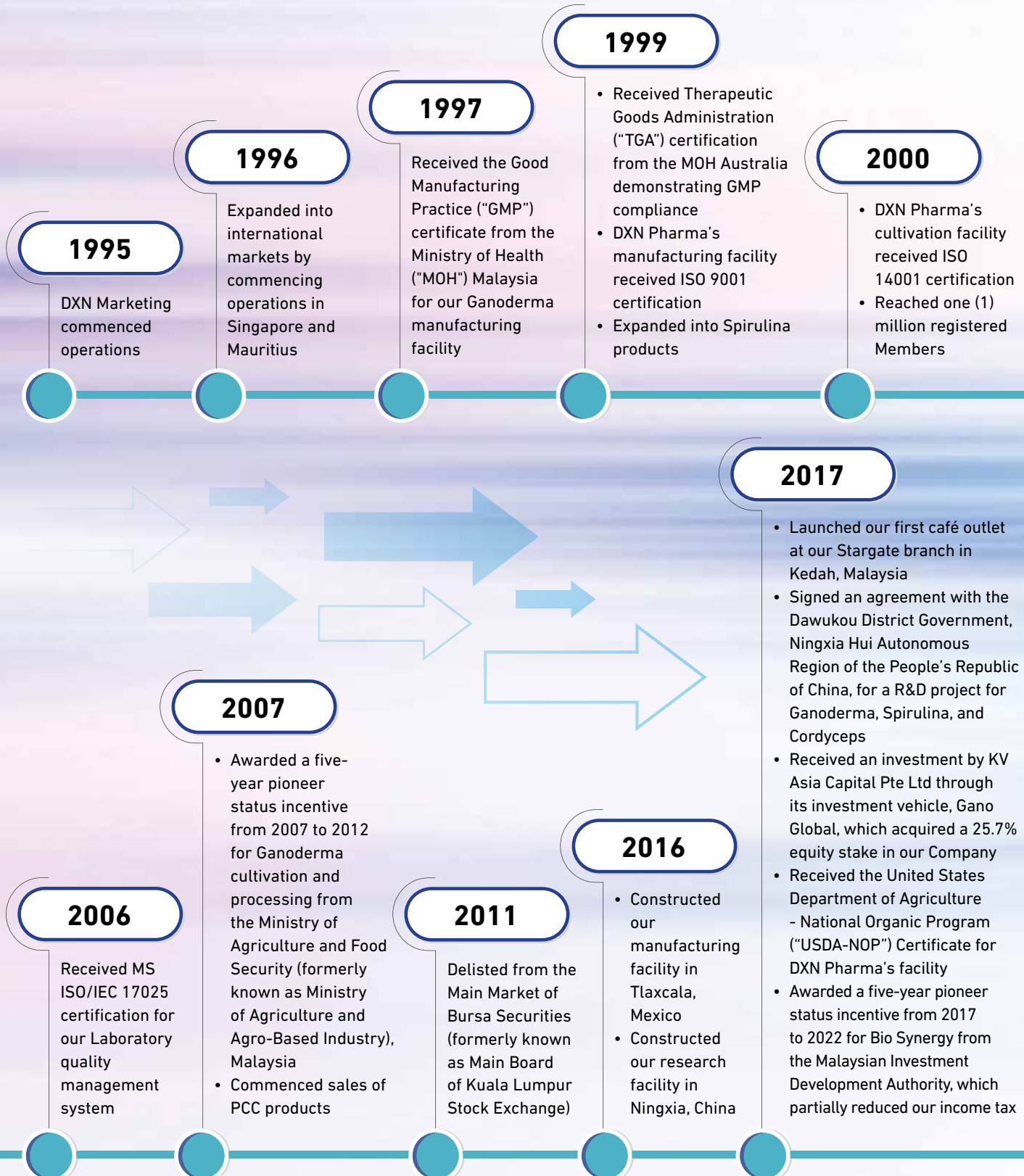


DXN Energy
Plus Water
System



Dyna Cleen
Laundry
Detergent

CORPORATE MILESTONES



CORPORATE MILESTONES

2001

- Awarded a five-year pioneer status incentive from 2001 to 2006 for Ganoderma cultivation and processing from the Ministry of Agriculture and Food Security (formerly known as Ministry of Agriculture and Agro-Based Industry), Malaysia
- Built a new DXN Pharma facility for food supplement products in Kedah, Malaysia
- Reached two (2) million registered Members in 25 countries

2002

Constructed our manufacturing facility in Pondicherry, India

2003

Listed on the Main Market of Bursa Securities (formerly known as Main Board of Kuala Lumpur Stock Exchange)

2005

Awarded a 10-year pioneer status incentive from March 2011 to February 2021 for Spirulina cultivation and processing from the Ministry of Agriculture and Food Security (formerly known as Ministry of Agriculture and Agro-Based Industry), Malaysia

2018

- Reached more than eight (8) million registered Members worldwide, across more than 180 countries
- Received Hazard Analysis and Critical Control Points ("HACCP") certification for Food for DXN Industries – Food production (Coffee & Juice)

2019

- Acquired Boulder Valley, a lifestyle resort in Penang, Malaysia
- Commenced construction of DXN Cyberville, a wellness and retreat centre and main administrative centre with apartments in Cyberjaya, Malaysia

2020

- Reached ten (10) million registered Members worldwide
- Received the ISO 22716:2007 (Cosmetic) certification for DXN Industries
- Received the EU Organic certification for DXN Pharma's facility
- Launched the "One Dollar One Child" campaign against child malnutrition

CORPORATE MILESTONES

2023

DXN Cyberville

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

The Public Listing of DXN

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

DXN IPO Prospectus Launch

- Held on 28 April 2023 at DXN Cyberville, the event was attended by DXN's key management, directors, staff, Crown Ambassadors, members, banking officials, Bursa Malaysia representatives, and the press
- The event featured a corporate video, speeches by DXN Group's Executive Chairman and Maybank Investment Bank Berhad's CEO, and concluded with an official launch of the IPO Prospectus

30th Anniversary

- Celebrated its 30th Anniversary at DXN Cyberville on 15 October 2023, with DXN Group's Executive Chairman, CEO, Key Senior Management, Board of Directors, Crown Ambassadors, and distributors worldwide in attendance
- Highlights of the event included inspiring speeches delivered by the Company's key figures, recognition of top distributors, an exclusive product series launch, entertaining performances, and a lucky draw

Tokoh Kebajikan Negara 2023

- DXN Group's Executive Chairman, Datuk Lim Siow Jin, received the Tokoh Kebajikan Negara 2023 award at the MAJLIS MALAM SIMFONI KASIH 2023 on 27 December 2023, in Kuala Lumpur, Malaysia
- The award recognised his global health contributions and philanthropic efforts, reflecting DXN Group's dedication and tireless endeavours in making a positive impact on society

2024

- Achieved a remarkable milestone, surpassing seventeen (17) million registered Members worldwide. This accomplishment showcases DXN Group's global influence and the dedication and hard work of the DXN Group family
- Expanded into new market Brazil and Argentina

DXN Crown Ambassador Private Jet Trips

- DXN organised a series of exclusive private jet trips for its Crown Ambassadors in 2024, providing them

with an Elite travel experience while enhancing brand visibility and market engagement. These trips significantly impacted sales growth across various regions, reinforcing DXN's premium status in the industry. Key trips as below:

- Morocco Trip (June 2024)
- India Trip (August 2024)
- Malaysia Trip (November 2024)
- Philippines Trip (December 2024)

2025

- Achieved more than nineteen (19) million registered Members worldwide, across more than 180 countries
- Expanded into new market Kyrgyzstan
- DXN makes its debut on the Fortune SEA 500 List



AWARDS, RECOGNITIONS, AND CERTIFICATIONS

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

1999

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

2004

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

2005

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

2006

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

2007

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

2008

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

2009

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

2010

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

2011

- DXN Dubai received the "Most Successful Network Marketing Company in the UAE" award at the 2nd Malaysia Business Awards in Dubai organised by the Malaysian Business Council ("MBC") UAE.

2012

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

2013

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

2014

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

AWARDS, RECOGNITIONS, AND CERTIFICATIONS

2015

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

2016

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

2017

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

2020

- DXN Marketing received the Best Direct Selling Company (Global) Award in the Domestic Trade Award ("APDN 2020") from the Ministry of Domestic Trade and Consumer Affairs in Malaysia ("MDTCA").

2022

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

2023

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

2024

- Datuk Dr. Lim Siow Jin was conferred with an Honorary Doctorate (D. Litt) by Balaji University, Pune, one of India's most prestigious institutions. This esteemed recognition honours his extraordinary vision, pioneering spirit, and unwavering dedication to advancing holistic health and well-being of people worldwide over the past three decades.

2025

- We have received Asia Book of Records Award and India Book of Records Award on 9 February 2025 at Bodha Gaya Bihar (India) for largest gathering of people practising meditation simultaneously at a time.
- DXN makes its debut on the Fortune SEA 500 List.



CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK LIM SIOW JIN

Non-Independent Executive Chairman

DATO' LIM BOON YEE

Non-Independent Non-Executive Director

VIBHAV PANANDIKER

Non-Independent Non-Executive Director

DATUK NORIPAH BINTI KAMSO

Senior Independent Non-Executive Director

YM TUNKU AFWIDA

BINTI TUNKU A. MALEK

Independent Non-Executive Director

STEFAN HEITMANN

Independent Non-Executive Director

ABRAHAM VERGHESE A/L T V ABRAHAM

Independent Non-Executive Director

ONG HUEY MIN

Independent Non-Executive Director

BOARD AUDIT COMMITTEE

Chairman

Abraham Verghease A/L T V Abraham

Members

YM Tunku Afwida Binti Tunku A. Malek

Stefan Heitmann

Ong Huey Min

EXECUTIVE COMMITTEE

Members

Datuk Lim Siow Jin

Prajith Pavithran

Lim Beng Cheng

BOARD NOMINATION AND REMUNERATION COMMITTEE

Chairman

YM Tunku Afwida Binti Tunku A. Malek

Members

Datuk Noripah Binti Kamso

Ong Huey Min

BOARD RISK COMMITTEE

Chairman

Stefan Heitmann

Members

Abraham Verghease A/L T V Abraham

Ong Huey Min

COMPANY SECRETARIES

Yeow Sze Min

(MAICSA 7065735)
(CCM PC No. 201908003120)

Poh Ming Yi (LS0010863)

(CCM PC No. 202408000861)

Lim Yew Lin

(MIA Membership No. 20906)
(CCM PC No. 202008001679)

REGISTERED OFFICE

Securities Services (Holdings) Sdn Bhd
(Registration No. 197701005827
(36869-T))

Suite 18.05, MWE Plaza

No. 8, Lebuh Farquhar

10200 George Town

Pulau Pinang

Tel : +604-263 1966

Fax : +604-262 8544

Email : info@sshsb.com.my

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor

Tel : +603-7890 4700

Fax : +603-7890 4680

Email : BSR.Helpdesk@boardroomlimited.com

AUDITORS

KPMG PLT
(LLP0010081-LCA & AF0758)
Chartered Accountants
Level 18, Hunza Tower
163E, Jalan Kelawei
10250 Penang
Tel : +604-375 1800
Fax : +604-238 2222

PRINCIPAL BANKERS

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

STOCK EXCHANGE

Main Market of Bursa Malaysia Securities Berhad

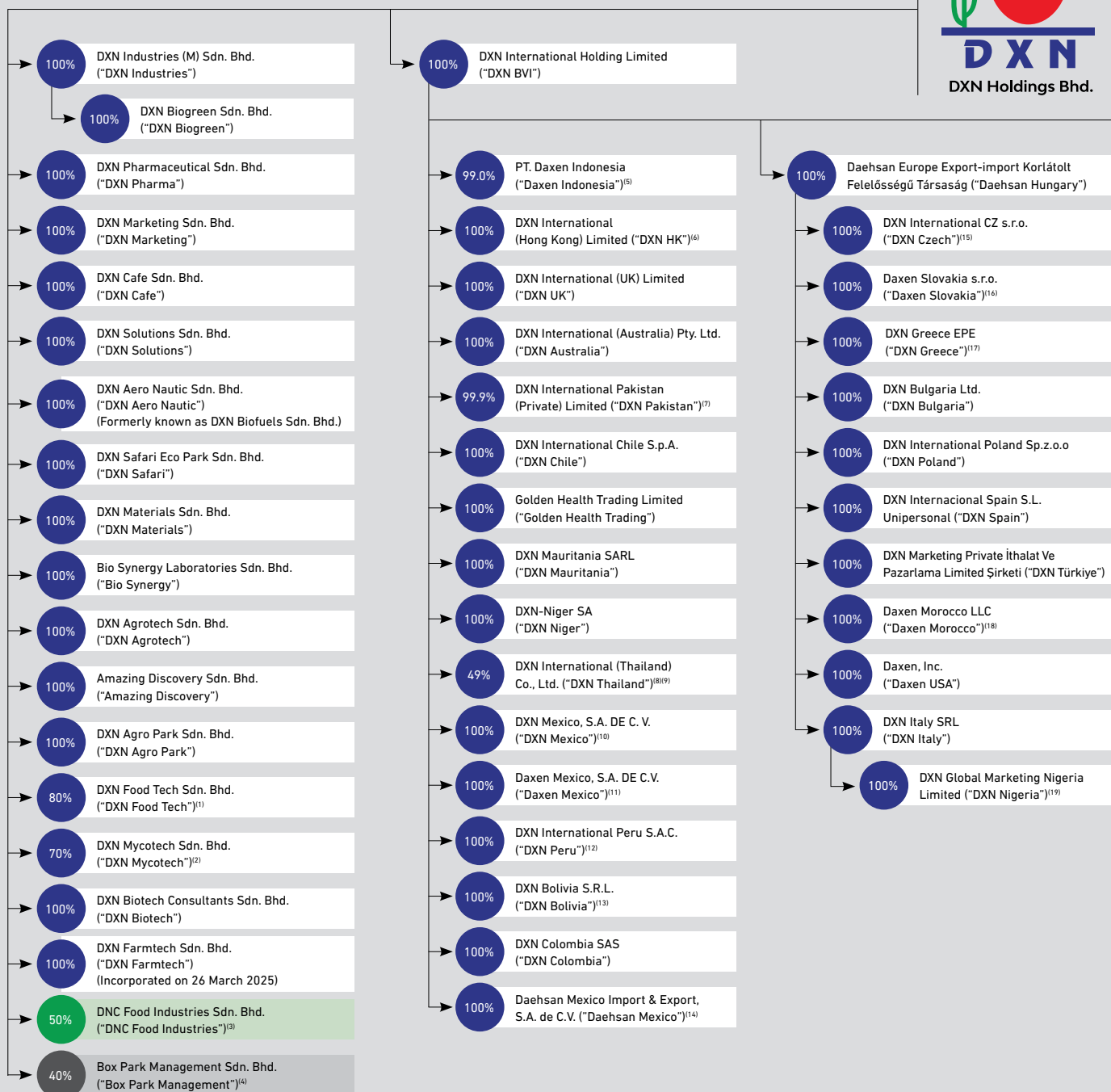
Stock Name : DXN

Stock Code : 5318

WEBSITE

www.dxn2u.com

CORPORATE STRUCTURE



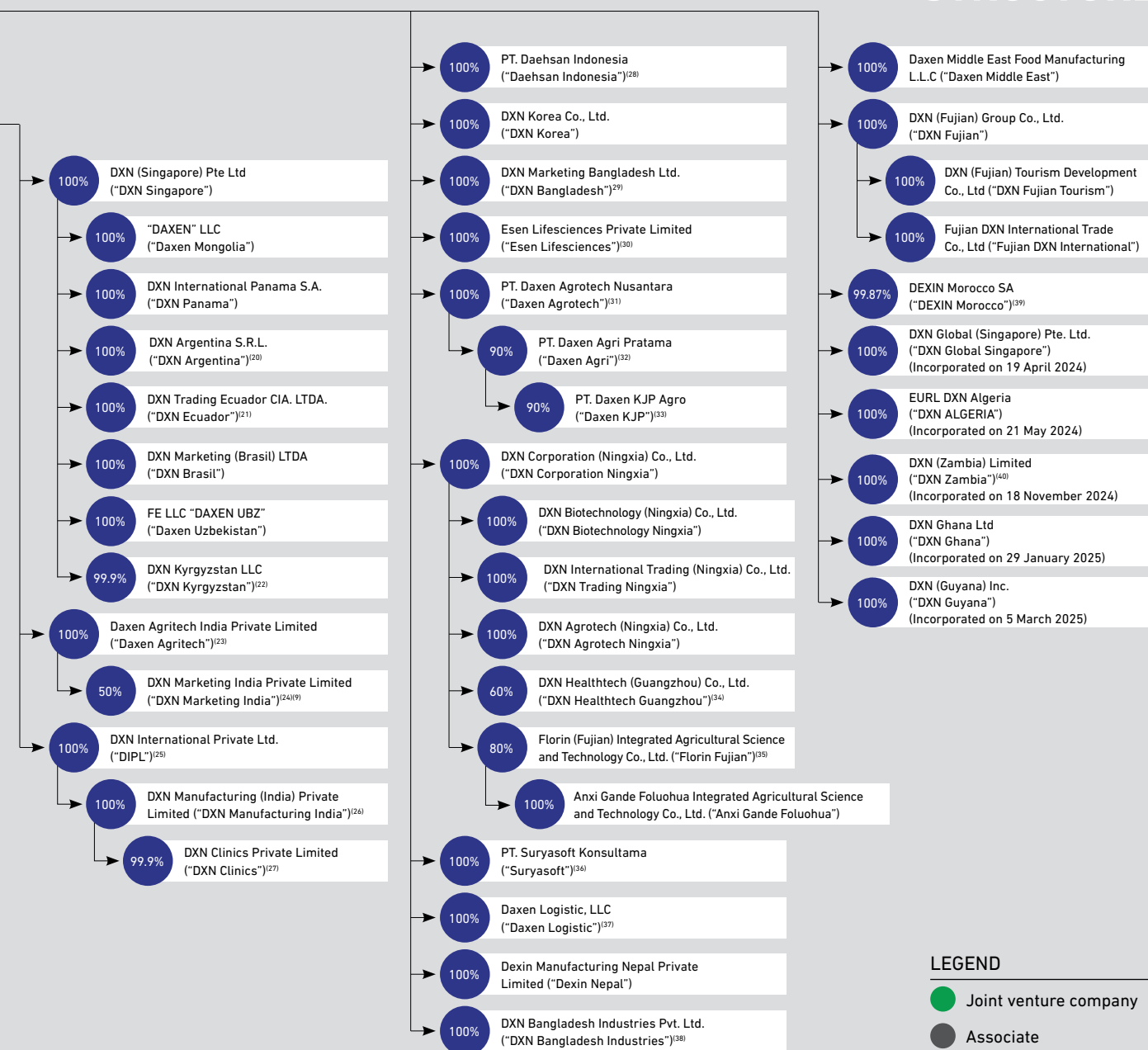
Notes:

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

- ⁽⁷⁾ DXN BVI holds 99.9% equity interest in DXN Pakistan while DLBY and Lim Yew Lin hold the remaining equity interest in DXN Pakistan which is less than 0.1%.
- ⁽⁸⁾ The remaining 51.0% equity interest in DXN Thailand is held by Anong Phoungtong and Nongluck Wongworn with shareholdings of 26.0% and 25.0% respectively.
- ⁽⁹⁾ DXN regards DXN Thailand and DXN Marketing India as subsidiaries by virtue of having board control and being the single largest shareholder in these companies. The remaining voting rights in these entities are held by individual investors and there is no indication that other shareholders exercise their votes collectively.
- ⁽¹⁰⁾ DXN BVI holds 99.9% equity interest in DXN Mexico while DXN holds the remaining equity interest in DXN Mexico which is less than 0.1%.
- ⁽¹¹⁾ DXN BVI and DXN hold 99.0% and 1.0% equity interests respectively in Daxen Mexico.

- ⁽¹²⁾ DXN BVI and DXN hold 98.9% and 1.1% equity interests respectively in DXN Peru.
- ⁽¹³⁾ DXN BVI and DXN Peru hold 99.9% and 0.1% equity interests respectively in DXN Bolivia.
- ⁽¹⁴⁾ DXN BVI holds 99.9% equity interest in Daehsan Mexico while DXN holds the remaining equity interest in Daehsan Mexico which is less than 0.1%.
- ⁽¹⁵⁾ Daehsan Hungary and DXN Peru hold 96.0% and 4.0% equity interests respectively in DXN Czech.
- ⁽¹⁶⁾ Daehsan Hungary and DXN Peru hold 97.5% and 2.5% equity interests respectively in Daxen Slovakia.
- ⁽¹⁷⁾ Daehsan Hungary holds 99.3% equity interest in DXN Greece while DXN Peru holds the remaining equity interest in DXN Greece which is less than 0.7%.
- ⁽¹⁸⁾ Daehsan Hungary and Daxen Slovakia hold 99.0% and 1.0% equity interests respectively in Daxen Morocco.
- ⁽¹⁹⁾ DXN Italy and DIPL hold 99.0% and 1.0% equity interests respectively in DXN Nigeria.

CORPORATE STRUCTURE



⁽²⁰⁾ DXN Singapore and DXN hold 95.0% and 5.0% equity interests respectively in DXN Argentina.

⁽²¹⁾ DXN Singapore holds 99.9% equity interest in DXN Ecuador while DXN Bolivia holds the remaining equity interest in DXN Ecuador which is less than 0.1%.

⁽²²⁾ DXN Singapore holds 99.9994% equity interest in DXN Kyrgyzstan while the remaining equity interest of 0.0006% held by Padinharu Valappil Asik Rehman.

⁽²³⁾ DXN BVI and DXN hold 99.0% and 1.0% equity interests respectively in Daxen Agritech.

⁽²⁴⁾ The remaining 50.0% equity interest in DXN Marketing India is held by Jacob Antony and Jipna Jijith with shareholdings of 24.5% and 25.5% respectively.

⁽²⁵⁾ DIPL, which is incorporated in Labuan, Malaysia, has a branch office located in the Philippines.

⁽²⁶⁾ DIPL holds 99.9% equity interest in DXN Manufacturing India while DXN BVI holds the remaining equity interest in DXN Manufacturing India which is less than 0.1%.

⁽²⁷⁾ The remaining equity interest in DXN Clinics which is less than 0.1% is held by TH Strategic Investment Pvt Ltd.

⁽²⁸⁾ DXN holds 99.9% equity interest in Daehsan Indonesia while DXN BVI holds the remaining equity interest in Daehsan Indonesia which is less than 0.01%.

⁽²⁹⁾ DXN and DXN BVI hold 99.0% and 1.0% equity interests respectively in DXN Bangladesh.

⁽³⁰⁾ DXN holds 99.9% in Esen Lifesciences while DXN Manufacturing India holds the remaining equity interest in Esen Lifesciences which is less than 0.1%.

⁽³¹⁾ DXN and DXN BVI hold 90.0% and 10.0% equity interests respectively in Daxen Agrotech.

⁽³²⁾ The remaining 10.0% equity interest in Daxen Agri is held by PT. Kirana Investama Nusantara.

⁽³³⁾ The remaining 10.0% equity interest in Daxen KJP is held by PT. KJP Cipta Desa Sejahtera.

⁽³⁴⁾ The remaining 40.0% equity interest in DXN Healthtech Guangzhou is held by Lin Jiming and Zhang Jingjun with shareholdings of 27.3% and 12.7% respectively.

⁽³⁵⁾ The remaining 20.0% equity interest in Florin Fujian is held by Fujian Anxi Jinjiang Source Tea Technology Co. Ltd.

⁽³⁶⁾ DXN and DXN BVI hold 99.0% and 1.0% equity interest respectively in Suryasoft.

⁽³⁷⁾ The entire 100.0% equity interest in Daxen Logistic is held on trust by the shareholders of Daxen Logistic for DXN.

⁽³⁸⁾ DXN holds less than 99.8% in DXN Bangladesh Industries while DXN BVI holds the remaining equity interest of 0.2% in DXN Bangladesh Industries.

⁽³⁹⁾ DXN holds 99.9% equity interest in Dexin Morocco, the remaining equity interest of less than 0.1% is equally held by DXN BVI, Lim Yew Lin, Foo Wai Leong, and Jijith Nelliote Kakkunnath.

⁽⁴⁰⁾ DXN and DXN BVI hold 99.0% and 1.0% equity interests respectively in DXN Zambia.

Unless specified above, the remaining equity interests not held by our Group in our subsidiaries, associate, and joint venture are held by unrelated third parties.

CHAIRMAN'S STATEMENT

**Dear Valued
Shareholders,**

**On behalf of the
Board, it is my utmost
pleasure to present the
Annual Report of DXN
Holdings Bhd. ("DXN"
or the "Company") and
its subsidiaries (the
"Group") for the financial
year ended 28 February
2025 ("FY2025").**

CHAIRMAN'S
STATEMENT

Strategic Precision, Sustainable Growth



DXN achieved yet another remarkable financial performance in FY2025, setting new records despite a challenging market environment. Revenue grew to RM1.9 billion, reflecting a 5.8% year-on-year (“YoY”) increase from RM1.8 billion in FY2024.”

Building on the success of the previous year, DXN has once again delivered outstanding results, achieving a record-breaking revenue of RM1.9 billion and our highest profitability to date, with a profit after tax and minority interest (“PATAMI”) of RM328.1 million. This achievement reflects the Group’s commitment to operational excellence, strategic execution, and the resilience of our global business model in an evolving global market landscape.

MARKET AND OPERATING ENVIRONMENT

DXN demonstrated exceptional resilience amid a dynamic and challenging global economic landscape. The year 2024 was marked by geopolitical tensions, trade uncertainties, and evolving monetary policies. According to the International Monetary Fund (“IMF”), global economic growth remained steady at 3.2%, mirroring the pace of 2023. While inflationary pressures eased as central banks began rate cuts, uncertainties persisted due to energy price volatility and trade creating a complex operating environment in some jurisdictions.

Despite the macroeconomic headwinds, the global nutraceuticals market continued its growth trajectory in 2024, reaching a value of USD455.1 billion, up from USD415.5 billion in 2023, according to The Business Research Company’s 2024 Global Nutraceuticals Market Analysis Report. This expansion was prompted by several key factors, such as heightened health awareness, increased wellness education, strong regulatory support, scientific advancement, and a growing ageing population.

REVENUE

↑ **5.84%**
RM1.9 billion



EBITDA

↑ **8.57%**
RM583 million



PATAMI

↑ **5.49%**
RM328.1 million



CHAIRMAN'S STATEMENT



DXN Leadership Convention at Lima, Peru.

DXN's key markets, particularly in Latin America and Asia Pacific region, saw significant growth in the nutraceutical sector, stimulated by rising lifestyle-related diseases, inadequate nutrition, and growing demand for health solutions, all further supported by longer life expectancies. In Latin America, the nutraceutical market nearly doubled to USD35.5 billion in 2024, from USD18.6 billion in 2023, due to an expanding middle class and stronger health consciousness. Similarly, the Asia Pacific nutraceutical market grew from USD83.0 billion in 2023 to USD90.5 billion in 2024.

These trends reaffirm DXN's strategic position within a sector underpinned by strong long-term fundamentals. The rising global demand for health-focused solutions reflects a continued shift towards proactive health and wellness management.

Our goal is to position DXN as a key player in the expanding global wellness industry, with a product portfolio that leverages natural ingredients to support both mental and physical health.

FY2025 FINANCIAL PERFORMANCE

DXN achieved yet another remarkable financial performance in FY2025, setting new records despite a challenging market environment. Revenue grew to RM1.9 billion, reflecting 5.8% YoY increase from RM1.8 billion in FY2024. This growth stemmed from strong sales in key markets such as Peru, Bolivia, the Middle East, and Türkiye, underpinned by sustained and effective marketing initiatives that successfully kept members actively engaged throughout the year. Latin America and Asia remained our core markets, collectively contributing approximately 80% of total revenue.

Driven by stronger revenue and earnings, we continued to reward shareholders with a growing dividend payout. In line with our dividend policy to distribute at least 50% of net profit, the Group declared a total dividend of 3.7 sen per ordinary share in FY2025,

amounting to RM184.0 million. This marks an increase from 3.6 sen per share, or RM179.3 million, in FY2024. The FY2025 dividend represents a payout ratio of 56.1% of net profit, reflecting our commitment to delivering consistent and rising returns to shareholders.

As at 28 February 2025, the Group's total assets stood at RM2.1 billion, with total equity of RM1.3 billion and total liabilities of RM750.9 million, reflecting a prudent and balanced capital structure. Our strong financial position, supported by a resilient business model and strategic market expansion, provides a solid foundation for sustained growth and long-term value creation for shareholders.

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

SUSTAINABILITY INITIATIVES

Sustainability is a core pillar of DXN's long-term strategy and commitment. We are committed to upholding high standards of environmental, social, and governance ("ESG") responsibility, with a focus on improving energy efficiency, reducing waste, and minimising our environmental impact.

In FY2025, we made further progress in improving operational efficiency across our manufacturing facilities and daily operations worldwide. As a global manufacturer, we are also advancing the greening of our supply chain and promoting responsible sourcing practices.

A key milestone during the year was the recognition of our corporate headquarters, DXN Cyberville in Cyberjaya, under Malaysia's Green Building Index ("GBI") Silver certification. The building's design incorporates energy-efficient systems, waste-reducing features, and environmentally responsible materials. It meets GBI benchmarks including the Building Energy Index ("BEI"), which measures energy consumption per square metre, and Space Energy Intensity ("SEI"), which assesses energy use in specific functional areas.

Reflecting these ongoing efforts, our FTSE4Good ESG rating was upgraded to 3 stars in December 2024, up from 2 stars in the June 2024 review. This progress affirms the improvements in our ESG practices. We will continue to build on this momentum to raise our sustainability performance in line with investor expectations and global benchmarks.

Further details on the Group's sustainability initiatives are available in the Sustainability Statement section of this Annual Report.

CHAIRMAN'S STATEMENT

PROSPECTS AND OUTLOOK

The global economy continues to navigate a complex landscape of macroeconomic challenges that are shaping market conditions across industries. Geopolitical tensions, particularly the ongoing conflict in the Middle East, alongside evolving United States ("U.S.") tariff policies and persistent trade uncertainties, have introduced significant risks, including potential supply chain disruptions, inflationary pressure on energy prices, and heightened regional instability. These factors may pose headwinds to DXN's operations in certain jurisdictions. The Group remains vigilant and is actively monitoring these developments, supported by forward-looking risk management tools designed to identify, mitigate, and respond proactively to emerging risks.

The IMF's April 2025 World Economic Outlook projects global growth of 2.8% in 2025 and 3.0% in 2026, with potential improvements should trade frictions ease and clearer policies emerge.

Despite these macroeconomic pressures, the global nutraceuticals market is expected to grow steadily, according to Research and Market's Nutraceuticals Market Report 2025. Valued at USD455.1 billion in 2024, the market is projected to reach USD503.2 billion by 2025, growing at a compound annual growth rate ("CAGR") of 10.6%. By 2029, the market is anticipated to expand to USD772.5 billion, with a CAGR of 11.3%. Key drivers of this growth include rising health awareness, scientific advancements, personalised nutrition, digital health, e-commerce, and the ageing population.

The ageing population, particularly individuals aged 65 and older, is a key structural driver to our business, fueling demand for nutrients to support immune function and manage age-related conditions. The World Health Organization projects that by 2030, one in six people will be aged 60 or older, with this demographic expected to reach 2.1 billion by 2050. This shift is contributing to increased demand for functional foods and bioactive ingredients that support cognitive function, immunity, and gut health.

In response to these trends, DXN will continue to diversify its product offerings, focusing on functional solutions that support immunity and overall wellness. To further support long-term growth, the Group is expanding its global footprint with new facilities in Brazil, Nepal, and Bangladesh, enhancing market access and improving logistics efficiency.

In this context, DXN remains focused on product innovation, operational scalability, and sustainable expansion, which are central to our long-term growth strategy in the wellness sector.

APPRECIATION

On behalf of the Board of Directors of DXN, I would like to express our deepest appreciation to all who have played a vital role in our journey. We are especially grateful to our valued suppliers, bankers, customers, government agencies, and regulatory authorities for their unwavering support and continued collaboration. Your trust and partnership have been instrumental in driving our success. To our shareholders, thank you for your confidence in DXN's vision, mission, and long-term goals. Your loyalty and trust empower us to continue our sustainable growth with purpose and clarity.

Our achievements would not have been possible without the unwavering dedication of our global workforce of over 3,000 employees. Their commitment to excellence continues to propel our progress across markets. We are equally grateful to our worldwide member network, whose entrepreneurial drive and loyalty have significantly strengthened our brand presence and market reach.

I would also like to acknowledge the strategic insight and leadership of my fellow Board members. Their guidance and commitment to high standards of governance have been instrumental in steering DXN towards long-term value creation.

With a strong foundation and the collective efforts of all our stakeholders, we remain confident in our ability to build on our momentum and realise our growth aspirations.

Once again, we extend our sincere thanks to all for the continued trust and support.

DATUK LIM SIOW JIN

Executive Chairman and Founder



Driven by stronger revenue and earnings, we continued to reward shareholders with a growing dividend payout."

MANAGEMENT DISCUSSION AND ANALYSIS

FY2025 Milestones:

Advancing Global Presence and Innovation

DXN continued to demonstrate resilience in the FY2025, delivering another year of record performance despite a challenging global landscape.

Amidst persistent economic headwinds across several key markets, the Group remained steadfast in its strategy and operational execution. This enabled us to navigate uncertainties effectively and achieve commendable growth, underscoring the strength and agility of our business model.

Reflecting our improved performance, a dividend of 3.7 sen per share was declared, translating to RM184.0 million, or 56.1% of net profit, underscoring our commitment to delivering long-term value to shareholders.



MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE MILESTONES AND STRATEGIC OUTLOOK

FY2025 MILESTONES: ADVANCING GLOBAL PRESENCE AND INNOVATION

DXN continued to strengthen its position in the global wellness industry during the financial year, achieving key milestones across market expansion, product innovation, sustainability, and operational excellence.

The Group made substantial headway in extending its international reach, particularly across Latin America and Africa. In Brazil and Argentina, product registrations recorded steady growth, with further approvals in the pipeline. DXN also commenced operations in Egypt in April 2025 and is preparing to enter Algeria and Chile by mid-year, followed by Ghana and Zambia in the second half. These new market entries complement DXN's continued expansion into new markets across Latin America.

To support this geographic growth, the Group operationalised new manufacturing facilities in Nepal and Bangladesh. These sites enable faster delivery to regional markets, improved regulatory compliance, and a lower logistics-related carbon footprint. In Malaysia, the Kedah facility remained DXN's primary production hub, contributing the vast majority of the Group's global output and employing more than 1,400 workers. Given the facility's spatial constraints and ageing infrastructure, the Group has initiated plans for a new, modern manufacturing site, which is expected to provide both technological upgrades and potential fiscal incentives.

Product diversification remained a key focus. Building on its Ganoderma heritage, the Group has, over the decades, expanded its portfolio of natural ingredient-based products to include lion's mane mushroom, spirulina, cordyceps, and other functional botanicals. Research and development ("R&D") efforts are actively underway to incorporate additional medicinal mushrooms such as *Agaricus blazei* and truffle varieties.

New Ready-to-Drink ("RTD") and Ready-to-Eat ("RTE") products were introduced during the year, with manufacturing anchored in Malaysia and China. A hatchery was also established in Langkawi to support the Group's aquaculture-based RTE offerings. In parallel, DXN is advancing the development of plant-based innovations, including a mushroom-based burger patty.



DXN's sustainability agenda continued to gain momentum. DXN Cyberville at Cyberjaya has been awarded the GBI Silver certification for its sustainable design and environmentally responsible features.

The facility integrates features such as energy-efficient systems, rainwater harvesting, low-volatile organic compounds ("VOC") building materials, and digital water leak detection. These initiatives are aimed at reducing carbon impact and ensuring efficient resource management.



DXN Cyberville is a hub for global events, training, and member gatherings, featuring convention halls and residential apartments.

Reinforcing its unwavering commitment to sustainability, DXN was one of only two multinational corporations invited to participate in the Association of Southeast Asian Nations ("ASEAN") Greening Value Chain initiative, supported by the Greening Value Chain Playbook developed in collaboration with Bank Negara Malaysia, the Asian Development Bank, and the United Nations Development Programme. The Group also implemented the carbon management platform to accurately track, monitor, and report greenhouse gas emissions across its global operations in line with evolving sustainability standards.

DXN holds a 3-star ESG sustainability rating from FTSE Russell, with aspirations to achieve 4-star status as it enhances data maturity and improves the granularity of its ESG reporting.

MANAGEMENT DISCUSSION AND ANALYSIS

In affirmation to its international credentials and brand, DXN participated in a high-level roundtable meeting with the Prime Minister of Malaysia, Datuk Seri Anwar Ibrahim during his official visit to Peru in November 2024. The Group was invited to join the session as part of the delegation of Captains of Industry, reflecting its significant role in Malaysia's international trade. Peru remains a key export market for the Group, contributing approximately USD50.0 million and accounting a substantial portion of Malaysia's total exports to the country.

(According to the United Nations COMTRADE database on international trade, Malaysia's exports to Peru amounted to USD146.5 million in 2024.)

DXN participated in the Malaysia International Halal Showcase ("MIHAS") in Dubai in November 2024 to advance Malaysia's halal export agenda and further strengthen the Group's brand presence in the Middle East.



The Group continued to invest in R&D, as well as in specialised talent acquisition to support future growth. R&D activities expanded beyond Kedah to include Kuala Lumpur, Sabah, Sarawak, and India, with areas of focus ranging from herbal innovation and substrate optimisation to production process enhancements. Bio Synergy Laboratories Sdn Bhd, a wholly-owned subsidiary, remained a key driver of these efforts. As at February 2025, DXN's product portfolio comprised 562 Stock Keeping Units ("SKUs"), of which 413 were developed in-house, reflecting the Group's strong innovation pipeline and technical expertise.

DXN's product portfolio comprised

562 SKUs,
with 413 developed in-house



In June 2025, DXN debuted on the 2025 Fortune Southeast Asia 500 list at No. 491. This recognition reflects DXN's strong growth and global expansion strategies. Since 1995, the Company has solidified its position through a resilient business model, innovative products, and a global manufacturing footprint, reinforcing its leadership and influence in international markets.

The Fortune Southeast Asia 500 ranks the region's top 500 companies by total revenue, showcasing the scale and impact of Southeast Asia's leading businesses.

OUTLOOK: BUILDING A FUTURE-FOCUSED, SUSTAINABLE WELLNESS ENTERPRISE

DXN remains committed to consolidating further its position as a global leader in natural wellness solutions. The Group will continue to expand its product portfolio, with a focus on functional mushrooms, plant-based innovations, and solutions addressing gut health, an emerging area of interest linked to overall well-being.

Geographic expansion will continue to be a strategic priority, with market entries into Algeria, Chile, Ghana, and Zambia anticipated in the coming quarters. These initiatives will be supported by ongoing investments in regulatory readiness, local manufacturing capabilities, and product registration pipelines.

Digital transformation will be another key area of focus. The Group is actively exploring the integration of artificial intelligence ("AI") into its operations to drive cost efficiencies, enhance decision-making, and unlock deeper insights. DXN's proprietary digital ecosystem, often under-recognised, serves as a core enabler of its integrated global model and sustainability performance.

With rising global awareness surrounding mental well-being, immunity, and lifestyle-related health, DXN is well-positioned to meet more sophisticated consumer demands through its diverse product offerings, strong R&D capabilities, and holistic approach to wellness. Guided by a clear long-term vision, the Group will continue to invest in innovation, talent, and sustainable growth to unlock further value across its global network.

NAVIGATING GLOBAL ECONOMIC SHIFTS IN FY2025

The global economy in FY2025 continued on a moderated growth trajectory, underpinned by easing inflationary pressures, evolving

MANAGEMENT DISCUSSION AND ANALYSIS

monetary policies, and intensifying trade uncertainties. According to the IMF, global gross domestic product ("GDP") grew by 3.2% in 2024, mirroring the pace of expansion in 2023. This stability reflects resilience despite ongoing financial tightening and structural shifts in global trade.

One of the more notable developments during the year was the escalation of tariff measures by major economies. Average effective tariff rates in certain regions surged from approximately 2.0% to over 20.0%, the highest levels seen in decades. These increases have raised concerns globally regarding supply chain disruptions, higher production costs, and reduced trade flows. While these dynamics have influenced the broader business environment, DXN's limited exposure to the U.S. market has insulated the Group from any direct material impact.

In response to rising protectionist pressures, Southeast Asian economies, particularly those within ASEAN, intensified efforts to deepen regional economic integration and promote diversification. Key policy priorities included the strengthening of intra-regional trade, accelerating supply chain localisation, and investing in digital

infrastructure. According to the IMF, the ASEAN region achieved economic growth of 4.1% in 2023 and expanded by 4.6% in 2024, supported by strong domestic demand, a recovery in investment and tourism, and improving external trade conditions.

More broadly, Asia remained a key engine of global growth. The region's performance was driven by resilient consumption, digital transformation, and the reinforcement of regional trade agreements. While monetary tightening continued across major Asian economies to curb inflation, coordinated policy responses and structural reforms played a critical role in sustaining growth momentum. An increasing focus on innovation, technology adoption, and cross-border collaboration further bolstered economic resilience and laid the foundation for long-term sustainable development.

Latin America, although facing ongoing macroeconomic challenges, also demonstrated pockets of resilience. Economic growth in the region remained modest, improving slightly from 2.3% in 2023 to 2.4% in 2024. Notably, inflationary pressures eased, enhancing household purchasing power and providing scope for a cautiously optimistic outlook.

BUILDING ON A SOLID GROWTH FOUNDATION

In FY2025, DXN sustained its upward trajectory despite prevailing global uncertainties, underscoring the resilience and scalability of its business model. Performance was bolstered by disciplined execution across strategic pillars, including geographic diversification, product innovation, and sustained member engagement through targeted marketing and outreach campaigns.

REVENUE

The Group achieved a new revenue milestone in FY2025, registering RM1.9 billion, an increase of 5.8% compared to the RM1.8 billion recorded in FY2024. This growth was primarily supported by stronger contributions from markets such as Peru, Bolivia, the Middle East, and Türkiye, where enhanced market penetration and consistent marketing initiatives deepened member loyalty and sales volumes.

Revenue Breakdown by Business Segments

FY 29/28 February	FY2024		FY2025		YoY Changes
	RM million	%	RM million	%	%
Fortified Food & Beverages ("FFB")	1,312.0	69.1	1,390.0	69.0	5.9
Health & Dietary Supplements ("HDS")	396.5	20.9	368.5	18.3	(7.1)
Personal Care & Cosmetics ("PCC")	120.1	6.3	128.1	6.4	6.7
Others	69.2	3.7	126.5	6.3	82.8
Total Gross Sales	1,897.8	100.0	2,013.1	100.0	
<i>Less: Consideration due/paid to customers</i>	<i>(94.6)</i>		<i>(104.6)</i>		
Total Net Sales	1,803.2		1,908.5		

MANAGEMENT DISCUSSION AND ANALYSIS

Segmentally, the FFB product line remained the primary revenue driver, contributing 69.0% of total gross revenue. This was followed by HDS at 18.3%, while other products and business activities and PCC accounted for 6.3% and 6.4%, respectively.

FFB revenue grew by 5.9% YoY to RM1.4 billion, reflecting the products' strong market appeal and growing consumer demand across key markets.

Meanwhile, revenue from other products and business activities, comprising third-party laboratory testing services, lifestyle products, and café operations almost doubled during the year.

Revenue Breakdown by Geographical Region

FY 29/28 February	FY2024		FY2025		YoY Changes %
	RM million	%	RM million	%	
Latin America	1,097.9	57.9	1,182.3	58.7	7.7
Asia	489.6	25.8	486.9	24.2	(0.6)
Middle East and Africa	178.4	9.4	204.6	10.2	14.7
Europe	99.2	5.2	109.3	5.4	10.2
North America	29.0	1.5	26.4	1.3	(9.0)
Oceania	3.7	0.2	3.6	0.2	(2.7)
Total Gross Sales	1,897.8	100.0	2,013.1	100.0	
<i>Less: Consideration due/paid to customers</i>	<i>(94.6)</i>		<i>(104.6)</i>		
Total Net Sales	1,803.2		1,908.5		

Latin America retained its position as the Group's largest revenue-contributing region, delivering a solid performance with a 7.7% YoY increase to RM1.2 billion, up from RM1.1 billion in the preceding financial year. While growth momentum was partially offset by unfavourable foreign exchange movements stemming from the appreciation of the Malaysian Ringgit, underlying business fundamentals remained strong. The continued expansion was supported by resilient demand for FFB products, alongside effective member engagement programmes, well-executed marketing efforts, and the introduction of new offerings that collectively fostered organic growth across the region.

Asia, the Group's second-largest market, remained broadly stable with revenue of RM486.9 million compared to RM489.6 million in FY2024. The region's performance was underpinned by strong sales in India, driven by deepened member involvement and the rollout of a strategically curated product portfolio tailored to local market preferences.

Other international markets, including the Middle East and Africa, Europe, North America, and Oceania, contributed a combined 17.1% to total Group revenue. Although these territories currently represent a smaller proportion of overall sales, they are viewed

as high-potential growth corridors. The Group remains focused on unlocking these opportunities through selective market entry strategies, localisation of offerings, and enhanced distribution capabilities.



DXN celebrates its 30th International Anniversary at DXN Cyberville.

MANAGEMENT DISCUSSION AND ANALYSIS

	FY2024 RM million	FY2025 RM million	Latest YoY Changes
Earnings before interest, tax, depreciation, and amortisation ("EBITDA")	537.1	583.2	8.6%
Profit before tax ("PBT")	479.0	522.7	9.1%
Profit after tax and non-controlling interests ("PATAMI" or "net profit")	311.0	328.1	5.5%
EBITDA Margin	29.8%	30.6%	
PBT Margin	26.6%	27.4%	
PATAMI Margin	17.2%	17.2%	

During the financial year under review, we recorded strong earnings growth across key profit metrics. EBITDA rose by 8.6% YoY to RM583.2 million, compared to RM537.1 million in FY2024. PBT increased by 9.1% to RM522.7 million from RM479.0 million, while PATAMI grew by 5.5% to RM328.1 million, up from RM311.0 million in the previous year.

Our EBITDA, PBT, and PATAMI margins for FY2025 stood at 30.6%, 27.4%, and 17.2%, respectively. This margin enhancement was primarily driven by improved production efficiency, the receipt of an indirect tax refund, and the reversal of previously accrued marketing expenses. Additionally, the absence of listing-related expenses, which were incurred in the prior year, further contributed to the favourable margin performance.

On an adjusted basis, excluding the impact of non-recurring items such as impairments and provisions, as well as foreign exchange effects, the Group's adjusted PATAMI for FY2025 stood at RM349.5 million, compared to RM312.4 million in the preceding year. This reflects a solid YoY growth of 11.8%.

Despite facing a volatile and challenging operating environment, we delivered record-high EBITDA, PBT, and net profit results for FY2025. This achievement reflects our operational resilience and our continued ability to generate sustainable earnings growth since our listing in 2023.

CAPITAL HEALTH AND LIQUIDITY POSITION

As we close FY2025, our financial position remains resilient, anchored by a healthy cash and cash equivalents of RM672.2 million, up from RM564.4 million a year ago. This growth was driven by robust operating cash flows from our core business activities.

At the same time, we reduced our total borrowings to RM154.9 million, from RM165.4 million previously, reflecting our ongoing commitment to prudent financial management.

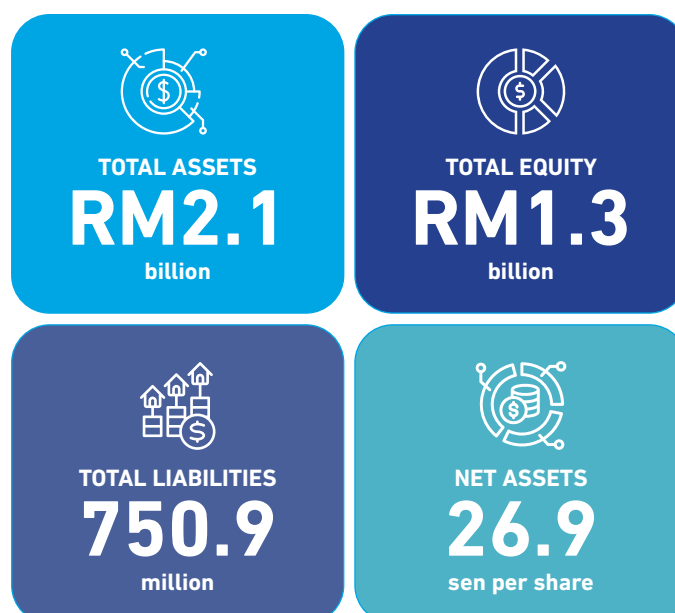
With a solid net cash position, we are well-placed to fund future growth and reward shareholders through sustainable dividend payouts.

Total assets as at 28 February 2025 stood at RM2.1 billion, consistent with the previous year, while total liabilities recorded a slight increase of 2.4% YoY to RM750.9 million, from RM733.6 million earlier.

Equity attributable to owners of the Company remained steady at RM1.3 billion, while total equity, inclusive of non-controlling interests, stood similarly at RM1.3 billion, broadly consistent with the prior year.

Since our listing in May 2023, we have focused on building a cash-generative, resilient business and these results reflect the progress we have made.

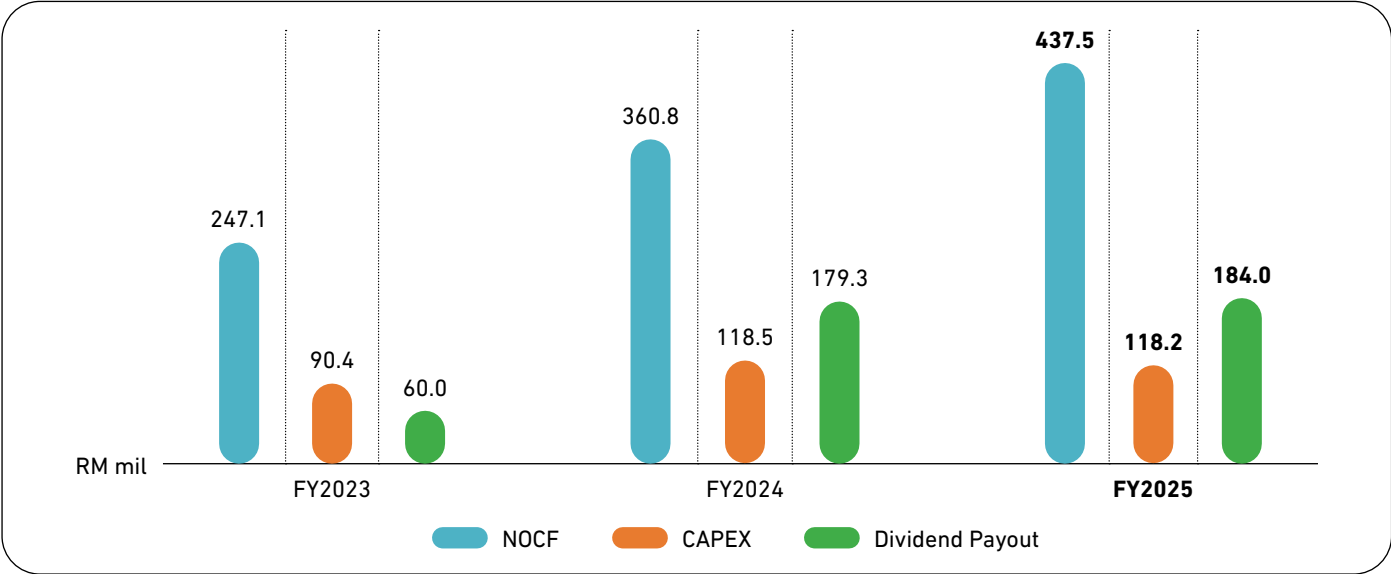
BALANCE SHEET HIGHLIGHTS AS AT 28 FEBRUARY 2025



MANAGEMENT DISCUSSION AND ANALYSIS

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

In FY2025, we recorded a strong increase in NOCF, which rose by 21.3% to RM437.5 million, compared to RM360.8 million in FY2024. This solid cash flow generation underscores our operational strength and provides a resilient platform to support strategic investments and future expansion initiatives.



CAPEX for the year amounted to RM118.2 million, a slight decrease from the RM118.5 million in the preceding year. These investments were carefully directed towards enhancing our global manufacturing footprint and reinforcing our long-term growth trajectory. Key capital initiatives during the year included:

- Procurement of plant and machinery for facilities in Malaysia, Dubai, and India;
- Renovation and upgrading of our production facility in Mexico;
- Construction of new manufacturing plants in Bangladesh and Nepal;
- Acquisition of land in Morocco; and
- Prepayment for property, plant, and equipment ("PPE").

With a strengthened financial position and expanded production capabilities, we remain well positioned to sustain our growth momentum and deliver long-term value to shareholders.

DRIVING VALUE THROUGH DIVIDENDS

In line with our commitment to delivering shareholder value, we have adopted a dividend policy to distribute a minimum of 50% of audited net profit as dividends.

During FY2025, DXN declared and paid a series of interim dividends as outlined below:

- On 26 July 2024, we declared the first interim dividend of 0.90 sen per ordinary share totalling RM44.8 million for FY2025 which was paid on 28 August 2024.
- On 24 October 2024, we declared the second interim dividend of 0.80 sen per ordinary share totalling RM39.8 million for FY2025 which was paid on 29 November 2024.
- On 27 January 2025, we declared the third interim dividend of 1.00 sen per ordinary share totalling RM49.7 million for FY2025 which was paid on 7 March 2025.
- On 28 April 2025, we declared the fourth interim dividend of 1.00 sen per ordinary share totalling RM49.7 million for FY2025 which was paid on 30 May 2025.

Collectively, the four interim dividends amounted to 3.7 sen per ordinary share, translating into a total payout of RM184.0 million, an increase from 3.6 sen per ordinary share or RM179.3 million declared in the previous year. This increment reflects the continued improvement in our financial performance throughout the financial year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

Based on the net profit of RM328.1 million for FY2025, our total dividend payout represents a payout ratio of 56.1%, in line with our policy and commitment to delivering consistent shareholder returns.



RM363.3 million

Dividend payout since our listing in 2023



56.1%

Dividend payout of FY2025 Net Profit

RISKS AND MITIGATION STRATEGIES

Navigating today's rapidly shifting global environment calls for constant awareness and strategic risk oversight. At DXN, we maintain a forward-looking and disciplined approach to risk management, systematically identifying potential exposures, and implementing comprehensive mitigation strategies. Ongoing monitoring ensures risks remain within controlled limits, enabling us to maintain operational continuity and uphold the long-term sustainability of our business.

1. Volatility in Raw Material and Transportation Costs

Rising raw material and logistics costs pose a significant challenge to margins and supply chain stability. In response, we have intensified our in-sourcing initiatives to reduce reliance on third-party suppliers. For instance, we expanded in-house spirulina cultivation ponds to improve cost efficiency and maintain consistent product quality.

To further manage supply risks, particularly for critical inputs such as coffee, we diversified our sourcing network by engaging

suppliers across multiple geographic regions. This multi-source approach helps cushion the impact of market volatility and ensures a stable supply chain.

Recognising the impact of geopolitical factors on transportation costs and logistics, we have strategically expanded our global manufacturing footprint. By locating production facilities closer to key markets, we reduce shipping distances, mitigate disruptions, and optimise distribution costs.

2. Intensifying Market Competition

To mitigate the impact of rising cost of sales, we implemented calibrated price adjustments across selected markets. These revisions were based on detailed market analysis to ensure alignment with consumer expectations and to maintain our competitive positioning.

Manufacturing efficiency remains a core focus, enabling us to preserve healthy margins despite cost pressures. This operational resilience allows us to reinvest in business growth and continue delivering sustainable returns to shareholders.

In addition, we maintain a strong commitment to innovation through ongoing investment in R&D. Our R&D capabilities span advanced biotechnologies such as tissue culture, eco-farming, nano fermentation, centrifuge filtration, and cold dehydration. These technologies are crucial for preserving the integrity of natural active ingredients, ensuring product efficacy, and supporting the development of differentiated product categories that meet evolving consumer needs.

3. Regulatory Compliance Risks

The regulatory environment for nutraceuticals continues to evolve, with increasing scrutiny on product safety, labelling, and ingredient usage. To address this, we maintain a dedicated team of regional regulatory specialists who closely monitor changes across all operating jurisdictions. This proactive engagement ensures that our product formulations and documentation remain fully compliant with prevailing standards.

Beyond compliance, we implement rigorous quality control measures throughout the production cycle to uphold our brand reputation. Our commitment to product safety and consistency not only mitigates regulatory risk but also reinforces consumer trust and long-term brand loyalty.

MANAGEMENT DISCUSSION AND ANALYSIS

4. Commodity Price Fluctuations

Fluctuations in the prices of key raw materials such as coffee and sugar—pose a recurring risk to profitability. These variations, often driven by climate conditions and geopolitical developments, can disrupt sourcing strategies and inventory planning.

To mitigate this risk, we continue to diversify our supplier base across multiple geographies. This approach not only reduces reliance on any single supplier but also strengthens our negotiating position, enabling us to secure better pricing terms and greater flexibility in sourcing. In addition, we actively enter into forward contracts, particularly for coffee and cocoa,

to stabilise input costs and shield our operations from short-term market fluctuations.

Our ability to adjust selling prices annually provides an additional safeguard against margin erosion, helping us offset rising raw material costs where necessary. Concurrently, we invest in R&D to identify alternative ingredients with more stable pricing profiles, enhancing long-term cost efficiency without compromising product quality. These efforts are supported by our integrated technology platform, which enables us to monitor commodity markets in real time and adjust production, inventory, and procurement strategies accordingly.

5. Foreign Exchange Risk

As a global business, we are exposed to fluctuations in foreign exchange rates, particularly in markets where revenues and operating costs are denominated in currencies other than the Malaysian Ringgit. Unfavourable currency movements may impact our financial performance, especially in relation to trade receivables, cash balances, and intercompany transactions.

To mitigate this exposure, we have implemented a multi-pronged currency risk management strategy. This includes pegging certain operating currencies to the U.S. dollar where commercially viable, thereby reducing volatility in transactions.

In addition, we maintain forward currency contracts to hedge against short- to medium-term exchange rate movements, ensuring greater predictability in our financial outcomes.

Furthermore, we have strategically obtained loans and borrowings denominated in USD and EUR to serve as a natural hedge against our receivables and cash balances in these currencies. This approach helps offset potential translation losses and stabilises our financial position amid currency fluctuations.

6. Political Instability & Civil Unrest

Political instability, driven by election cycles, regional conflicts, and growing economic and income disparities, can lead to civil unrest in developing regions. Such events pose significant risks to our operations, potentially resulting in temporary shutdowns, safety concerns for our field teams, and disruptions in the supply chain and logistics. To mitigate these risks, we

have strategically diversified our operations across various regions, ensuring that setbacks in one area do not unduly affect our overall business. We have also developed comprehensive contingency plans, which include evacuation procedures and operational adjustments to maintain stability in the face of geopolitical challenges.

7. Cybersecurity Threats & Data Localisation

The increasing frequency of cyber-attacks and the expansion of digital surveillance laws in many countries pose significant risks to data security, particularly in emerging markets. These challenges could expose sensitive distributor and customer data, disrupt manufacturing operations, and require the implementation of localised IT infrastructure to comply with

regional data protection regulations. In response, we have made substantial investments in advanced cybersecurity measures to safeguard our data. Additionally, we ensure compliance with local data protection laws by working closely with legal teams in each market to stay ahead of evolving requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

ADVANCING INTO FINANCIAL YEAR 2026 (“FY2026”)

DXN enters FY2026 with a strong foundation, buoyed by the solid performance recorded in FY2025 and decades of sustained, disciplined growth. Our continued success is anchored in the strategic integration of a globally scaled nutraceutical manufacturing capability and a well-established, member-driven distribution network worldwide and strong global talent base.

The global health and wellness movement is accelerating, fuelled by increasing consumer prioritisation of preventive health, nutrition, and immunity. According to McKinsey & Company’s 2025 wellness report, wellness has transitioned from a niche interest to a mainstream priority, with over 80% of global consumers now seeing wellness as a top or important aspect of their daily lives. This growing awareness and consciousness is driving demand for natural, plant-based, and functional products—particularly in key areas such as dietary supplements, healthy eating, fitness, and mental wellness.

Post-pandemic shifts in consumer behaviour have further reinforced these trends, with individuals seeking holistic, science-backed solutions that support both physical vitality and emotional resilience. Rising interest in clean-label nutrition, personalised health products, and tech-enabled wellness platforms is reshaping expectations across demographic segments. DXN is well-positioned to capture these opportunities, leveraging our vertically-integrated operations, diversified product portfolio, and global reach to address evolving consumer preferences with agility and precision.

Looking ahead, we remain focused on executing strategic priorities to drive long-term growth. A key initiative for FY2026 is the acceleration of our digital transformation agenda. This includes the development and deployment of proprietary digital platforms designed to elevate member engagement, streamline operational processes, and deliver an enhanced customer experience. These initiatives will not only improve efficiency but also expand the scalability of our business model.

At the same time, we are advancing our control over the full value chain. Our efforts include upstream integration, such as expanding in-house cultivation of key raw materials like coffee and other botanicals, to enhance supply chain resilience, strengthen quality assurance, and improve cost efficiencies.

To meet rising demand across our global markets, we plan to commit close to RM400.0 million in CAPEX for the development of new manufacturing facilities in strategic locations across our key markets. These investments are expected to boost production capacity, enable localisation of supply chains, and mitigate risks associated with logistics disruptions.

As we move forward, DXN remains committed to identifying sustainable growth avenues while maintaining the agility to adapt to changing market conditions. Backed by a strong brand, robust infrastructure, and strategic foresight, we are confident in our ability to navigate future challenges and sustain our upward momentum. We remain steadfast in our mission to deliver high-quality products, empower our global members and partners, and uphold the standard of excellence that defines the DXN brand. The DXN brand is here to stay and we have been deliberate in the selection of our global team. The strength and resilience of our team has led us to serving the evolving market the last 30 years. We will serve and service all our stakeholders for many more decades with a sustainable brand that earns their trust.

PRAJITH PAVITHRAN

Chief Executive Officer



Pure microalgae cultivation and maintenance at DXN Cyberville Microalgae Gallery.

FINANCIAL HIGHLIGHTS



REVENUE

↑ **5.84%**

RM1.9 billion
(FY2024: RM1.8 billion)



EBITDA

↑ **8.57%**

RM583 million
(FY2024: RM537 million)



PATAMI

↑ **5.49%**

RM328 million
(FY2024: RM311 million)

	FY2021 ⁽¹⁾ RM'000	FY2022 ⁽¹⁾ RM'000	FY2023 RM'000	FY2024 RM'000	FY2025 RM'000
Financial Results					
Revenue	1,050,205	1,242,856	1,600,814	1,803,214	1,908,476
Earnings Before Interest, Tax, Depreciation & Amortisation ("EBITDA")	313,858	401,382	496,383	537,147	583,201
Profit for the year	200,884	245,444	289,327	323,966	334,230
Profit attributable to owners of the company ("PATAMI")	191,572	242,922	275,396	310,994	328,066
Financial Position					
Total assets	1,319,658	1,473,580	1,759,937	2,091,884	2,088,404
Total liabilities	689,968	661,965	734,806	733,621	750,906
Total equity	629,690	811,615	1,025,131	1,358,263	1,337,498
Financial Ratios					
EBITDA margin (%) ⁽²⁾	29.9%	32.3%	31.0%	29.8%	30.6%
PATAMI margin (%) ⁽³⁾	18.2%	19.5%	17.2%	17.2%	17.2%
Basic earnings per share ("EPS") (sen)	3.97 ⁽⁴⁾	5.03 ⁽⁴⁾	5.71 ⁽⁴⁾	6.28 ⁽⁴⁾	6.60
Net gearing ratio ⁽⁵⁾	Net cash	Net cash	Net cash	Net cash	Net cash

Notes:

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

⁽²⁾ Computed based on EBITDA divided by revenue.

⁽³⁾ Computed based on PATAMI divided by revenue.

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

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

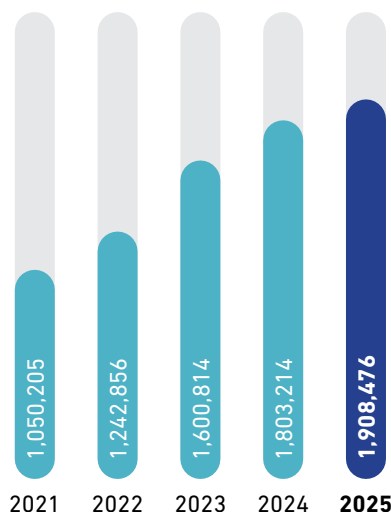
FINANCIAL HIGHLIGHTS

REVENUE

(RM' 000)

2025

1,908,476

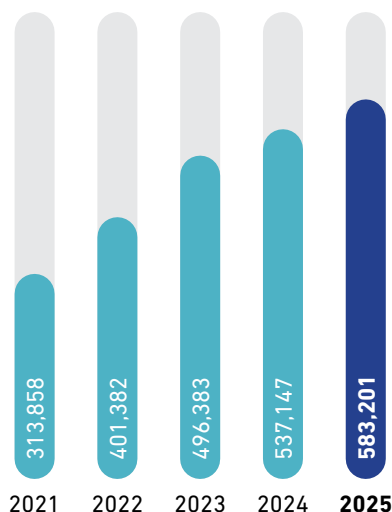


EBITDA

(RM' 000)

2025

583,201

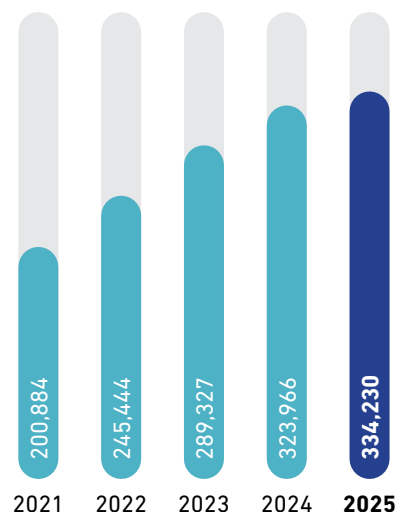


PROFIT FOR THE YEAR

(RM' 000)

2025

334,230

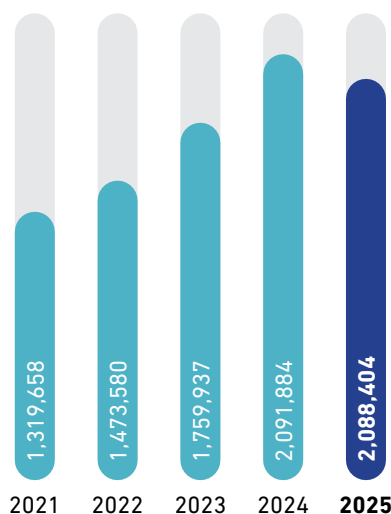


TOTAL ASSETS

(RM' 000)

2025

2,088,404

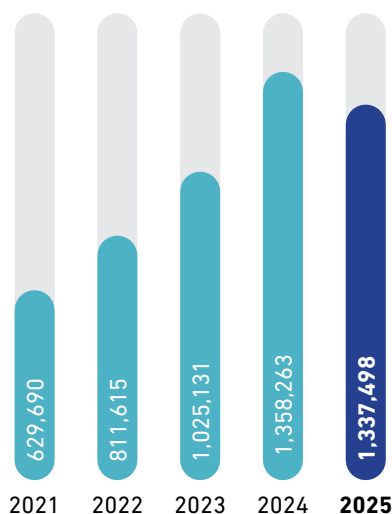


TOTAL EQUITY

(RM' 000)

2025

1,337,498

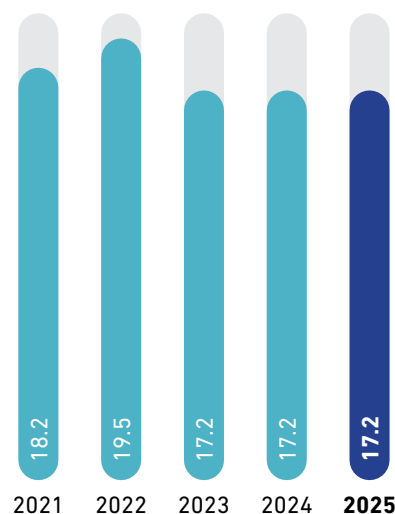


PATAMI MARGIN

(%)

2025

17.2



SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

We are pleased to present our 3rd Sustainability Statement of DXN Holdings Bhd. (“DXN” or “the Company”) and its subsidiaries (“DXN Group” or “the Group”). Our Sustainability Statement 2025 aims to provide our stakeholders with comprehensive details of our sustainability performance for the reporting period of 1 March 2024 to 28 February 2025, which aligns with DXN Group’s 2025 financial year (“FY2025”).



SUSTAINABILITY STATEMENT

This statement reviews our key Economic, Environmental, and Social (“EES”) commitments and strategies as well as our Governance strategies and achievements.

This report is structured around three (3) overriding themes of DXN's sustainability value creation:



This Sustainability Statement 2025 is best read together with our Annual Report 2025 to provide a comprehensive view of integrating our financial goals with social and environmental imperatives. Please refer to our Global Reporting Initiatives (“GRI”) Index on pages 101 to 105 of this Report for further reference.

STATEMENT OF LIMITED ASSURANCE

(GRI 2-5)

As our commitment to ensure transparency and accuracy in our sustainability disclosure, we have sought third-party assurance for this reporting year from BSI Services Malaysia Sdn. Bhd. An independent third party verified certain key sustainability data contained within this Sustainability Statement, and their Limited Assurance Statement can be viewed on pages 98 to 100.

REPORTING PERIOD, STANDARDS, SCOPE, AND BOUNDARY

(GRI 2-2, GRI 2-3)

This Sustainability Statement (“the Report”) was prepared internally in accordance with the following guidance and reporting frameworks, covering the reporting period from 1 March 2024 to 28 February 2025:

1. The Main Market listing requirements of the Bursa Malaysia Securities Berhad Sustainability Reporting Guide 2022 (3rd Edition)
2. The 2021 GRI Standards

This Report also refers to:

1. Bursa Malaysia Main Market Listing Requirements (Enhanced Sustainability Reporting Requirements: Annexure A Practice Note 9)
2. The Greenhouse Gas Protocol (“GHG Protocol”)
3. Taskforce Climate-Related Financial Disclosure (“TCFD”)
4. The United Nations Sustainable Development Goals (“UN SDGs”)
5. The International Standard on Assurance Engagements (“ISAE”) 3000 for our assurance process

SUSTAINABILITY STATEMENT

SCOPE AND BOUNDARY

The Sustainability Statement 2025 has expanded its sustainability reporting by including 56 entities from 33 countries, demonstrating DXN's commitment to transparency in EES as well as Governance scrutiny. These entities are organised by division and geographical location, as shown in the following table:

Division	No.	Reported Entities in FY2025	Countries	Status
DIRECT SELLING	1.	DXN Marketing Sdn. Bhd.	Malaysia	Active ¹
	2.	DXN Marketing India Private Limited	India	Active ¹
	3.	DXN International Private Ltd	Philippines	Active ¹
	4.	"Daxen" LLC	Mongolia	Active ¹
	5.	Daehsan Europe Export-import Korlátolt Felelősségű Társaság	Hungary	Active ¹
	6.	Daxen, Inc.	USA	Active ¹
	7.	Daxen Morocco LLC	Morocco	Active ¹
	8.	Daxen Slovakia s.r.o.	Slovakia	Active ¹
	9.	DXN Global Marketing Nigeria Limited	Nigeria	Active ¹
	10.	DXN Greece EPE	Greece	Active ¹
	11.	DXN International CZ s.r.o.	Czech Republic	Active ¹
	12.	DXN International (HK) Limited	Hong Kong	Active ¹
	13.	DXN International Trading (Ningxia) Co., Ltd.	China	Active ¹
	14.	DXN International Poland Sp. z o.o.	Poland	Active ¹
	15.	DXN Internacional Spain S.L. Unipersonal	Spain	Active ¹
	16.	DXN Italy SRL	Italy	Active ¹
	17.	DXN Marketing Private İthalat Ve Pazarlama Ltd. Şirketi	Türkiye	Active ¹
	18.	DXN International (Australia) Pty. Ltd.	Australia	Active ¹
	19.	DXN Mexico S.A. DE C.V.	Mexico	Active ¹
	20.	DXN International Panama S.A.	Panama	Active ¹
	21.	DXN Mauritania SARL	Mauritania	Active ¹
	22.	DXN International Peru S.A.C	Peru	Active ¹
	23.	DXN Bolivia S.R.L.	Bolivia	Active ¹
	24.	DXN Colombia SAS	Colombia	Active ¹
	25.	DXN Trading Ecuador CIA. LTDA.	Ecuador	Active ¹
	26.	FE LLC "DAXEN UBZ"	Uzbekistan	Active ¹
	27.	PT. Daehsan Indonesia	Indonesia	Active ¹
	28.	DXN International Pakistan (Private) Limited	Pakistan	Active ¹
	29.	DXN International (Thailand) Co., Ltd.	Thailand	Active ¹
	30.	DXN Marketing Bangladesh Ltd.	Bangladesh	Active ¹
	31.	DXN (Singapore) Pte Ltd	Singapore	Active ¹

SUSTAINABILITY STATEMENT

Division	No.	Reported Entities in FY2025	Countries	Status
MANUFACTURING	32.	DXN Industries (M) Sdn. Bhd.	Malaysia	Active ¹
	33.	DXN Pharmaceutical Sdn. Bhd.	Malaysia	Active ¹
	34.	DXN Manufacturing (India) Private Limited	India	Active ¹
	35.	PT. Daxen Indonesia	Indonesia	Active ¹
	36.	Dexin Manufacturing Nepal Private Limited	Nepal	Active ¹
	37.	DXN Food Tech Sdn. Bhd.	Malaysia	Active ¹
	38.	Esen Lifesciences Private Limited	India	Active ¹
	39.	Daxen Middle East Food Manufacturing L.L.C	United Arab Emirates	Active ¹
RESEARCH AND DEVELOPMENT ("R&D")	40.	DXN Corporation (Ningxia) Co., Ltd.	China	Active ¹
	41.	Bio Synergy Laboratories Sdn. Bhd.	Malaysia	Active ¹
	42.	DXN Biotech Consultants Sdn. Bhd.	Malaysia	Active ¹
PLANTATION	43.	DXN Safari Eco Park Sdn. Bhd.	Malaysia	Active ¹
	44.	DXN Agrotech (Ningxia) Co., Ltd.	China	Active ¹
	45.	DXN Agrotech Sdn. Bhd.	Malaysia	Active ¹
	46.	Daxen Agritech India Private Limited	India	Active ¹
LIFESTYLE	47.	Amazing Discovery Sdn. Bhd.	Malaysia	Active ¹
	48.	DXN Holdings Bhd.	Malaysia	Active ¹
	49.	DXN Cafe Sdn. Bhd.	Malaysia	Active ¹
OTHERS	50.	DXN Clinics Private Limited	India	Active ¹
	51.	DXN Materials Sdn. Bhd.	Malaysia	Active ¹
	52.	DXN Solutions Sdn. Bhd.	Malaysia	Active ¹
	53.	PT. Suryasoft Konsultama	Indonesia	Active ¹
	54.	DXN Biotechnology (Ningxia) Co., Ltd.	China	Inactive ²
	55.	DXN Bangladesh Industries (Pvt. Ltd.	Bangladesh	Active ¹
	56.	DXN Aero Nautic Sdn. Bhd.	Malaysia	Active ¹

Notes:

¹ Active Subsidiaries – Active subsidiaries which are Companies wholly- or partly-owned by DXN currently operating under their respective business activity.

² Inactive Subsidiaries – Inactive subsidiaries which are Companies wholly- or partly-owned by DXN and have ceased their operation and business activity.

FEEDBACK

This Report is available in hard copy upon request. It can also be downloaded from our website at dxn2u.com. In our continual pursuit to improve the quality of our disclosures and reporting, DXN welcomes comments which would improve the relevancy of our reporting for our stakeholders' expectations. Any queries, suggestions, comments, and feedback can be directed to:



Group Sustainability Department
Email: sustainability@dxn2u.com

SUSTAINABILITY STATEMENT

Dear Valued Stakeholders,

I am proud to present the DXN Sustainability Statement for the fiscal year beginning 1 March 2024 to 28 February 2025 inclusive. This Report is prepared in accordance with the GRI and Bursa Malaysia Main Market Listing Requirements (Enhanced Sustainability Reporting Requirements: Annexure A Practice Note 9).



SUSTAINABILITY STATEMENT

STATEMENT FROM CHIEF EXECUTIVE OFFICER

(GRI 2-22)

As we reflect on the achievements and challenges of FY2025, our commitment to sustainability has never been more vital. At DXN, we recognise that our business sustainability is intrinsically linked to the health and well-being of our environment, communities, and people we serve. Underpinning our resilience three decades on is our pursuit of “One World One Market, One Mind” vision. Simply put, our success is derived from the success of all our stakeholders.

DRIVING SUSTAINABLE GROWTH

In FY2025, we continued to prioritise the principle of sustainability across our global operations. Through the integration of EES including governance principles into our business strategy, we aim to create lasting value for all stakeholders. The DXN Group is actively incorporating sustainability principles into its daily operations. These principles have been communicated to all levels of management. DXN proactively implements strategic initiatives to expand its sustainable influence, not only by way of strengthening its engagement with internal stakeholders but also fostering meaningful partnerships with external stakeholders. These efforts are aimed at fostering long-term growth by being environmentally responsible and delivering positive impact in the societies we serve. DXN adopted targeted initiatives to ensure that all our supply chain partners commit to and align with our aim of building a sustainable supply chain.

EMPOWERING COMMUNITIES AND EMPLOYEES

Our people are at the heart of our sustainability journey. In FY2025, we expanded our community engagement programmes, with a focus on health, education, and livelihood. Through partnerships with local organisations, we reached numerous individuals with health awareness campaigns and distributed educational materials to underserved schools in our operating regions. DXN Group also acknowledges the invaluable contributions of our employees without whom this brand could not have reached the breadth and depth it has thus far. Our employees' unwavering commitment, dedication, and hard work through the highs and lows of the journey of DXN have been instrumental in driving DXN's growth and success to date. They too will draw the future of this company.

INNOVATING FOR THE FUTURE

Innovation is core to our business model and it remains a critical component of our sustainability. This year, we launched

a comprehensive suite of innovative digital solutions aimed at improving operational effectiveness and efficiency as well as streamlining business operations. Platforms like Point of View (“POV”), Point of Sales (“POS”), and our recently upgraded official website and social media are critical in improving productivity, enhancing accuracy, and maintaining smooth operations across our vast network of stakeholders. These developments are aimed at providing a better experience for all stakeholders.

LOOKING AHEAD

Whilst we are proud of our progress thus far, we recognise that there is much more to do and the road to business sustainability is a continuous journey. In FY2026, we aim to further reduce our carbon footprint, enhance water conservation efforts, and achieve zero waste-to-landfill at all manufacturing sites. We will also continue to invest in R&D to further innovation to develop sustainable products and solutions for our customers.

I would like to take this opportunity to extend my heartfelt gratitude to our Board members and management team, our employees, partners, and stakeholders for their unwavering support and collaboration. DXN's success is intrinsic to its stakeholders' success. The One World One Market Vision is not just a slogan. It is a vision that underpins our past, present, and how we will shape future where our economic success goes hand in hand with social responsibility and environmental stewardship.

Our collective steadfastness to sustainability will drive DXN's brand as a responsible global leader.

Sincerely,

PRAJITH PAVITHRAN



SUSTAINABILITY STATEMENT

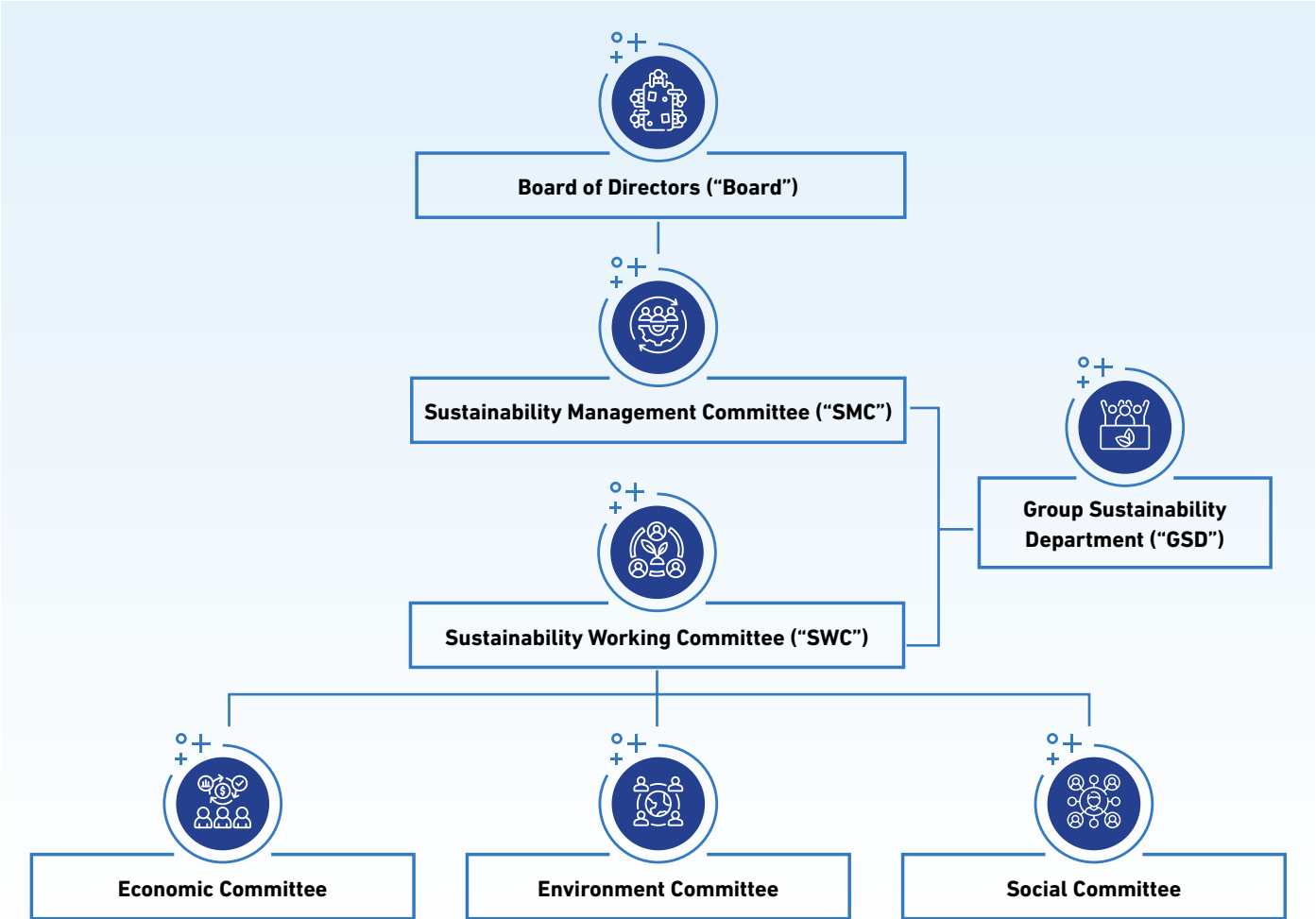
SUSTAINABILITY GOVERNANCE

The Board of Directors (“Board”) is chaired by the Executive Chairman. The Executive Chairman supported by the Board is responsible for overseeing the development and adoption of the Group’s sustainability strategy and its related policies and risk mitigation plan with support from the Sustainability Management Committee (“SMC”). Significant sustainability markers have been incorporated into the Group’s key performance indicators. The Board has outlined its duty to foster sustainability as a key factor in driving DXN Group’s business success which entails incorporating EES milestones including Governance aspects across all business strategies.

The SMC members comprise Independent Non-Executive Directors from the Board, Chief Executive Officer (“CEO”), Chief Operating Officer (“COO”), Chief Financial Officer (“CFO”), Chief Technology

Officer (“CTO”), and Senior Management team. The SMC supports the Board by setting and formulating the Group’s sustainability goals, policies and strategies, action plans as well as reviewing and managing associated risks within all business operations. The Board supports the SMC in addressing climate-related risks and opportunities and aids in sustainable development planning and oversees risk management.

The Sustainability Working Committee (“SWC”) is responsible for managing key sustainability agenda and is responsible to report to SMC on all matters relating to sustainability and climate change. The SWC is also responsible for key materials issues within the Group’s operations and subsidiaries. The SWC is chaired by the Head of Sustainability and it also comprises of Departmental Heads from the Group’s core operations and corporate functions. An in house reporting platform monitors the status of work of all persons in charge for the different areas and localities.



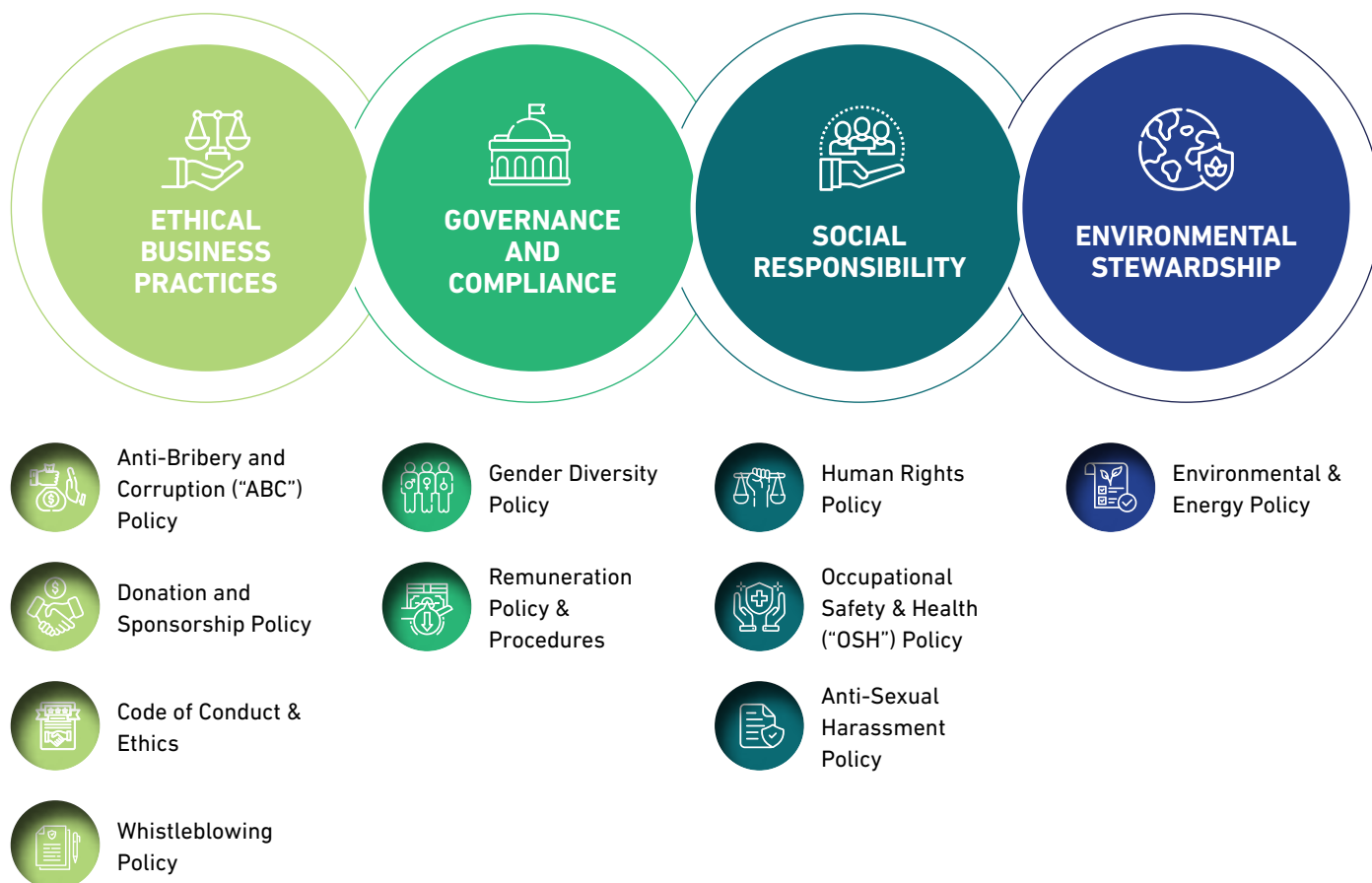
SUSTAINABILITY STATEMENT

SUSTAINABILITY POLICIES FOR INTERNAL CONTROL AND GOVERNANCE

The Group has formulated policies to provide an underlying structure for internal control and governance support. The policies are aimed at promoting a shared culture and alignment of values in the workplace. These policies are geared towards sustainable economic growth for the Group.

SUSTAINABILITY POLICY

DXN Group demonstrates a steadfast commitment to sustainability by embedding EES, guided by the objectives of ethical business practices, robust governance and compliance, social responsibility, and environmental stewardship. DXN Group upholds high standards of compliance with applicable jurisdiction laws and regulations. It emphasises delivering high-quality, competitively priced products, fostering human well-being, and promoting inclusivity and respect for human rights in line with all local and international laws. Environmental priorities include responsible energy and resource management, carbon reduction strategies, biodiversity conservation, and sustainable product lifecycle management. DXN ensures continuous improvement through measurable sustainability targets, regular reviews, and transparent reporting to stakeholders.



SUSTAINABILITY STATEMENT



ETHICAL BUSINESS PRACTICES



ABC Policy

Commitment to eradicate and prevent any type of corruption and bribery with clear definitions of specific scenarios, such as gifts, conflicts of interest, and interactions with public officials.



Donation and Sponsorship Policy

Our commitment is to maintain transparency, ethical standards, and accountability in all our giving practices, ensuring that our contributions make a meaningful difference.



Code of Conduct & Ethics

Clear guides to ensure all operational and business are conducted ethically according to the Policy.



Whistleblowing Policy

Provide a formal and confidential channel for stakeholders to report any suspected misconduct, unethical behavior or violations of laws and regulations within the organisation.



GOVERNANCE AND COMPLIANCE



Gender Diversity Policy

Promotes gender diversity and an inclusive workplace culture.



Remuneration Policy & Procedures

Aim to attract and retain highly qualified and diverse Board members and employees capable of driving the Company's business strategy, objectives, values, and long-term interests.



SOCIAL RESPONSIBILITY



Human Rights Policy

Our commitment is to respect and uphold the fundamental human rights of all individuals. We strive to create a work environment and conduct business operations free from discrimination, harassment, and exploitation, ensuring dignity, fairness, and equality for everyone.



OSH Policy

Our commitment is to ensure the highest standards of OSH. We are dedicated to providing a safe and healthy work environment for all employees, actively preventing accidents and promoting a culture of safety through continuous training, risk assessment, and adherence to safety regulations.



ENVIRONMENTAL STEWARDSHIP



Environmental & Energy Policy

A commitment to comply with all relevant environmental laws and regulations to mitigate and minimise environmental impacts in all of our operations.

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY MATTERS

This Report addresses key sustainability matters which have been identified by both Group's views on the significant EES including governance aspects, impacts, risks, and opportunities that are vital to the success and continued growth of the Group, as well as the views and responses from our stakeholders on key material issues. Our business strategy and resource allocation are guided by the most pressing and impactful material issues, identified through a materiality assessment to be conducted every two years. The step-by-step methodology of our materiality assessment is focused on:



IDENTIFICATION

- In FY2025 reporting, we have identified a total of 13 sustainability matters from various sources including our stakeholders' concerns, reporting standards, and our nature of business.



STAKEHOLDER ENGAGEMENT

- In FY2025, we have engaged with various stakeholders to participate to determine the importance and significance of our identified sustainability matters.
- Our engagement by disseminating the Materiality Assessment questionnaire with a total of 377 participations.



PRIORITISATION OF EACH MATTER

- Our stakeholders' inputs via engagement were prioritised according to the level of influence and impact on the material matters to DXN business.



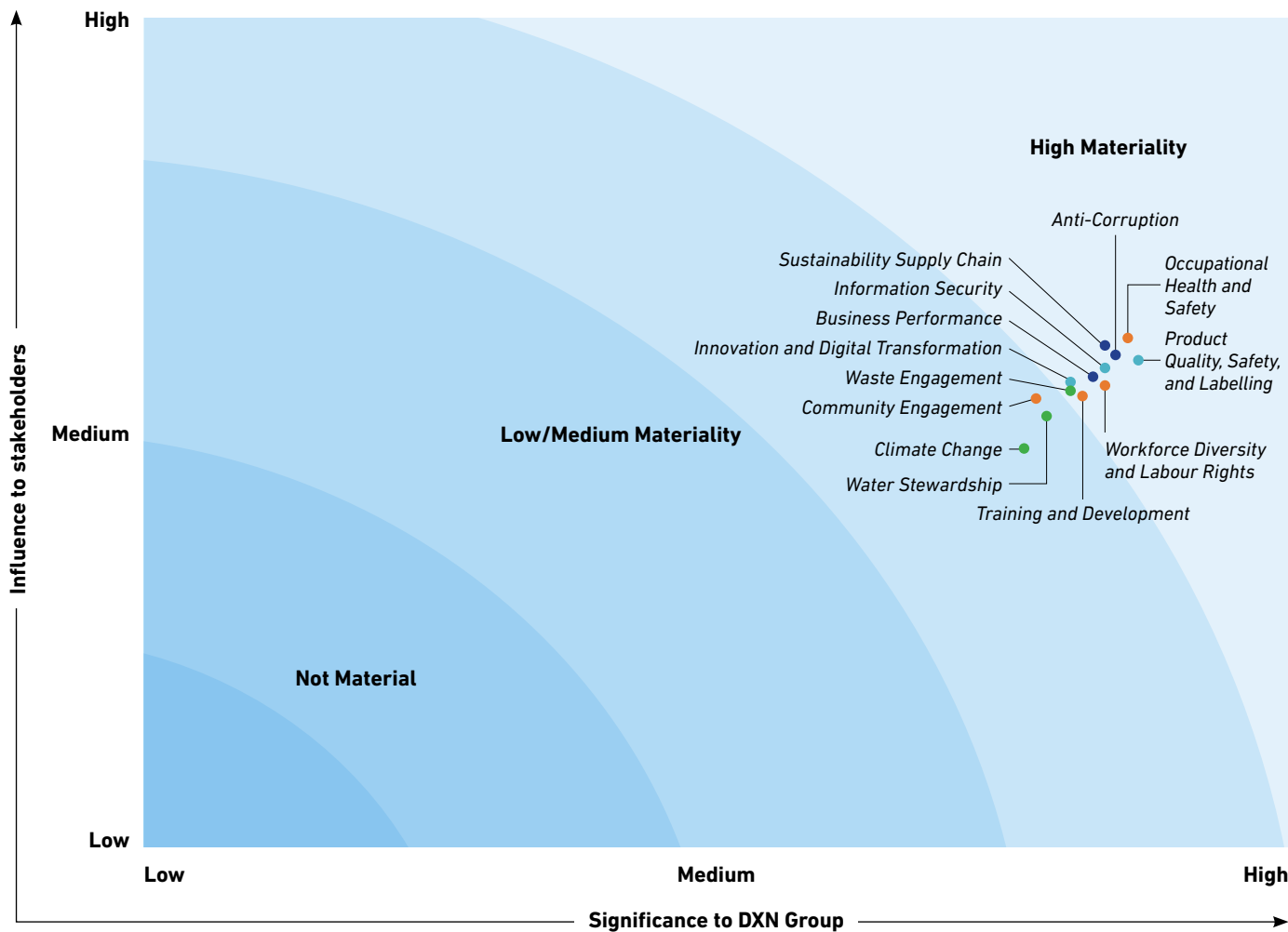
VALIDATION & REPORTING

- Materiality assessment and prioritised material matters were reviewed and approved by the SMC. The EES impacts shown in the materiality matrix is reported on the indices quality principals of comparability, accuracy, and transparency.



SUSTAINABILITY STATEMENT

DXN GROUP FY2025 MATERIALITY MATRIX



FY2025 SUSTAINABILITY MATTERS

- | | | | |
|----------------------------|---|---------------------|---|
| 1 Business Performance | 4 Product Quality, Safety, and Labeling | 7 Climate Change | 10 Workforce Diversity and Labour Rights* |
| 2 Sustainable Supply Chain | 5 Information Security | 8 Water Stewardship | 11 Training and Development |
| 3 Anti-Corruption | 6 Innovation and Digital Transformation | 9 Waste Management | 12 Occupational Health and Safety |
| | | | 13 Community Engagement |

Note:
Based on internal consultation and concerns from external stakeholders, we have revised our “Workforce Diversity and Labour Rights,” also known as “Employment and Diversity,” in the FY2024 report. This revision is due to our adoption of Human Rights Policy, where we fully support non-discrimination and human violations in our workplace throughout the Group in FY2025. The detailed report can be accessed on page 79.

SUSTAINABILITY STATEMENT

SUSTAINABILITY HIGHLIGHTS FY2025

Key Material Issue	Our Performance	Our Target	Management Plan	Corresponding Reporting Topic	UN SDGs Contribution
Business Performance	DXN Group succeeded in maintaining the total revenue of the Group with RM1.9 billion	Continue to enhance business model to be the leader in healthcare and wellness products to increase the revenue globally	To grow existing portfolios and explore more opportunities ahead to ensure the Group's growth trajectory	GRI 201	8, 9, 17
Sustainable Supply Chain	The Group spent on local suppliers as much as 93% of total purchase	To increase local suppliers and to lower purchasing from overseas by achieving at least 70% local purchase from overall total purchase	Initiate and offer more opportunities to local suppliers to participate in business operations	GRI 204 FTSE4Good Bursa Malaysia ("F4GBM") Theme: 1. Supply Chain (Social) 2. Supply Chain (Environment)	2, 8, 9, 12, 17
Anti-Corruption	One case of bribery and corruption was reported	Maintain zero cases of bribery and corruption	Emphasise ABC training for all employees and demonstrate zero tolerance to corruption and bribery at all levels of the Company	GRI 205 F4GBM Theme: Anti-Corruption	3, 16
Product Quality, Safety, and Labeling	A total of 23 notable awards and 10 local and international certificates across the operations	Propose all the manufacturing sites to be certified with relevant standards such as Good Manufacturing Practices ("GMP"), Hazard Analysis and Critical Control Points ("HACCP"), and ISO14001:2015	Prepare sites for recognition whilst adhering to regulations with production capabilities maintained	GRI 417	3, 12 3, 12
	Achieving 97% satisfaction feedback from the customer	Continually seeks customer feedback to improve positive feedback to ensure satisfaction experienced by all the customers	Ensure maintenance of product quality, in-house research, and cultivation, as well as customer representative		

SUSTAINABILITY STATEMENT

Key Material Issue	Our Performance	Our Target	Management Plan	Corresponding Reporting Topic	UN SDGs Contribution
Information Security	Successful IT management and maintenance in maintaining zero cases of data breaches	Maintain a zero-case lead	Keep uphold and alert with technology transition to strengthen the cyber security guard	GRI 418	3, 7, 8, 9, 12
Innovation and Digital Transformation	Introduced another 5 additional internal management tools in FY2025 to enhance business operations	Implementation of a digital data management system for effective communication	Implement digital transition in the Group to enhance business operation		2, 6, 8, 9
Climate Change	<ul style="list-style-type: none"> Scope 1: 3,678.18 tCO₂e Scope 2: 13,195.25 tCO₂e Scope 3: 5,522.60 tCO₂e 	Aim to reduce the emission from the operation especially from the highest contributor for all Scope 1,2, and 3	Ensure effective reduction plan is applied to all the operation sites. Monitor time-to-time carbon usage	GRI 305 F4GBM Theme: Climate Change	7, 8, 9, 12, 13, 15, 17
Water Stewardship	56 entities selected <ul style="list-style-type: none"> Total Water Withdrawal: 257,920 m³ Total Water Discharge: 18,410.17 m³ Total Water Consumption: 313,815.18 m³ 	Ensure compliance with local regulations regarding water management	Proper planning and mitigate action plan to reduce water usage	GRI 303 F4GBM Theme: Water Security	3, 6, 8, 9, 12
Waste Management	56 entities selected <ul style="list-style-type: none"> Total Hazardous Waste: 63.3 MT Total Non-Hazardous Waste: 1,847.21 MT 	Reduce waste generate and practise 6R initiatives: refuse, reduce, reuse, repurpose, recycle, and recreate	Ensure the Group aligns with jurisdiction laws and regulations of waste management and Environmental & Energy Policy	GRI 306 F4GBM Theme: Pollution & Resources	8, 9, 12
Workforce Diversity and Labour Rights	Employment diversity, comprising 52% male and 48% female employees Turnover rate stands at 13.71% 48% of women in the global workforce 37.5% of women's representation on the Board	Achieve 50% composition between female and male employees	Offer and open more job opportunities to our local people	GRI 401, GRI 405 F4GBM Theme: 1. Labour Standard 2. Human Rights & Community	1, 2, 3, 4, 5, 16
	Zero cases of human rights violations were reported across the Group	Maintain zero reported cases	Ensure high engagement with employees to ensure open communication		

SUSTAINABILITY STATEMENT

Key Material Issue	Our Performance	Our Target	Management Plan	Corresponding Reporting Topic	UN SDGs Contribution
Training and Development	Total training hours collected, 40,355 hours, with averagely 11.56 hours per employee	Increase training hours average per employee	Actively involve employees with internal and external training based on needs	GRI 404 F4GBM Theme: Labour Standard	4, 5, 8, 10
Occupational Health and Safety	Maintain zero fatalities record Recorded 33 work-related injuries	1. Maintain zero fatalities cases across the Group 2. Reducing work-related injuries and illness in upcoming years	Implement best practices in safety and health aspects throughout the business operation	GRI 403 F4GBM Theme: Health & Safety	3, 8
Community Engagement	RM1,895,890.39 invested in local community engagement activities	The Group has not yet identified any specific target for FY2026	Continue to support community engagement through various activities	GRI 413 F4GBM Theme: Human Rights & Community	1, 2, 3, 4, 8, 10, 12

STAKEHOLDERS ENGAGEMENT

As a pioneer in Ganoderma production, we recognise that stakeholder engagement, assessment, and feedback are an integral part of our sustainability strategy and initiatives. The stakeholder groups that are key to our operations and significantly influence our business are meticulously identified and engaged at various platforms and intervals throughout the reporting year. The stakeholder engagement process, which comprises a proactive, formal, and informal approach, is carried out to fully understand their sustainability concerns and challenges to ensure that their interests match and align with the Group's goals. We are constantly developing and customising our engagement strategy. We have more focused and targeted engagement sessions with our stakeholders. The table below offers an overview of the Group's focus.

OVERVIEW OF STAKEHOLDERS ENGAGEMENT

Note:

Monthly



Quarterly



Bi-annually



Annually





























Ongoing



Stakeholders	Type of Engagement	Frequency	Area of Interest	Outcomes	Material Matter
 Shareholders/Investors & Analysts	<ul style="list-style-type: none"> Annual general meetings Analysts briefing Financial performance announcement 	 	<ul style="list-style-type: none"> Short- and long-term business goals and performance Return on investment/equity 	<ul style="list-style-type: none"> To shape the market's positive view of Group's performance, strategy, and prospects Good relationship with shareholders and positive reputation amongst investors constructive feedback To attract new investors 	

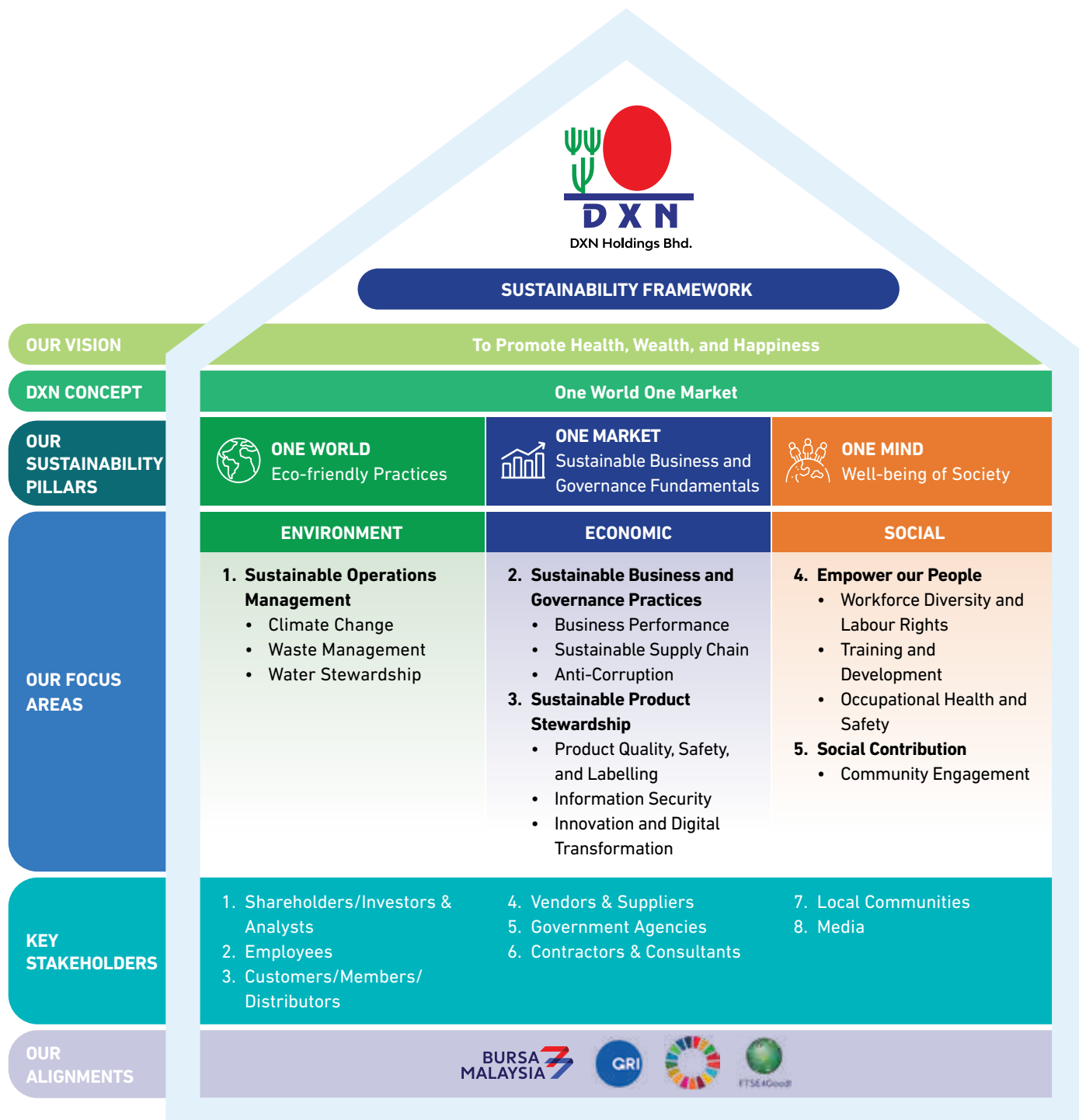
SUSTAINABILITY STATEMENT

Stakeholders	Type of Engagement	Frequency	Area of Interest	Outcomes	Material Matter
 Employees	<ul style="list-style-type: none"> Group Sustainability Management and Working Committee Meetings Annual management performance review Internal training Informal periodic departmental meetings 	  	<ul style="list-style-type: none"> Sustainability strategies Human and workers' rights, equal treatment, social welfare, grievance resolution, safety and health Career development Food safety certifications Product innovation 	<ul style="list-style-type: none"> Improve understanding of company policies and efforts taken to date including the management decision-making Employees satisfaction 	   
 Customers/ Members/ Distributors	<ul style="list-style-type: none"> Members activities and meetings 		<ul style="list-style-type: none"> Business development and growth of membership 	<ul style="list-style-type: none"> Promote the networking business and products to the market Build relationships with leaders for business growth 	 
 Vendors and suppliers	<ul style="list-style-type: none"> Engagement via the tender notice, request for quotation, and proposal Evaluations and registration Briefings 		<ul style="list-style-type: none"> Sustainable procurement practices 	<ul style="list-style-type: none"> Promote productivity and reduce cost Improve collaboration and cost saving to increase good sustainability practices Raised awareness of DXN Group's sustainability commitments 	
 Government Agencies	<ul style="list-style-type: none"> Report submissions per the requisites of jurisdiction laws and regulation Periodic visits and inspections 		<ul style="list-style-type: none"> Regulatory and legal compliance Safety and health Environment Food safety 	<ul style="list-style-type: none"> Share the Group's commitment, policies, and procedures for sustainable operations Allocate adequate resources 	  
 Local Communities	<ul style="list-style-type: none"> Corporate Social Responsibility ("CSR") activities Donation and financial aid 		<ul style="list-style-type: none"> Community investment, development, and impact Local community focus 	<ul style="list-style-type: none"> Higher opportunities to access the needs or communities experience To enhance better relations between local communities and the Group 	
 Media	<ul style="list-style-type: none"> Social media engagement Print and mainstream media engagement 		<ul style="list-style-type: none"> Continuous and meaningful communication 	<ul style="list-style-type: none"> Build trust and integrity, encourage client loyalty, and raise brand recognition 	

SUSTAINABILITY STATEMENT

SUSTAINABILITY FOCUS AREAS

As a global brand, DXN Group has studied and implemented sustainability markers requirements that would commensurate its brand strength globally. We meticulously structured our strategies into three (3) central themes, which encapsulate three (3) foundational pillars, addressing our sustainability material matters across five (5) core operational areas.



SUSTAINABILITY STATEMENT

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



One World (Environmental):

Under the "One World" theme, DXN Group pledges to be a steward of the environment. We are committed to implementing eco-friendly practices to reduce our environmental impact and promote sustainability on a global scale. We strive to protect our planet for future generations by embracing renewable energy, optimising energy, minimising waste, and emission reduction. This commitment to environmental stewardship is integral to our corporate identity and is a reflection of our dedication to preserving the world in which we operate.



One Market (Economic):

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



One Mind (Social):

The "One Mind" theme underscores our commitment to the well-being of the global community. DXN Group is dedicated to creating an inclusive workplace culture that reflects our broader social responsibilities. We actively engage in social initiatives that empower our staff and improve community welfare, fostering an environment of diversity and safety. Through continuous participation in social programme, we support our employees and contribute positively to societal development, ensuring that our growth is inclusive and beneficial to all stakeholders. By integrating global citizenship into our "One Mind" philosophy, we promote a sense of shared responsibility and encourage active participation in addressing global challenges. This commitment empowers individuals across our operations to act as global citizens who contribute to sustainable development, enhancing our collective impact on global well-being.

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY PERFORMANCE SUMMARY

The table below is our performance summary for three (3) consecutive years as follows:

GRI Standards/Other Source	Disclosure	UoM	2023	2024	2025
ECONOMIC					
Material Topic: Business Performance					
GRI 201-1 Direct economic value generated and distributed	Economic Value Generated				
	Net operating income	RM'000	630,660	689,471	753,739
	Other income		20,935	30,334	27,813
	Economic Value Distributed				
	To employees in salary and other personnel costs	RM'000	151,340	171,833	198,351
	To governments (<i>in taxations</i>)		166,188	155,041	188,488
	To capital providers (<i>dividends, non-controlling interest, and finance cost</i>)		109,763	205,645	200,226
	Retained for future investment and growth		224,304	187,286	194,487
Material Topic: Sustainable Supply Chain					
GRI 204 Procurement Practices 2016	Percentage of purchase value spent on local suppliers	%	85.47	29	93
Material Topic: Anti-Corruption					
GRI 205-1 Operations assessed for risks related to corruption	Total percentage of operations assessed for risks related to corruption	%	-	-	100%
GRI 205-2 Communication and training about anti-corruption policies and procedures	Total number of employees that have received training on anti-corruption	Pax	287	2,860	3,175
GRI 205-3 Confirmed incidents of corruption and actions taken	Total number of confirmed and reported incidents of corruption and bribery	Case	0	0	1
Material Topic: Product Quality, Safety, and Labelling					
GRI 417-2 Incidents of non-compliance concerning product and service information and labelling	Total number of incidents of non-compliance concerning product and service information and labelling	Case	0	0	0
Material Topic: Information Security					
GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Total number of substantiated complaints received concerning breaches of customer privacy	Case	0	0	0
	Total number of identified leaks, thefts, or losses of customer data	Case	0	0	0

SUSTAINABILITY STATEMENT

GRI Standards/Other Source	Disclosure	UoM	2023	2024	2025
ENVIRONMENT					
Material Topic: Climate Change					
GRI 302-1 Energy consumption within the organisation	Total energy consumption within the organisation	GJ	-	91,051	171,446
	Electricity		42,923	60,037	65,088
	Diesel		10,009	11,449	30,432
	Propane		-	1	0
	Coal			3,212	2,644
	Natural Gas			8,728	9,313
	Liquefied Petroleum Gas			95	21,044
	Gasoline			2,718	25,189
	Kerosene		-	-	13,530
	Solar		-	5,577	5,080
GRI 305-1 Direct (Scope 1) GHG emissions (CO ₂ e)	Total Direct GHG emissions	tCO ₂ e	2,755	2,906.32	3,678.18
	Mobile Combustion	tCO ₂ e	2,755	800.73	1,813.98
	Fugitive Combustion			939.24	712.11
	Stationary Combustion			1,166.34	1,152.09
GRI 305-2 Energy indirect (Scope 2) GHG emissions (CO ₂ e)	Total Indirect GHG emissions	tCO ₂ e	-	8,881	13,195.25
	Electricity	tCO ₂ e	-	8,881	13,195.25
GRI 305-3 Other indirect (Scope 3) GHG emissions (CO ₂ e)	Total Other Indirect GHG emissions	tCO ₂ e	N/A	6,731	5,522.60
	Business Travel	tCO ₂ e	N/A	3,649	324.66
	Employee Commuting			3,081	4,039.97
	Waste Generated in Operations			N/A	1,157.97
Material Topic: Water Stewardship					
GRI 303-3 Water withdrawal by source	Total volume of water withdrawal	m ³	281,663.00	305,297.00	332,225.35
GRI 303-4 Total water discharge by destination	Total water discharge by destination	m ³	23,743.00	18,516.30	18,410.17
GRI 303-5 Water consumption	Total volume of water consumption	m ³	257,920.00	286,780.70	313,815.18
Material Topic: Waste Management					
GRI 306-3 Waste Generated	Total waste generated	MT	697	2,292	1,910.51
	Total waste diverted from disposal	MT	-	-	163.98
	Total waste directed to disposal		697	2,292	1,746.53
	Hazardous waste	MT	257	433.92	63.3
	Non-hazardous waste		441	1,858.17	1,847.21

SUSTAINABILITY STATEMENT

GRI Standards/Other Source	Disclosure	UoM	2023	2024	2025
SOCIAL					
Material Topic: Employment and Diversity					
GRI 401-1 New employee hires and employee turnover	Total new employees	Pax	1,567	832	728
	New employees by gender				
	Male	Pax	-	498	392
	Female			334	336
	New employees by age group				
	< 30 years old	Pax	-	434	368
	30 – 39 years old			339	229
	40 – 49 years old			43	88
	> 50 years old			16	43
	New employees by management level				
	Top Management		-	-	N/A
	Management Level				79
	Executive Level				315
	Non-executive Level				334
	Total turnover	Pax	1,213	919	471
	Turnover by gender				
	Male	Pax	-	497	269
	Female			422	202
	Turnover by age group				
	< 30 years old	Pax	-	-	200
	30 – 39 years old				160
	40 – 49 years old				80
	> 50 years old				31
	Turnover by employee category				
	Top Management	Pax	-	60	1
	Management				57
	Executive Level				161
	Non-Executive Level				252
GRI 401-3 Parental leave	Parental leave	Day	N/A	2,371	6,298
	Paternity leave	Day	-	189	465
	Maternity leave			2,182	5,833
	Paternity leave	Pax	-	-	71
	Maternity leave	Pax			76

SUSTAINABILITY STATEMENT

GRI Standards/Other Source	Disclosure	UoM	2023	2024	2025
SOCIAL					
GRI 405-1 Diversity of governance bodies and employees	Total employees by gender	Pax	2,822	3,374	3,489
	Male	Pax	-	1,729	1,803
	Female		-	1,645	1,686
	Total employees by age group				
	< 30 years old	Pax	-	1,298	1,275
	30 – 39 years old			1,177	1,256
	40 – 49 years old			620	646
	> 50 years old			279	312
	Total employees by employee category				
	Top Management	Pax	-	399	12
	Management Level				408
	Executive Level			991	1,150
	Non-Executive Level			1,984	1,919
Bursa C6(b) Percentage of employees that are employees that are contractors or temporary staff	Total number of temporary staff	Pax	-	-	70
	Percentage of temporary staff	%	-	-	2
Material Topic: Training and Development					
GRI 404-1 Average hours of training per year per employee	Total training hours	Hours	-	91,350	40,355
	Average training hours per employee	Hours	-	27.07	11.56
Material Topic: Occupational Health and Safety					
GRI 403-9 Work-related injuries	Total hours worked	Hours	-	-	7,878,906
	Number of work-related fatalities	Case	0	0	0
	Number of reportable work-related injuries	Case	37	35	33
	Lost Time Injury Rate ("LTIR")	%	-	-	0.84
GRI 403-10 Work-related ill health	Work-related illness	Case	0	0	0
Material Topic: Community Engagement					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	Total amount invested to beneficiaries	RM	5,366,488	11,907,750	1,895,890
Bursa C2(b) Total number of beneficiaries of the investment in communities	Total beneficiaries of the investment in community	No.	-	35	37

SUSTAINABILITY STATEMENT

ONE WORLD

Our Commitment to Environment

ECO-FRIENDLY PRACTICES

DXN Group recognises its responsibility to environmental improvement as a core element to our long-term sustainability and operational resilience. Our Sustainability Policy and Environmental & Energy Policy provide a strong foundation for integrating sustainable and eco-friendly practices throughout our operations and business activities, focusing on minimising environmental impact and addressing negative impacts of climate change. By embedding environmental stewardship into our business strategy, we strive to deliver attractive and lasting value to stakeholders while contributing to global environmental goals and fostering a sustainable future aligned with international sustainability standards.



Climate Change



Water Stewardship



Waste Management



Energy Management

OUR RESPONSE TO THE TCFD

DXN Group acknowledges the significant risks and opportunities presented by climate change and we are committed to advancing a low-carbon and climate-resilient business. In alignment with the recommendations of the TCFD, we have taken proactive steps to monitor and manage our greenhouse gas ("GHG") emissions across our operations and value chain globally.

As part of our climate strategy, we have expanded our GHG emissions inventory to include Scope 3 (Category 5: Waste Generated in Operations), allowing for a more comprehensive assessment of our environmental footprint. We are also actively investing in renewable energy through the installation of solar photovoltaic ("PV") systems at selected facilities, contributing to reduced dependency on grid electricity and lowering our operational emissions. In addition, we are integrating sustainable design principles into our infrastructure by pursuing Green Building Index ("GBI") certification for key buildings, further reinforcing our commitment to energy efficiency and environmental stewardship.

Through these initiatives, DXN Group is working towards building long-term climate resilience while supporting national and global efforts to mitigate climate change.

SUSTAINABILITY STATEMENT

Climate-Related Risks	Climate-Related Opportunities
Climate Change	
<p>Our Group actively conducts and monitors climate-related risk assessments through our internal Risk-Compliance-Sustainability (“RCS”) platform across all operations. One of the key physical risks identified is floods at our Kedah operations, which have caused production disruptions during the rainy season.</p> <p>To address this, we implemented continuous monitoring and risk assessments of flood-prone areas. A comprehensive evaluation was carried out by the DXN team in collaboration with relevant government agencies to develop an action plan that mitigates operational disruptions. Site-level flood risk assessments were also conducted to estimate potential high-flood levels and identify appropriate mitigation and adaptation measures.</p>	<p>In terms of transition risks and opportunities, our Group is expanding our GHG emissions monitoring, particularly by integrating Scope 3: Category 5 (Waste Generated in Operations). We are progressively working towards capturing all relevant Scope 3 emissions categories, covering both upstream and downstream activities, to enhance our climate risk visibility and reporting comprehensiveness.</p> <p>Aligned with our sustainability framework, we have invested significantly in renewable energy as part of our commitment to reducing carbon emissions. In FY2025, a total of RM2,934,411 was invested in solar panel installations at our operations in Gua Musang, Malaysia (RM1,377,654) and Chilca, Peru (RM1,556,757). This is in addition to the previous investment of approximately RM4.2 million for a rooftop solar system at our Kedah operation.</p> <p>To further support our climate strategy and product sustainability goals, we have initiated Product Carbon Footprint (“PCF”) assessments in FY2025. Our first assessment, conducted in accordance with ISO 14067, focused on our flagship product DXN Lingzhi Coffee 3-in-1 21g, reflecting our commitment to transparent, science-based climate disclosures.</p>

WHY IS IT IMPORTANT?

Climate-related risks, such as flooding and carbon emissions, pose direct threats to DXN Group’s operations, supply chain, and long-term business continuity. For example, flood events at the Kedah site have already caused production disruptions, highlighting the vulnerability of key facilities to extreme weather. Additionally, as global regulations and stakeholder expectations around climate action intensify, it is crucial for DXN Group to understand and reduce its GHG emissions across the entire value chain. Addressing these risks not only protects operational sustainability and resilience but also enhances DXN Group’s reputation, regulatory compliance, and access to sustainability-driven investment opportunities. In short, it protects all our stakeholders’ interests.

We are committed to transparent and accurate climate reporting and are committed to adopting the National Sustainability Reporting Framework (“NSRF”) for climate-related disclosures through the International Sustainability Standards Board (“ISSB”)—International Financial Reporting Standards (“IFRS”) by 2027. This initiative will allow us to provide clear and reliable climate-related information, helping our stakeholders understand how we manage climate risks and opportunities. We have begun the groundwork for this inclusion.

SUSTAINABILITY STATEMENT



CLIMATE CHANGE

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



At DXN Group, addressing climate change is our fundamental environmental responsibility and a critical strategic priority. We integrate resilience and adaptation into our strategy to ensure that our operations remain robust despite evolving climate conditions.

We continuously manage our GHG emissions through an online platform, ensuring accuracy and transparency while adhering to national and international standards. Our GHG reporting is aligned with internationally recognised standards, including the GHG protocol for Corporate Accounting and Reporting Standard, in accordance with ISO 14064-1:2018 Greenhouse Gases, ensuring comprehensive and reliable disclosures. In FY2025, the Group expanded the Scope 3 emissions by integrating Category 5: Waste Generated in Operations into our GHG inventory. During this reporting period between 1 March 2024 to 28 February 2025, the Group has emitted a total emission of 22,396 tCO₂e.

Scope 3

24.7%

5,522.60 tCO₂e

Scope 1

16.4%

3,678.18 tCO₂e

Scope 2

58.9%

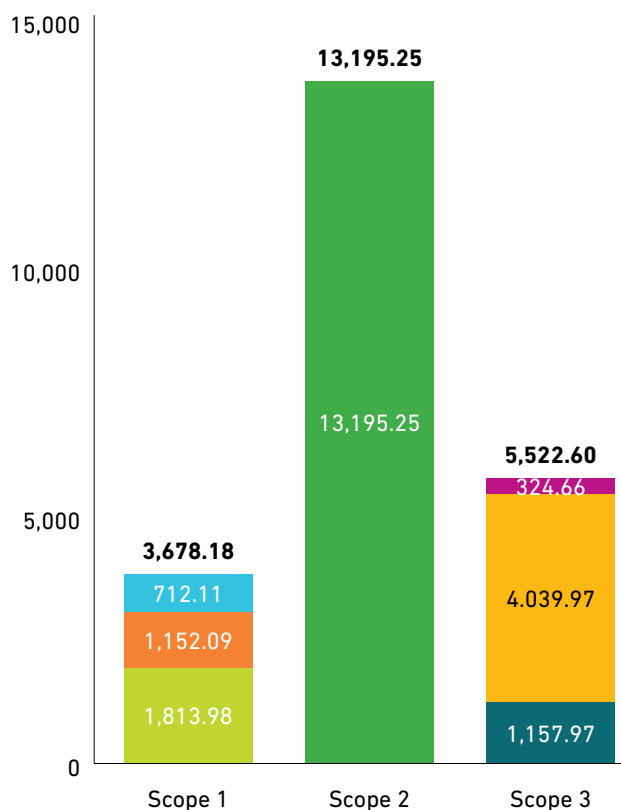
13,195.25 tCO₂e

Scope	Scope 1	Scope 2	Scope 3
2023	2,755	N/A	N/A
2024	2,908	8,881	6,731
2025	3,678.18	13,195.25	5,522.60
% Change YoY	26.5	48.6	(18.0)

Note:

Percentage (%) change of year-over-year ("YoY") is the comparison between the reporting year (2025) and the baseline year (2024).

GHG EMISSIONS (tCO₂e)



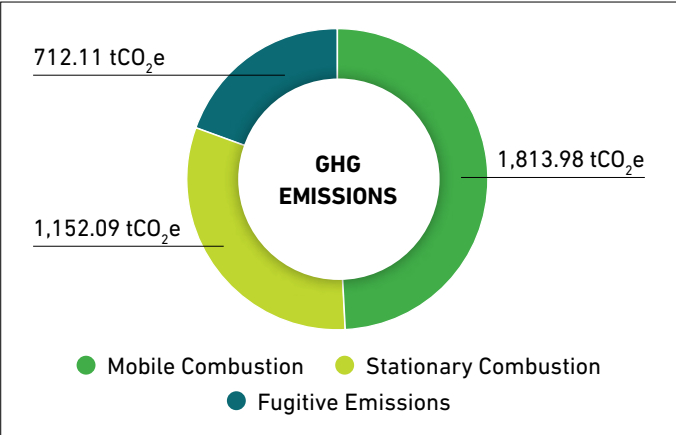
- Fugitive Emissions
- Stationary Combustion
- Mobile Combustion
- Electricity
- Business Travel
- Employee Commuting
- Waste Generated in Operations

Based on the results shown above, Scope 2 (Indirect Emission – Electricity) contributes the highest emission which comprises 58.9% of overall business activities, followed by Scope 3 with 24.7%, and Scope 1 with 16.4% of the total emission calculated.

SUSTAINABILITY STATEMENT

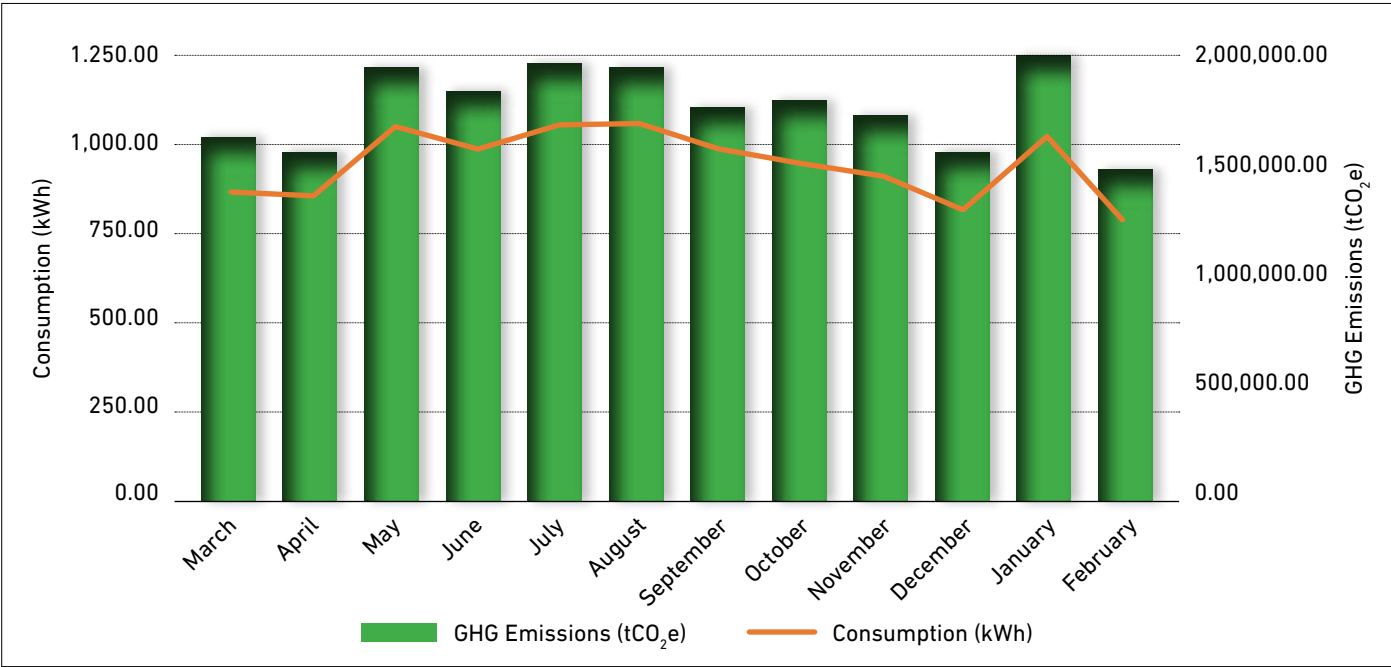
SCOPE 1 EMISSION OVERVIEW

DXN Group's operations resulted in the emission of 1,813.98 tCO₂e from Scope 1, which comprises its Mobile Combustion (1,813.98 tCO₂e), Stationary Combustion (1,152.09 tCO₂e), and Fugitive Emissions (712.11 tCO₂e). DXN Group's Scope 1 emissions from mobile combustion activities in FY2025 mark a substantial increase compared to prior years. This rise is primarily attributed to the inclusion of jet fuel consumption from aviation operations under DXN Aero Nautic Sdn. Bhd. (formerly known as DXN Biofuels). The addition of three new aircraft in this operation introduced a significant new emission source to DXN's mobile combustion profile. The aviation segment alone accounts for over 53% of DXN Group total mobile combustion emissions for this reporting period.



SCOPE 2 EMISSION OVERVIEW

DXN Group consumed a total of 18,080,027.49 kWh of electricity across its operations, which resulted in a total of 13,195.25 tCO₂e relating to the Scope 2 for its operations from 1 March 2024 to 28 February 2025.



SUSTAINABILITY STATEMENT

SCOPE 3 EMISSION OVERVIEW

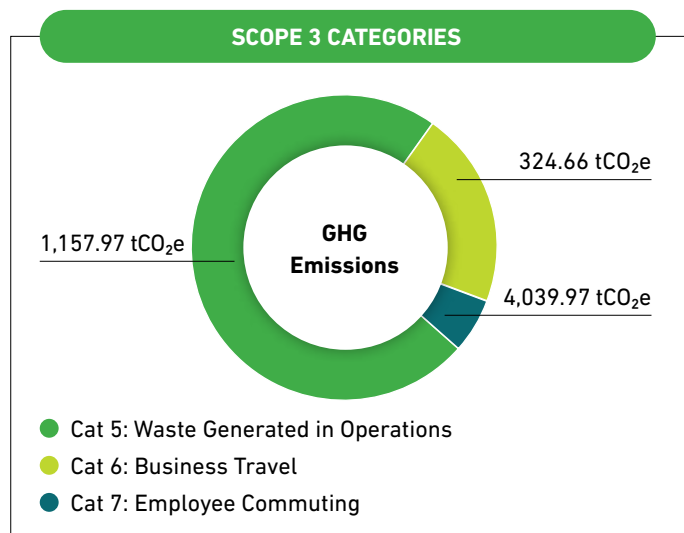
During the previous reporting period, DXN Group reported its Scope 3 emissions in alignment with two designated categories:

- Category 6: Business Travel
- Category 7: Employee Commuting

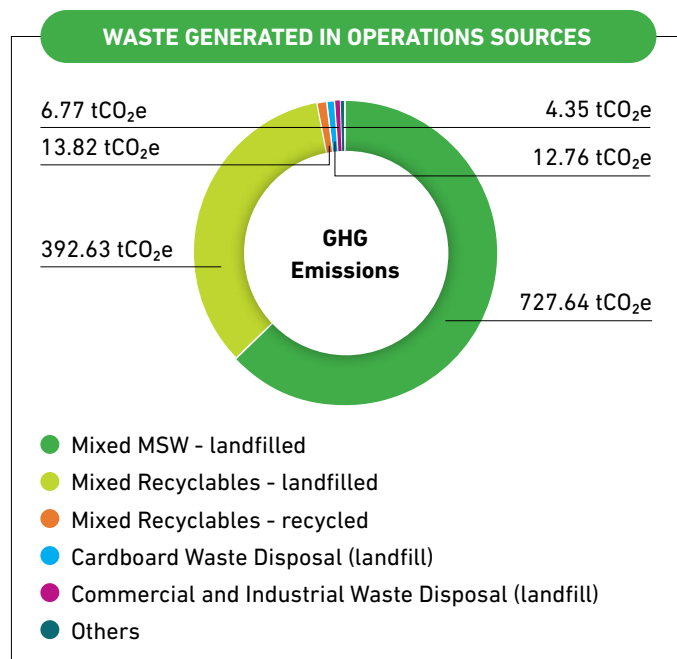
For the current reporting period, DXN Group has broadened the scope of its Scope 3 emissions reporting to encompass an additional emissions category:

- Category 5: Waste Generated in Operation

The inclusion of Category 5 reflects DXN's commitment to strengthening the completeness and credibility of its Scope 3 reporting. This expansion demonstrates a deliberate effort to improve transparency across DXN Group value chain impact.



DXN Group reported 1,157.97 tCO₂e for Scope 3 – Category 5: Waste Generated in Operations. This marks the first year this category has been included in DXN Group's emission performance. Emissions from waste were driven primarily by mixed municipal solid waste ("MSW") landfills, which contributed 727.64 tCO₂e, and mixed recyclables sent to landfills, which added 392.63 tCO₂e. Additional contributors include cardboard waste landfilled (12.76 tCO₂e), mixed recyclables recycled (13.82 tCO₂e), cardboard waste disposal (landfill) (12.76 tCO₂e), and commercial and industrial waste disposal (landfill) (6.77 tCO₂e), among other categorised waste streams.

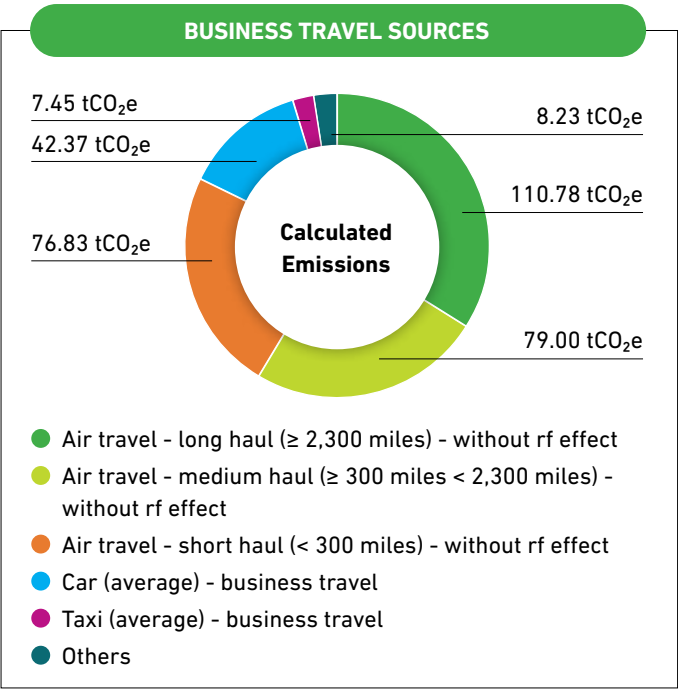


Business travel contributed a total of 324.66 tCO₂e during the reporting period. The majority of these emissions originated from air travel, which accounted for approximately 82% of total business travel-related emissions. The breakdown is as follows:

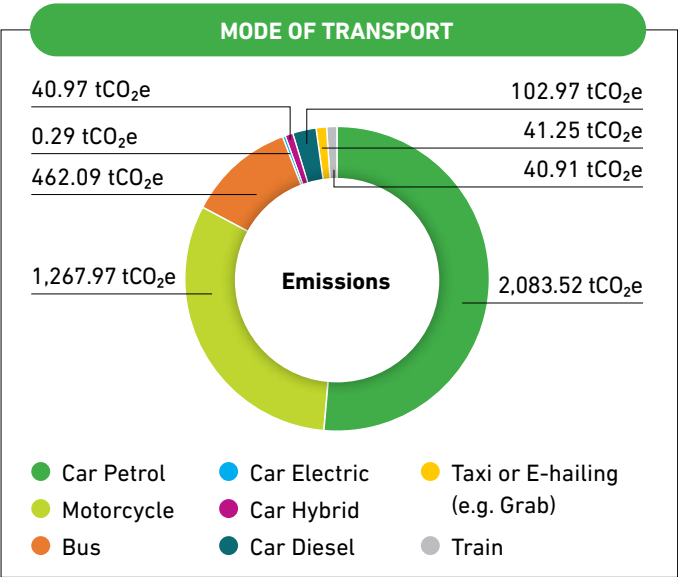
- Long-haul air travel (≥ 2,300 miles) was the largest contributor at 110.78 tonnes CO₂e, reflecting DXN's global footprint and cross-border operations.
- Medium-haul flights (300 – 2,300 miles) contributed 79.00 tonnes CO₂e, while short-haul flights (<300 miles) accounted for 76.83 tonnes CO₂e.
- Land transport, including average passenger cars and taxis, contributed 42.37 tonnes CO₂e and 7.45 tonnes CO₂e respectively.

It is important to note that DXN Group has recently transitioned a significant portion of its business air travel to in-house aviation operations, following the deployment of three company-owned aircraft under DXN Aero Nautic Sdn. Bhd.. As a result, a large share of emissions that would traditionally be captured under business travel is now reported under mobile combustion emissions due to aircraft fuel usage classified as Scope 1. This structural change has implications for future reporting, as emissions linked to executive and operational air mobility may increasingly shift from Scope 3 (business travel) to Scope 1 (asset-operated combustion).

SUSTAINABILITY
STATEMENT



During the reporting period, emissions from employee commuting activities amounted to 4,039.97 tCO₂e. The largest contributors were petrol cars and motorcycles, which together represented the majority of emissions in this category. Other modes such as bus, diesel cars, and e-hailing services contributed smaller shares, while electric vehicles and rail travel accounted for negligible emissions.



EMISSION INTENSITY

In line with DXN Group's ongoing commitment to addressing climate change and enhancing environmental accountability, emission intensity has been adopted as a key performance indicator to monitor our carbon footprint relative to our economic output. For the financial year 2025, DXN Group recorded an emission intensity of 11.54 tCO₂e per MYR million revenue, signifying that approximately 11.54 tonnes of CO₂e equivalent emissions were generated for every RM1 million in revenue.

This metric provides insight not only into our operational efficiency but also reflects the broader structural developments within the Group. Factors such as vertical integration, strategic asset expansion, and shifts in product demand have also contributed to the emission intensity recorded during this reporting period.

OUR PERFORMANCE DATA		
FY2023	FY2024	FY2025
N/A	11.57	11.54

FY2024 RESTATEMENT OF ELECTRICITY EMISSIONS

As part of our commitment to improving emissions accuracy and alignment with best-practice methodologies, DXN Group conducts a restatement exercise for the reported Scope 2 (electricity-related) emissions in the FY2024 report, considering this is our baseline year. Enhancements drive the update to the emission factors ("EFs") used, specifically relating to the electricity grid emissions of overseas operations.



SUSTAINABILITY STATEMENT

COUNTRIES AFFECTED BY THE RESTATEMENT OF EF (representing 36% of DXN total electricity consumption)



Scope 2 Emissions (tCO ₂ e)	Before EF Enhancement	After EF Enhancement	% Change
Total Scope 2 Emissions	8,881.37	11,937.09	34%
Emissions from Malaysian Subsidiaries	8,068.07	8,067.07	0%
Emissions from Foreign Subsidiaries	813.30	3,870.02	376%

The increase in reported electricity emissions in this FY2024 restatement is primarily due to the adoption of more accurate, energy-generation-based EFs for electricity consumption, for overseas operations. This distinction is critical for accurate Scope 2 emissions reporting.

PRODUCT CARBON FOOTPRINT ("PCF")

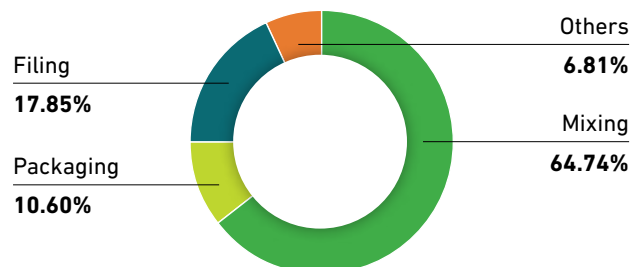
This PCF study aims to quantify carbon emissions associated with the extraction of raw material to the production of DXN Lingzhi Coffee 3-in-1 21g including the emission from the manufacturing, electricity usage, and emissions from the transportation upstream. The accounting standards applied in this study align with the guidelines outlined in ISO 14067:2018. The system boundary for the life cycle assessment "From Cradle to Gate," encompassing the acquisition and transportation of upstream raw materials and energy, as well as the product manufacturing and packaging processes. The processes come under boundary of life cycle are mixing of premixed coffee powder, filling in sachet, packaging of produced bag and boxes of Lingzhi Coffee, printing and sealing (printer ink used), and lastly the cartoning of the final product.

The methodologies employed in this study is aligned to the principles and guidelines specified in the ISO 14067:2018 standard for GHG emissions and carbon footprint analysis. The scope includes the functional unit, accounting indicator, and system boundary which includes the carbon footprint of 1 piece of DXN Lingzhi Coffee 3-in-1 21g. The project aims to reduce emissions and promote energy savings through carbon footprint accounting, supporting green production and consumption. The carbon footprint is calculated in kg CO₂e or g CO₂e, considering gases like CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃. The system boundary covers the "Cradle to Gate" life cycle, including raw material acquisition, transportation, energy use, manufacturing, and packaging.

In the manufacturing of DXN Lingzhi Coffee 3-in-1 21g, the mixing step produces the most carbon emissions (64.74%), followed by the filling stage (17.85%) and packing stage (10.60%) and other stages, including input and output processes (6.81%). The PCF of 1 Piece of DXN Lingzhi Coffee 3 in 1 21g is 695.74 g CO₂e (0.00069574 tCO₂e).



DXN LINGZHI 3-IN-1 21G CARBON EMISSION



SUSTAINABILITY STATEMENT



ENERGY MANAGEMENT

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



Energy management is a critical component of our commitment to environmental sustainability and operational efficiency. We recognise that reducing energy consumption not only lowers GHG emissions but provides cost efficiency and savings. This in turn supports our long-term business resilience. As part of our sustainability strategy, we are actively optimising energy usage across our operations by tackling essential areas such as maximising energy efficiency, reducing energy wastage, and developing a DXN Group roadmap for renewable energy. We are also exploring further opportunities for energy efficiency improvements and the adoption of renewable energy solutions, aligning our efforts with national climate goals and international best practices.



ENERGY EFFICIENCY



**Laptop Over
Desktop**



Solar Initiatives



**Use Natural
Light**



**Upgrade Outdated
Equipment**



**Perform
Energy Audit**



**Print Only When
Necessary**

Our data performance:

Indicator	Unit	FY2023	FY2024	FY2025	% Change YoY
Total Energy Consumption	GJ	52,932	91,051	171,446	88.30%
Non-renewable fuel consumed	GJ	10,009	25,437	101,278	298.15%
Electricity, heating, cooling, and steam purchased for consumption	GJ	43,923	65,614	70,168	6.94%
Energy Intensity (per unit product)	GJ/carton	0.07	0.15	0.26	73.33%
Renewable Energy Usage	% of total energy	91	88	86	(2.27%)
Solar Energy Generated (on-site)	MWh	1,830	1,762	1,654	(6.13%)
Total sold back to local authorities	MWh	166	213	243	14.08%
Facilities with Energy Monitoring	No. of sites	1	1	1	0

Note:

Solar energy is generated in DXN Pharmaceutical Sdn. Bhd. located in Malaysia.

SUSTAINABILITY STATEMENT

DXN Group is eagerly looking into initiatives of energy optimisation and producing more clean energy. Installing solar systems in our Malaysia factory is one of our efforts to support UN SDGs Goal 7 to affordable clean energy throughout the business chain. Additionally, DXN Group intends to execute similar initiatives in all our factories worldwide.



Looking ahead, DXN Group will continue to strengthen its energy performance through the implementation of advanced monitoring systems and collaboration with technology partners. In FY2025, we invested a total of RM2,934,411 for the upcoming solar panel project in Chilca, Peru, and Kelantan, Malaysia.

By transitioning towards a low-carbon energy model, DXN Group aims to future-proof our business against rising energy costs, regulatory shifts, and climate-related disruptions – while simultaneously meeting the growing expectations of our customers, investors, and communities for responsible and climate-conscious business practices.

GBI Silver Certification - DXN Cyberville

In FY2025, DXN achieved a significant milestone in our sustainable infrastructure journey with the successful certification of our office branch in Cyberville, Cyberjaya under the GBI Silver certification, Malaysia's leading green rating tool for buildings. The certification reflects our dedication to reducing environmental impacts through energy-efficient design, innovative building systems, and occupant-focused sustainability measures.

The GBI Silver certification was officially received in February 2025, covering both Phase 1 (Main Building) and Phase 2 (Quarters) of the office complex.

GBI Certification for DXN Retreat & Wellness Centre (DXN Cyberville)

Phase 1 – Main Building

Energy Efficiency ("EE")
Building Energy Index
("BEI"):
63 kWh/m².yr



Phase 2 – Quarters

Energy Efficiency ("EE")
Space Energy Intensity
("SEI"):
139 kWh/m².yr



By achieving both 5-star and 4.5-star GBI ratings, DXN demonstrates its commitment to sustainable building practices and continues to align with Malaysia's National Energy Transition Roadmap ("NETR") and international green building standards. The GBI Certification serves as a recognition of our current achievements and also as a motivator for future advancements in sustainable infrastructure across all our operational sites. As part of our roadmap, we aim to expand green building practices in upcoming facilities, aligning with national climate targets and international sustainability benchmarks.



SUSTAINABILITY STATEMENT



WATER STEWARDSHIP

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

3 GOOD HEALTH AND WELL-BEING

6 CLEAN WATER AND SANITATION

8 DECENT WORK AND ECONOMIC GROWTH

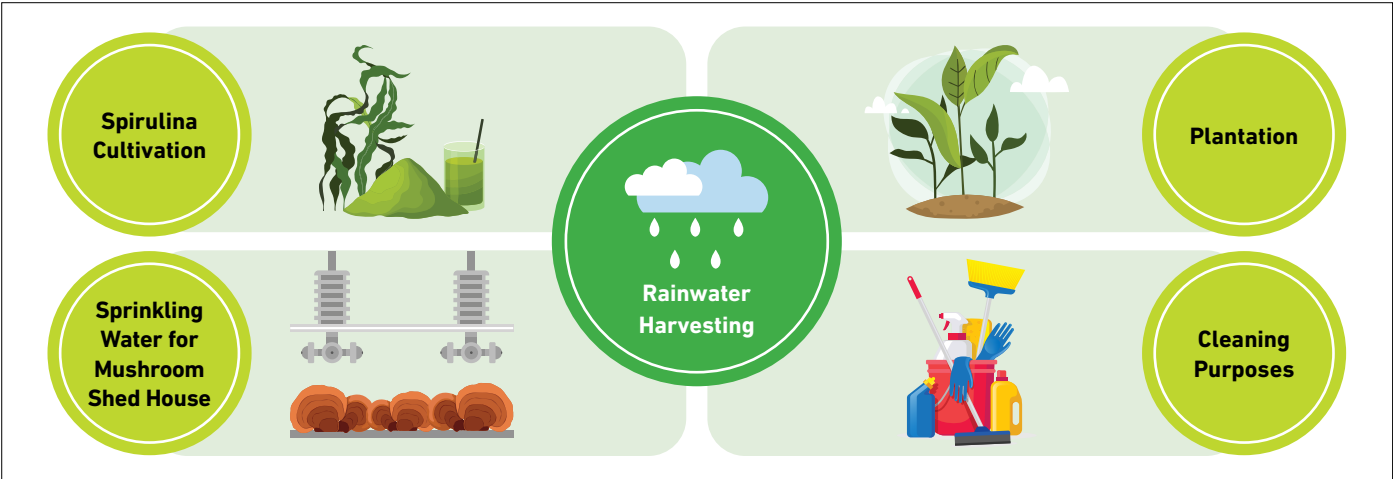
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

WATER MANAGEMENT

We are committed to sustainable water management as an integral part of our operations and environmental stewardship, ensuring it is equitable, sustainable, and beneficial in our markets. We focus on conserving water through efficient usage and process optimisation to minimise consumption and reduce water-related risks.



Through continuous monitoring, evaluation, and adherence to global best practices, we strive to safeguard water resources and contribute to long-term sustainable growth while actively exploring rainwater harvesting and recycling initiatives to reduce dependency on freshwater sources.

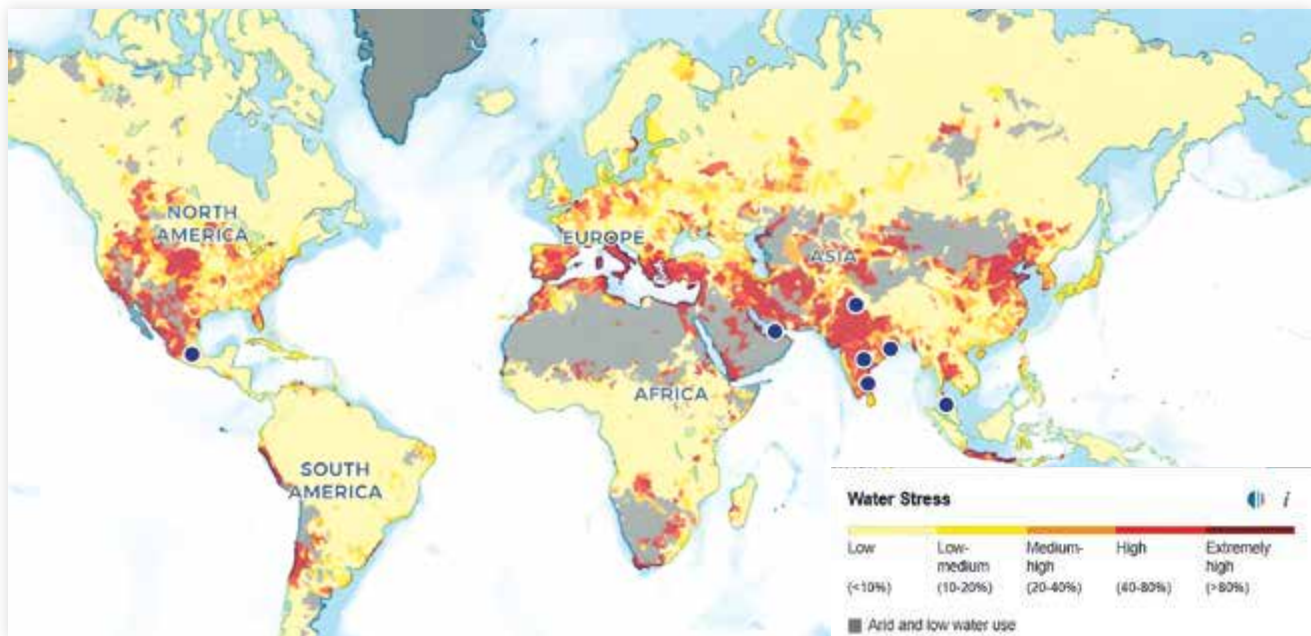
Our performance data:

Water Withdrawal (m ³)	Water Discharged (m ³)	Water Consumption (m ³)
332,225.35	18,410.17	313,815.18
2023 281,663.00	2023 23,743.00	2023 257,920.00
2024 305,297.00	2024 18,516.30	2024 286,780.70
2025 332,225.35	2025 18,410.17	2025 313,815.18

SUSTAINABILITY STATEMENT

WATER STRESS REGION

In line with DXN Group's commitment to combating climate change for the future, our operations are not excluded from being located in a water-stressed region. The Group takes the situation very seriously when it comes to the water stress region. All of our 13 manufacturing sites were located in a water stress region between Medium (20% - 40%) and Extremely High (> 80%).



Water Stress Level	Country	Subsidiaries	Water Withdrawal, m ³
Extremely High (> 80%)	United Arab Emirates	Daxen Middle East Food Manufacturing L.L.C.	N/A
	China	DXN Agrotech (Ningxia) Co., Ltd.	N/A
		DXN Corporation (Ningxia) Ltd.	N/A
		DXN International Trading (Ningxia) Co., Ltd.	N/A
High (40% - 80%)	India	DXN Manufacturing (India) Private Limited – Telangana Branch	30,303.61
	Malaysia	DXN Industries (M) Sdn. Bhd.	N/A
		DXN Pharmaceutical Sdn. Bhd.	16,106.68
	India	DXN Manufacturing (India) Private Limited – Pondicherry Branch	N/A
		Esen Lifesciences Private Limited	N/A
	Indonesia	PT. Daxen Indonesia	310.00
	Mexico	DXN Mexico, S.A. DE C.V.	N/A
Medium - High (20% - 40%)	India	Daxen Agritech India Private Limited – Odisha Branch	N/A
		Daxen Agritech India Private Limited - Baddi Branch	N/A

SUSTAINABILITY STATEMENT

DXN Group continues to operate across the region, some of which are identified as experiencing high to extremely high water stress. As responsible corporate stewards, we recognise the critical importance of sustainable water management in these areas for environmental resilience and the continuity of our operations. Three of our manufacturing sites located at the United Arab Emirates, China, and India were located at extremely high water stress regions with water stress levels of more than 80%. A total 30,303.61 m³ of groundwater were extracted by our manufacturing site in India throughout the reporting period. Extraction of groundwater was followed by our manufacturing sites located in Malaysia with 16,106.68 m³ and Indonesia with 310.00 m³ which were categorised under high water stress level with the indication of 40% - 80% stress level. Two additional manufacturing sites located in India fall within the medium to high water stress category, with stress levels ranging from 20% - 40%. However, no water extraction activities have been undertaken at these sites.

MITIGATION AND MANAGEMENT STRATEGIES

As part of DXN Group's commitment to water resource management, we are committed to proactively addressing and mitigating any environmental risks that may arise from our activities, with particular focus on preserving the natural surroundings of our operational areas. To address this, the Group has developed and implemented a comprehensive set of action plans aimed at enhancing water efficiency, minimising consumption, and mitigating operational impacts on local water resources across these critical areas:

Rainwater Harvesting

Installation of rainwater harvesting systems in facilities located in high-stress zones to support daily usage.



Monitoring and Reporting

Collecting monitoring data and setting reduction targets are key measures to enhance transparency and strengthen our overall mitigation efforts.



Awareness Campaign

Raising awareness among all DXN employees plays a crucial role in supporting on-site practices. Through effective communication and the implementation of our Environmental & Energy Policy, we are able to strengthen both our mitigation efforts and the action plans aimed at addressing environmental challenges in these areas.



DXN Group acknowledges the challenges posed by water scarcity and is proactively adapting its operations to ensure resilience in water-stressed regions. These efforts align with our broader environmental responsibility goals and commitment to sustainable development.

WATER EFFLUENT

To protect ecosystems and communities, we ensure that all water discharged from our operations undergoes rigorous treatment to meet or exceed local and international quality standards. Our water treatment facilities use technologies to remove pollutants and minimise environmental impact. Regular monitoring and testing of discharge water are integral to our approach, ensuring strict adherence to statutory requirements and industry benchmarks. In FY2025, all of our operations complied with all applicable water quality standards and regional environmental laws.

SUSTAINABILITY STATEMENT

Our FY2025 performance data:

Parameter Standard	Average Data					
	Temperature (°C)	pH	BOD	Suspended Solids	Ammoniacal Nitrogen	Colour
DXN Industries Sdn. Bhd. ¹	26	6.23	38.75	71.58	0.91	57.75
DXN Agrotech (Ningxia) Co., Ltd. ²	35.18	7.83	51.86	1.31	4.08	N/A
DXN Mexico S.A. de C.V. ³	28.85	7.67	98.40	28.58	N/A	N/A

Parameter standards:

¹ Environmental Quality (Industrial Effluent) Regulations 2009 – Standard B.

² Regulations on the Administration of Pollutant Discharge Permits (Order of the State Council of the People's Republic of China No. 736).


³ NOM-002-SEMARNAT-1996.

Our continuous monitoring involves conducting laboratory water quality analyses to assess key parameters and ensure compliance with regulatory standards. In addition, we closely monitor the final discharge of water, conducting regular assessments to verify that all discharge water meets the required quality standards before it is released. This dual-level monitoring allows us to manage and mitigate any potential environmental impacts while ensuring that our water discharge practices align with industry best practices and legal requirements.

We are proud to announce that we fully comply with environmental regulations, with no instances of non-compliance reported. We remain committed to ensuring that all our operations not only meet legal and regulatory requirements but also continuously improve our effluent management practices.



SUSTAINABILITY STATEMENT



WASTE MANAGEMENT

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

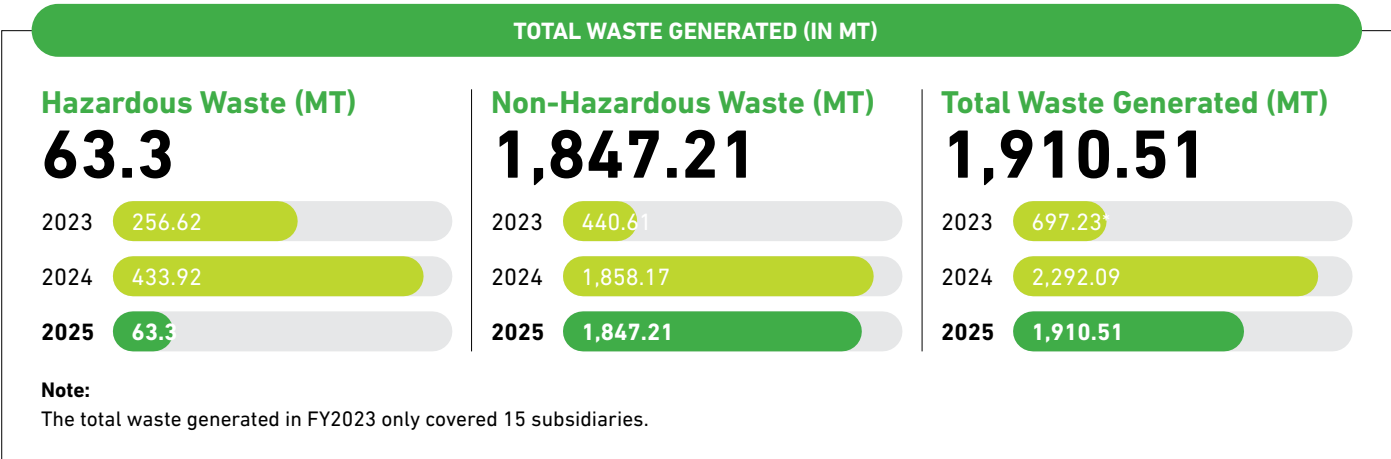
12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION

13 CLIMATE
ACTION

DXN Group recognises the importance of responsible waste management as a critical component of our commitment to environmental stewardship and sustainable business practices. With Ganoderma as our main cultivation and production, our waste management strategy is tailored to address the waste generated. Our approach focuses on minimising waste for both hazardous and non-hazardous waste and optimising resource efficiency across our operations.

Hazardous waste from our operations, primarily from cultivation facilities, maintenance, research, and manufacturing activities, is managed according to regulations and standards. We identify and segregate hazardous waste at its source, ensuring proper labeling and storage to prevent cross-contamination. Licensed waste collectors handle the safe transportation, treatment, and disposal of hazardous materials, fully complying with legal and environmental standards.

Our performance data:



Our approach to managing non-hazardous waste focuses on the 6Rs: “Refuse, Reduce, Reuse, Repurpose, Recycle, and Recreate” across our operations is intended to support our commitment to circular economy. This includes organic waste such as spent substrate bags (bag-logs) used in Ganoderma cultivation. After harvesting Ganoderma fruit bodies, the bag-logs are sent to a biomass collector to be recycled as biofertilisers or for other purposes. Any bag waste that cannot be recycled will be sent to the municipal council for proper disposal. For general and domestic waste, we emphasise segregation at each operation. This includes packaging materials such as paper, plastics, and cardboard, which are collected and reused for other purposes or sent to local recycling facilities.

Currently, DXN Pharmaceutical Sdn. Bhd. located in Kedah, Malaysia has ISO 14001:2018 certification, demonstrating compliance with international best practices.