

MBV International Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1957

2025
ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT

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Environmental, Social and Governance Report

ABOUT THIS REPORT

MBV International Limited (the "**Company**" together with its subsidiaries, hereinafter referred to as the "**Group**" or "**MBV**" or "**we**" or "**us**") is pleased to present our annual Environmental, Social and Governance Report for year ended 31 December 2025 (the "**ESG Report**") to provide an overview of the Group's management of significant issues affecting the operation, including environmental, social and governance ("**ESG**") matters.

The Group puts the sustainable development of its business as the top priority of its long-term development goals, and incorporates climate-related issues and ESG elements into its long-term business strategic planning. As the most important leading role of the Group, the board of directors (the "**Board**") has the sole responsibility to oversee, manage and monitor the Group's ESG issues and progress directly. The Board is committed to integrating ESG principles into our business management practices.

The Group has set short-term and long-term sustainable development visions and goals that address climate-related aspects, including its commitment to achieving carbon neutrality by 2050 as a guiding method for its climate strategy, to achieve ongoing emission reduction according to governmental requirements of different countries and regions gradually. Relevant emission reduction targets and corresponding strategies are established and sustainable development factors have been incorporated into the Group's strategic planning, business model and other decision-making processes. The Board regularly monitors and reviews the effectiveness of management approach, including reviewing the Group's ESG performance and adjusting corresponding action plans. The Board also discusses and reviews the progress of existing ESG goals and objectives, monitors the performance or results of the ESG KPIs during the Reporting Period and if targets are not achieved, the ESG Committee would investigate the reasons and report to the Board and disclose the reasons to stakeholders.

Looking ahead, the Board will continue to review and monitor the environmental, social and corporate governance performance of the Group and provide material, reliable, consistent and comparable environmental, social and corporate governance information to its stakeholders for making contributions to create a better environment.

Both English and Chinese versions of this report are available on MBV's website at www.orensport.com and website of The Stock Exchange of Hong Kong (the "**Stock Exchange**") at www.hkexnews.hk. If there is any conflict or inconsistency, the English version shall prevail. The corporate governance section can be found in the Group's 2025 Annual Report on pages 17 to 37 therein.

REPORTING PERIOD

The ESG Report illustrates the Group's initiative and performance regarding the environmental and social aspects during the Reporting Period from 1 January 2025 to 31 December 2025 (the "**Reporting Period**").

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REPORTING SCOPE

This ESG Report covers major subsidiaries of the Group in Malaysia and Singapore with core business principally engaged in sourcing, wholesaling, supplying and marketing imprintable apparel and gift products all across Malaysia and Singapore. The scope is determined based on operational control and relevance to material ESG topics. There were no changes to the reporting boundary compared with the previous reporting. Greenhouse gas ("**GHG**") emissions (Scopes 1, 2, and relevant Scope 3 categories) are reported using the operational control approach and are aligned with the ESG Reporting Scope. The Group will continue to assess the impacts of its business on the major ESG aspects and to include in the ESG Report.

REPORTING BASIS

The ESG Report is prepared in accordance to the ESG Reporting Code set out by Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The Group has complied with the disclosure requirements of the "comply or explain" provisions set out in the ESG Reporting Code. Looking forward, the Group will continue to optimize and improve the disclosure of key performance indicators ("**KPIs**") which are considered material by the Group. The ESG Report is prepared and published in both English and Chinese. In the event of contradiction or inconsistency, the English version shall prevail.

During its preparation, the Group adheres to the reporting principles of materiality, quantitative, balance and consistency by:

Reporting Principles	The Group's Application
Materiality:	The Group conducts questionnaire to understand stakeholders' expectations. Based on the results of the questionnaire, the Group identifies and reports the Group's material sustainability issues, and those that could reasonably be expected to affect the Group's cash flows, finance or cost of capital over the short, medium or long term.
Quantitative:	The Group collects and discloses quantifiable KPIs where feasible with comparative data and information on the standards, methodologies and assumptions adopted for the calculation, and further provides details on statistical standards, data sources and conversion factors used for compiling such performance indicators.
Balance:	The Group follows the principles of accuracy, objectivity and fairness to report its achievements and challenges in sustainable development.
Consistency:	The Group ensures consistency in preparing the report and manage its ESG data for future comparison. During the Reporting Period, no changes were made to these methods. If there are any changes to the methodologies, calculations, or any other factors that affect meaningful comparison, the Group will make a clear explanation.

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THE ESG GOVERNANCE STRUCTURE

Effective implementation of ESG policies relies on the collaboration of different departments. In order to endeavour to achieve the objective of sustainability development, the Group has established the ESG Committee so as to coordinate different departments and enhance their mutual co-operation for ensuring consistent work performance which could be aligned with the stakeholders' expectations. The ESG Committee comprises core members from the Finance Department, Human Resource Department and Purchasing Department, and is responsible for collecting relevant information on our ESG aspects for the preparation of the ESG Report. The ESG Committee reports to the Board at least annually, assists in identifying and assessing the Group's ESG risks and opportunities, assesses the effectiveness of the Group's ESG internal control mechanism and understands the potential impact, related risks of ESG issues on the Group's operating model and evaluate the financial implications of climate and other ESG risks for ensuring that the Group has taken reasonable measures to manage significant risks and assess financial implications of ESG issues, such as climate-related risks, on financial statements, investments, and capital allocation. For day-to-day ESG governance, the Board has delegated and authorized the ESG Committee and senior management to organize and coordinate the ESG work of each subsidiary to ensure that its strategic decisions are implemented. The Board is committed to maintaining good communications with the ESG Committee and senior management and making timely decisions on important ESG issues, supported by regular reporting of annual ESG updates by them, in order to gain an understanding of the ESG performance to monitor, manage, and oversee climate-related risks and opportunities of the Group's business. The Board understands that the establishment of ESG targets aids in the Group's ESG governance. Therefore, the Board sets ESG targets related to the Group's business where appropriate, and reviews progress made toward improving the Group's ESG performance by keeping track of the ESG KPI on a regular basis, in the environmental and social aspects, which are vital and closely related to the business of the Group. The Board will, if necessary, engage independent third parties to evaluate the Group's ESG risks and review existing strategies, targets and internal control measures. During the Reporting Period, the ESG Committee and the management reviewed the ESG governance and different ESG issues.

The Board has overall responsibility for the Group's ESG strategy and reporting. The Group identifies and manages ESG risks in order to achieve its business objectives and ensure its stable development. We adopt a risk management system under a top-down structure. The Board has the overall responsibility of maintaining sound ESG risk management and internal control systems within the Group. Through exercising oversight on the Group's management while maintaining active and conducive communication with management personnels and employees who are involved in the day-to-day operation of the Group's business, the Board is able to identify material ESG risks in the aspects of emissions, consumption of resources, impact on natural resources and climate change, as well as other social aspects pertaining to our Group. As part of this, the Board is responsible for identifying and assessing the Group's significant ESG risks, determining related risk levels, and formulating counter measures for which management is implemented by relevant departments and business units and prioritizes climate-related risks by integrating them into the Group's existing framework assess how climate change might influence the probability and impact of other existing risk categories. For example, physical climate risks (like extreme weather) might increase operational risks, while transition risks (like new regulations) could impact strategic and financial risks. The ESG Committee analyzes substantive issues and actual risk events encountered by the Group during the Reporting Period to assess their climate relevance. The Group believes that ESG risks have gradually becoming an important factor in its business, and has taken the approach to incorporate ESG risks into its routine risk management process as a means of enhancing its overall risk evaluation, prioritizing and management and control capabilities.

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CONTACT INFORMATION

The Group welcomes your feedback on the ESG Report for our sustainability initiatives. Please contact us through our Company website http://www.orensport.com.

STAKEHOLDERS ENGAGEMENT

We identified the key stakeholders of our business operations and interacted with our stakeholders regularly through various communication channels. The following table illustrates the issues of concern of our major stakeholders and the ways we communicate with them:

Stakeholder	Expectation	Engagement channel	Measures
Government	– Abide by laws and regulation – Fulfil duty to pay tax – Promote regional economic development and employment	– On-site inspections and checks – Company website	– Operated, managed and paid taxes according to laws and regulations, strengthened safety management – Accepted the government's supervision, inspection and evaluation
Shareholders and Investors	– Provide high transparency for information disclosure – Protect shareholder's rights and interest	– Annual general meeting and other shareholder meetings – Annual report, interim report and announcements – Company website	– Issued notices of general meeting and proposed resolutions according to regulations – Disclosed Company's information by publishing annual reports, interim reports and announcements – Disclosed company contact details on website and in reports and ensured all communication channels available and effective

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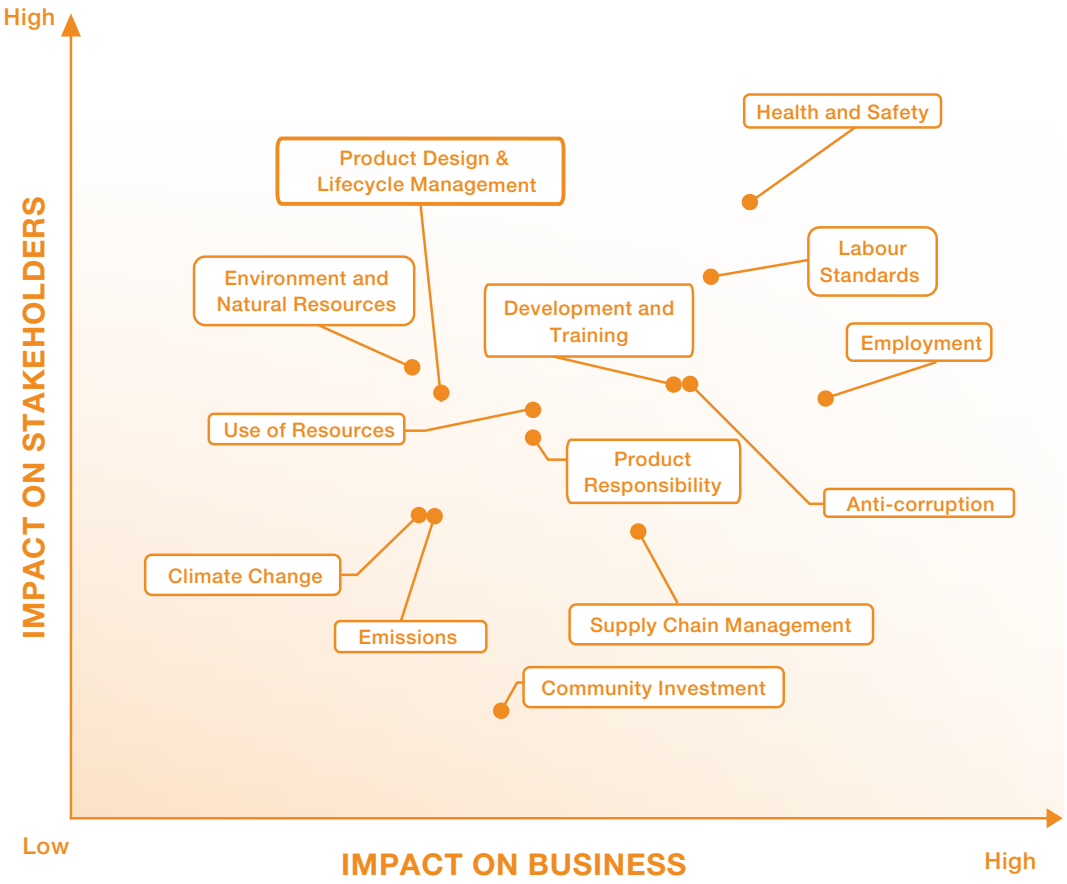
STAKEHOLDERS ENGAGEMENT (CONTINUED)

Stakeholder	Expectation	Engagement channel	Measures
Employees	– Education and training – Career development opportunities – Health and safety working environment – Safeguard the rights and interests of employees	– Employee communication – Training, seminars and briefing sessions – Intranet and emails	– Provided a healthy and safe working conditions and environment – Provide training to employees – Provide attractive remuneration packages
Customers	– Provide safe, high-quality products – Stable relationship – Business ethics	– Website, brochures and annual report – Email and customer service hotline – Complaint handling mechanism – Regular meetings – Sale representatives' visits	– Provide prompt quality, customized products
Suppliers	– Honest cooperation – Strong relationship	– Supplier review and assessment – Regular meetings	– Performed contracts according to agreements – Enhanced daily communication, and established long-term cooperation with quality suppliers and contractors
Public and communities	– Discharge social responsibilities – Community involvement	– Volunteering – Charity and social investment – Annual report – Donation	– Carried out charitable activities – Provided volunteer service, kept communication channels open between the Company and the communities

Materiality Assessment

With a growing population, challenges such as climate change, energy supply and security, raw material scarcity, human health and safety, and employment must be addressed to ensure that people can lead healthy and fulfilling lives. Faced with a wide range of issues, the Group is keen to identify those which have a great impact on its stakeholders and business, and then to develop its strategic priorities. This is why materiality assessment is an essential part of the Group's ESG management and reporting.

Materiality Matrix during the Year



The Group has established a stakeholder-driven approach to analysing the importance of ESG and identified 13 issues most relevant to the Group's business. A questionnaire was then conducted, in which stakeholders were invited to rate the issues based on their importance to the Group's business and to the stakeholders themselves.

Environmental, Social and Governance Report

A. ENVIRONMENTAL ASPECTS

Emissions

Due to the nature of our business, our Group's operations do not directly generate significant industrial pollutants, and as such our Group did not incur direct costs of compliance with applicable environmental protection rules and regulations in past years. Our Board expects that our Group will not directly incur significant costs for compliance with applicable environmental protection rules and regulations in the future.

The Group is committed to reducing its impact on the environment and its carbon footprint whilst pursuing our quest to deliver quality and reasonable price products to our customers. Consumption of fuel and energy has been a significant contributor to greenhouse gas ("**GHG**") as well as other environmental concerns. The Group believes that green logistics brings benefits, which include reduction of transportation costs and reduction of energy consumption and pollution. As such, the Group requires that trucks used for long-distance transportation are loaded to the optimal capacity. In particular, the Group encourages optimizing transportation routes and is committed to integrating existing storage spaces to enhance logistics efficiency and reduce the environmental impact of transportation. The Group has adopted various practical measures to reduce the use of natural resources (thus in turn reduce emissions) as mentioned in aspects "Use of Resources" in this ESG Report.

Regarding waste, no material hazardous waste was produced during the Reporting Period. Non-hazardous waste mainly includes commercial waste. The Group promotes "reduce, reuse and recycle" to minimise waste and protect environment. Employees are encouraged to purchase supplies or equipment with an option to be upgraded and longer lifespan and to install recycling bins to collect recyclables. In order to properly control the disposal of our production wastes, we have formulated detailed environmental protection rules and guidance for our staff to follow during operation. The Human Resource Department and Finance Department will record and monitor the disposal of production waste on a monthly basis. In case of any abnormality, the Human Resource Department will investigate take actions to follow up. We also engaged approved disposal contractors to facilitate waste disposal and treatment, so as to minimize the impact on nature.

Thus, in light of the above mentioned, we believe that our operation does not generate hazardous waste with any significant adverse effect on the environment, and our environmental protection measures are adequate to comply with all applicable current regulations in Malaysia and Singapore.

In addition, the Group advocates emission reduction, and is committed to achieving sustainable operations. The Group has set quantitative environmental goals for reducing emissions based on the average intensity of latest two reporting years to nurture the environment and cherish natural resources. The same methodology will be applied to set and monitor quantitative goals for 2026, ensuring effective management and control of the Group's emissions. The Group actively implements the material-saving plan and measures to maintain or reduce the intensity of waste production and emissions in the long run. The Group will review the progress and explore more opportunities for various environmental protection goals including achieving carbon neutral by 2050. Below ongoing measures are designed to support the intensity metrics, ensuring our operational actions are aligned with our long-term reduction commitment. Moreover, we are investing more resources in recycling to help the development of circular economy.

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Emissions (continued)

Environmental aspects	Targets	Steps taken to achieve the targets
Air Pollutants Emissions	The Group aims to maintain or reduce the intensity of air pollutants emissions based on the average intensity of the two preceding reporting periods, i.e. lower or equal to 0.002 (kg/Revenue RM'000)	– Carrying out regular maintenance of vehicles with good condition for operational efficiency – Encouraging carpooling to reduce individual vehicle usage and promoting the use of shared transportation
Greenhouse Gas Emissions	The Group aims to maintain or reduce the intensity of greenhouse gas emissions (Scope 1 and 2) based on the average intensity of the two preceding reporting periods, i.e. lower or equal to 0.005 (tons/Revenue RM'000)	– Adopting LED lighting in some offices – Setting the temperature of air-conditioning system in 24°C – Switching off lights and unnecessary energy-consuming devices when they are not in use – Promoting environmental protection such as saving water and electricity by means of slogan or poster in office – Utilizing electronic communication tools, such as video conferencing and phone calls, to reduce the frequency of business trips – Installing solar energy systems to promote the use of green electricity – Enhancing energy efficiency in production facilities through the regular maintenance and timely upgrading of key equipment
Waste Production	The Group aims to maintain or reduce the intensity of waste production based on the average intensity of the two preceding reporting periods, i.e. lower or equal to 0.135 (kg/Revenue RM'000)	– Collecting and monitoring waste-related data – Screening suppliers for negative waste-related impacts – Re-using or recycling scrapped textiles and clothes, papers, bags, and containers for the reduction of quantity of waste – Adopting waste diversion so that different types of materials like papers, recyclable plastic and organic waste are first be sorted from general waste for reuse and recycling, and finally the non-recyclable waste has been handed over to waste disposal contractors

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Emissions (continued)

The 2025 environmental targets for air pollutants emissions, GHG emissions and waste production, and their results for the Reporting Period are as follows:

Environmental KPI	Targets	Results as at the end of Reporting Period
The intensity of air pollutants emissions	Lower or equal to 0.002 (kg/Revenue RM'000)	Target achieved
The intensity of GHG emissions (Scope 1 and 2)	Lower or equal to 0.005 (tons/Revenue RM'000)	Target achieved
The intensity of waste production	Lower or equal to 0.135 (kg/Revenue RM'000)	Target achieved

Notes:

1. The 2025 emission targets for each environmental KPI are set based on the average intensity of the year 2023 and 2024.

2. The 2025 environmental targets for GHG emissions cover Scope 1 direct emissions and Scope 2 indirect emissions.

During the Reporting Period, there was no material breach of or non-compliance with the applicable laws and regulations related to environmental protection, air and greenhouse gas emissions, discharges into water and land which have a significant impact on the Group.

Major air pollutants emissions from vehicles during the Reporting Period and the corresponding period in 2024 are as follows:

Air Pollutant Emission

Type of Air Pollutants	Air Pollutant Emission (kg) 2025	2024
Nitrogen Oxides	378.39	409.93
Sulphur Dioxide	2.67	2.93
Particulate Matter	26.72	29.39
Air Pollutant Intensity (kg/Revenue RM'000)	0.002	0.002

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Emissions (continued)

The GHG emissions from the operation during the Reporting Period and the corresponding period in 2024 are set out below:

GHG Emission

Type of GHG emissions	Equivalent CO_2 emission (tons) 2025	2024
Scope 1 Direct emissions	471.30	515.72
Scope 2 Indirect emissions (based on region)	410.28	430.54
Total: Scope 1 and 2	881.58	946.26
Intensity (tons/Revenue RM'000)	0.005	0.005
Scope 3 Other Indirect emissions	17,950.27	Not applicable
Total: Scope 1, 2 and 3	18,831.85	Not applicable
Intensity (tons/Revenue RM'000)	0.098	Not applicable

Notes:

3. GHG emission data are presented in terms of carbon dioxide equivalent, with reference to, including but not limited to, the reporting requirements of "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, "A Corporate Accounting and Reporting Standard" from The GHG Protocol, and GHG emission factors from "IGES List of Grid Emission Factors" published by Institute for Global Environmental Strategies in August 2025.

4. Scope 1: Direct emissions are mainly sources from vehicles owned by the Group.

5. Scope 2: Indirect emissions are mainly sources from the generation of purchased electricity consumed by the Group.

6. Scope 3: In 2025, we identified and disclosed for the first time for Scope 3 GHG emissions relevant to our business, and therefore no historical comparative data can be provided. We identified our Scope 3 GHG emissions amongst the 15 Scope 3 categories. Amongst the 15 categories, we have identified 5 categories relevant to our business, namely Category 1-Purchased goods & services, Category 4-Upstream transportation and distribution, Category 5-Waste generated in operations, Category 6-Business travel, and Category 7-Employee commuting. The remaining categories were excluded as they are either not applicable to our operations, or their emissions are immaterial for quantification purposes.

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A. ENVIRONMENTAL ASPECTS (CONTINUED)

Emissions (continued)

Hazardous and non-hazardous waste

During the Reporting Period, no significant non-hazardous waste is generated other than the scrapped textiles, clothes and paper amounting to approximately 25,662 kg (0.13kg/Revenue RM'000) during the course of production (2024: 29,124 kg (0.15 kg/Revenue RM'000)). The reduction in non-hazardous waste compared to the corresponding period in 2024 was partly attributable to a moderate decline in overall business activity, including lower sales volumes and revenue from printable apparel. At the same time, the Group continued to enhance resource efficiency through lean manufacturing initiatives, such as optimized cutting techniques, improved fabric utilization, and strengthened internal recycling of textile off-cuts, which further reducing waste intensity.

During the Reporting Period, the Group has no significant hazardous waste generated due to our business nature, and there was no material breach of or non-compliance with the applicable laws and regulations related to generation of hazardous and non-hazardous wastes that have a significant impact to the Group. The Group will actively implement material-saving plan and measures to maintain or reduce the intensity of waste production.

Use of Resources

The Group places high priority on the efficient use of resources. The major resources used by the Group are fuels, electricity, water, and packaging materials. The Group strives to improve the efficient use of natural resources, such as minimising waste/emissions and implementing effective recycling program.

Electricity saving measures are encouraged that electrical appliances are required to be set at energy saving mode where possible. For computers, the idle mode is configured to commence upon 10 minutes or less without inputs. The room temperature should be set in 24ºC. Also, the power supply would be switched off when they are not in use. Preference will be given to office equipment with relatively high energy efficiency. We are committed to strictly following the procurement plan in order to avoid duplication of purchase and idle resources and focusing on quality management so as to reduce wastage and scrap for less pollution resulted. Meanwhile, our solar power system was in operation in recent years. The renewable energy generated is primarily consumed locally, while the surplus energy is sold to the Tenaga Nasional Berhad's ("**TNB**") electricity grid. During the Reporting Period, a total of 56,753 kWh (2024: 33,608 kWh) of renewable energy was sold to the grid, contributing to a reduction of 36.59 tons (2024: 21.67 tons) of CO_2-equivalent in GHG emissions and generating economic benefits. The increase in renewable energy generation and grid feed-in compared to the corresponding period in 2024 is primarily due to the broadened application of our solar panels. By supplying renewable electricity to the grid, we not only provide the local community with more green energy options but also promote the sharing and utilization of renewable energy, reducing the region's reliance on conventional electricity. This initiative effectively lowers GHG emissions, enhances economic efficiency, and contributes to combating climate change, while also supporting the sustainable development of society. In the future, we will continue to invest in sustainable energy solutions, optimize energy management, and contribute to environmental protection and social sustainability, should Our Group consider such initiatives appropriate and aligned with its strategic direction.

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Use of Resources (continued)

Water is one of the most important natural resources for daily operation. Although the Group did not encounter any issue in sourcing water that is fit for purpose, we strive to reduce water consumption and improve the efficiency of water use in our operations. The Group has displayed "Saving Water Resource" posters office premises, warehouses and hostels to raise employees' awareness of water conservation. During the Reporting Period, the reduction in water consumption compared to the corresponding period in 2024 is primarily driven by the identification and repair of water supply system leaks, including piping and storage tanks, which had previously caused wastage.

The main packaging materials we use are made of plastic. We try our best to keep packaging to minimum, and are continuously looking for opportunities to further reduce packaging while maintaining sufficient protection of our products during their transportation from the manufacturing point to our end-consumers.

In addition, the Group advocates energy and resources saving, and is committed to achieving sustainable operations. The Group has set quantitative goals in terms of energy use efficiency and water efficiency based on the intensity of the latest two reporting years, in order to perform better energy conservation and water conservation. The same methodology will be applied to set and monitor quantitative goals for 2026, ensuring effective management and control of the Group's consumptions. The Group will actively implement the electricity-saving plan, water-saving plan and measures to maintain or reduce the intensity of electricity consumption and water consumption. The Group will review the progress and explore more opportunities for various environmental protection goals. Additionally, we welcome opportunities to further increase our investment in recycling initiatives, as we believe these efforts play an important role in advancing the circular economy. We remain open to exploring new partnerships and innovative solutions that can enhance our contribution to a more sustainable future.

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Use of Resources (continued)

Environmental aspects	Targets	Steps taken to achieve the targets
Energy Conservation	The Group aims to maintain or reduce the intensity of energy conservation based on the average intensity of the two preceding reporting periods, i.e. lower or equal to 13.02 (kWh/Revenue RM'000)	– Adopting LED lighting in some manufacturing facilities, warehouses, and others – Setting the temperature of air-conditioning system in 24°C – Switching off lights and unnecessary energy-consuming devices when they are not in use – Using efficient electrical appliances and fuel-efficient vehicles – Tracking and reporting energy usage, reduction and intensity over time – Installing solar energy systems to promote the use of green electricity
Water Conservation	The Group aims to maintain or reduce the intensity of water conservation based on the average intensity of the two preceding reporting periods, i.e. lower or equal to 0.12 (m^3/Revenue RM'000)	– Promoting environmental protection such as saving water and electricity by slogan or poster in office and factories – Reducing water usage in the value chain – Regular maintenance of water supply facilities to reduce water leakage – Shutting off the water supply to idling equipment and areas – Using water efficient products

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Use of Resources (continued)

The 2025 environmental targets for energy conservation and water conservation, and the results as at the end of Reporting Period are as follow:

Environmental KPI	Targets	Results as at the end of Reporting Period
The intensity of energy consumption	Lower or equal to 13.02 (kWh/Revenue RM'000)	Target achieved
The intensity of water consumption	Lower or equal to 0.12 (m^3/Revenue RM'000)	Need further efforts

Notes:

7. The 2025 emission targets for each environmental KPIs are set based on the average intensity of the year 2023 and 2024.

8. Water consumption during the Reporting Period decreased compared to 2024, primarily due to the repair of the water supply system leak that occurred in 2024. However, water intensity remained higher the expected target, driven by the increased domestic water usage from foreign employees and a decline in revenue.

Energy, water and packaging materials consumption by the Group during the Reporting Period and the corresponding period in 2024 are set out below:

Energy Consumption

Type of energy	Energy consumed (kWh) 2025	2024
Unleaded petrol	**939,840.74**	1,025,455.63
Diesel	**825,312.03**	911,503.29
Purchased electricity	**636,292.00**	667,713.00
Total	**2,401,444.77**	2,604,671.92
Energy intensity (kWh/Revenue RM'000)	**12.44**	12.96

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Use of Resources (continued)

Water Consumption

	Water consumption (m^3)	
	2025	2024
Running water consumed	**24,212.00**	27,477.00
Intensity (m^3/Revenue RM'000)	**0.13**	0.14

Packaging materials

Type of packaging materials	Packaging materials (tons)	
	2025	2024
Plastic	**35.64**	50.15
Intensity (tons/Revenue RM'000)	**0.00018**	0.00025

Notes:

9. The reduction in packaging materials used in 2025 was primarily due to lower sales volume, which resulted in fewer product shipments and consequently less packaging demand.

The Environment and Natural Resources

The Group raises staff's awareness on environmental issues through education and training and enlist employees' support in improving the Group's performance, promote environmental awareness amongst the customers, business partners and shareholders and support community activities in relation to environmental protection and sustainability and evaluate regularly and monitor past and present business activities impacting upon health, safety and environmental matters. With the integration of policies mentioned in sections "Emissions" and "Use of Resources", the Group strives to minimise the impacts to the environment and natural resources. In view of the potential impact to the environment and natural resources from our value chain activities, the Group is committed to assessing and managing these areas through enhanced monitoring and collaboration with our partners in the value chain. The principal business activities of the Group do not have a significant impact on the environment and natural resources during the Reporting Period.

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Climate Change

Governance

In view of the global efforts to address climate change and enhance climate governance, we have prioritized "continuously strengthening the assessment and responses to risks related to climate change" as one of our key tasks. This year, with reference to the section of "Climate-related Disclosures" under Part D of the Environmental, Social and Governance Reporting Code of the Stock Exchange of Hong Kong Limited and other guidelines, we continued to strengthen our climate governance and risk management disclosure capability, and launched a carbon inventory reporting covering Scope 3 emissions.

Our climate governance is embedded within our ESG governance structure and risk management system. For more details, please see "THE ESG GOVERNANCE STRUCTURE" in this ESG Report. The Board is responsible for overseeing the Group's overall strategy and practices in addressing climate change. It receives a report at least annually on the assessment results of climate risks and opportunities, response strategies, target setting and progress, and then puts forward suggestions for improvement. During the Reporting Period, the Board and the ESG Committee conducted a review of the Group's climate risks and opportunities assessment, laying the foundation for subsequent strategy enhancement and the implementation of action plans. The insights from the assessment are integrated by the Board when overseeing the Group's overall strategy, evaluating major transactions, and reviewing the risk management framework. This process involves considering the trade-offs associated with different climate-related risks and opportunities to inform balanced decision-making. We prioritize enhancing employees' understanding of climate change-related matters at all levels. In assessing whether the Board collectively maintains the appropriate skills and competencies to oversee climate-related risks and opportunities, the Board conducts periodic reviews of its knowledge needs through structured self-assessments and discussions during routine meetings. This evaluation considers the collective experience of Board members in areas such as risk oversight, operational management, regulatory compliance and strategic planning, which are relevant to understanding the potential impacts of climate-related matters on the Group. Where the Board identifies capability gaps or emerging areas requiring deeper oversight, it ensures that appropriate expertise is accessible, including, through engagement of external advisers, or the utilization of internal subject-matter specialists. Through this continuous process, the Board maintains the necessary competencies to oversee strategies designed to respond to climate-related risks and opportunities. During the Reporting Period, we arranged educational materials and support on climate change to assist the management to integrate climate factors into the decision-making of risk management.

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Climate Change (continued)

Governance (continued)

Climate-related matters are reported to the Board through established reporting lines, whereby the ESG Committee provides updates during Management meetings. The Board is informed of climate-related risks, opportunities, performance metrics and emerging regulatory developments at least annually, and more frequently where material issues arise. Management integrates climate-related controls and monitoring procedures into the Group's existing internal control and risk management systems, ensuring that climate-related considerations are reviewed alongside other operational, compliance and strategic risks. Management implements structured controls and procedures to support the oversight of climate-related risks and opportunities. These controls include the establishment of defined workflows for climate-risk identification, escalation and monitoring, the maintenance of internal documentation and data-collection protocols, and the application of consistent methodologies when assessing climate-related impacts. Management ensures that climate-related matters are incorporated into the Group's existing internal control and risk-management systems, enabling these risks and opportunities to be reviewed alongside other operational, compliance and strategic risks. To ensure effective integration across the organisation, climate-related procedures are embedded within key internal functions so that each function incorporates relevant climate considerations into its day-to-day decision-making and operational planning. Cross-departmental coordination mechanisms facilitate information sharing, scenario-analysis inputs, and alignment of climate-related actions with broader corporate processes. Through these integrated controls and procedures, management provides consistent and cross-functional oversight of climate-related risks and opportunities.

At present, the Group does not incorporate climate-related considerations or climate-linked performance indicators into its remuneration policies for directors, senior management or employees. To strengthen management's accountability and effectiveness in addressing climate-related matters, the Group will explore the feasibility of enhancing our remuneration policies by incorporating climate-related performance metrics into executive remuneration.

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Climate Change (continued)

Strategies

Climate change is among the most pressing global challenges of our time. We are committed to mitigating climate-related risks to ensure the long-term success and sustainability of our business operations. A list of potential climate-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital over the short, medium, and long terms has been identified. Regarding the potential risks identified, the Group organizes and develops prevention and control measures. The operating departments would then organize the supervision of material risks prevention and control, and report the material risks to the management. Relevant operating departments arrange the implementation of the material risks prevention and control measures, continuously monitor the implementation, and timely report the progress or any issues encountered to the management. At the same time, we would continuously enhance our use of resources and energy. The Group has not yet implemented a formal climate-related transition plan. Given the nature and scale of our operations, the Group has not yet developed a structured transition pathway or defined assumptions or dependencies that would normally form part of such a plan. At this stage, the Group continues to monitor evolving regulatory requirements, market expectations and industry practices, and will consider formulating a more concrete transition plan as and when it becomes appropriate and feasible. The Group has established greenhouse gas emission reduction targets and is actively taking measures to work towards the achievement. For further details, please refer to the "Emissions" section in this ESG Report. Our current discloure only covers designated assets and businesses that fall within the reporting boundary of this ESG Report. The Group has not disclosed quantitative figures or percentages for these indicators in the Reporting Period and will continue to enhance its internal data collection processes, reviewing the feasibility of providing such disclosures in future reports as data availability and regulatory expectations evolve. To enhance climate risk resilience and seize climate-related opportunities, we have conducted a climate risk assessment and scenario analysis to examine the potential impacts of climate change on our operations and value chain over the short term (2025–2026), medium term (2027–2030), and long term (2031–2050).

While our short-, medium- and long-term horizons have not yet been formally incorporated into the Group's internal strategic planning cycles, they currently serve as reference timeframes for informing our ongoing climate-related assessments. As the Group's climate-related capabilities continue to mature, we will evaluate pathways for progressively aligning these horizons with our business planning and capital allocation processes.

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Climate Change (continued)

Strategies (continued)

Type	Climate-Related Risks/Opportunities	Effects on the Group's business model	Effects along the value chain	Impact period	Steps Taken to Manage the Risks/Opportunities
Physical Risks	*Acute* • Increased severity of extreme weather events such as flooding and storms in Malaysia and Singapore	*Acute* • Temporary business suspension • Higher working-capital needed to cover inventory buffers • Delivery schedule to the customer's location is delayed	• Disruption to supplier's production leading to production delays or raw material shortages, affecting the Group's ability to meet customer demand and maintain stable supply • Port congestion delays shipments increasing logistics costs and impacting delivery timelines	*Acute* Short term	• Rescheduling the delivery time of products to customers in the event of extreme weather events • Flexible working arrangement have been taken by the Group under flooding or other extreme weather • Reducing carbon footprint • Closely monitoring assets or business activities vulnerable to material climate-related physical risks
	Chronic • Changes in precipitation patterns and extreme variability in weather patterns • Rising sea levels pose physical risks to the Group's assets in Malaysia and Singapore • Rising average temperature leading to heat stress	*Chronic* • Increased operating costs • Increase of insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations	• The rise in average temperature caused by climate change may affect the yield of agricultural products, which may lead to a reduction in production of natural fibers such as cotton in the long term, affecting raw material sourcing stability.	*Chronic* Medium and long term	

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Climate Change (continued)

Strategies (continued)

Type	Climate-Related Risks/Opportunities	Effects on the Group's business model	Effects along the value chain	Impact period	Steps Taken to Manage the Risks/Opportunities
Transition Risks	*Policy and Legal*				
	• Higher costs for GHG emissions • Tightened regulation and inspections on existing products and services • Enhanced emissions-reporting obligations	• Increased operating costs, such as higher compliance costs, increase of insurance premiums • A carbon price could set the direction for the market, and encourage low-carbon energy consumption and innovation in low-carbon technologies. If the Group emits more GHG emissions than it is allowed to, it may have to incur extra operating costs • Write-offs, asset impairment, and early retirement of existing assets due to policy changes • Government or industry associations may impose increasingly stringent requirements on the energy consumption standards of the products and the carbon intensity of the industry, including possible requirement for the carbon footprint label of products or carbon intensity per unit weight of product	• Increased demand for verifiable carbon data from suppliers may lead to the Group's higher procurement costs and delays in sourcing materials if suppliers are unable to provide timely or accurate information. • Risk of supply disruption due to non-compliant suppliers being phased out or deselected under stricter environmental regulations • Higher compliance costs borne by suppliers may be passed on to the Group through increased material prices, affecting overall input costs and profitability	Short, medium, and long term	• Setting up a target to reduce GHG emission • Procure products or purchase services from suppliers that adopt sustainable operating practices • Identify relevant material climate-related risks and improve disclosure

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Climate Change (continued)

Strategies (continued)

Type	Climate-Related Risks/Opportunities	Effects on the Group's business model	Effects along the value chain	Impact period	Steps Taken to Manage the Risks/Opportunities
Transition Risks (continued)	*Technology*				
	• Substitution of existing products or services with lower emissions options	• Additional capital investment costs in technology development	• Limited access to verified low-carbon or recycled materials may constrain the Group's ability to meet customer ESG requirements or enter markets with green procurement policies, affecting sales opportunities	Long term	• Diversifying the supplier base to reduce dependency on any single vendor
	• Inefficient investment in new technologies	• Write-offs and early retirement of existing assets			• Preparing budgets for capital investments in low-carbon emission technologies
	• Costs to transition to lower emissions technology	• Possible reduced revenue due to lower future demand for products and services if our products are not able to meet emission requirements	• Less-capable suppliers may struggle to meet evolving sustainability and technological standards, increasing the risk of supply disruption or reduced availability of key inputs such as yarn and fabric		
		• Research and development (R&D) expenditures in new and alternative technologies			
		• Extra operating costs to adopt or deploy new practices and processes			
	Market				
	• Changing customer behavior	• Possibly reducing future demand for goods and services due to shift in consumer preferences, hence derease revenue	• Potential stronger preference for recycled materials pushes suppliers to scale collection networks	Short, medium, and long term	• Responding to market signals
	• Uncertainty in market signals	• Increased production costs due to changing input prices, such as energy, water, and output requirements such as, waste treatment			• Prioritize climate change as a high concern in the market to show to the clients that the Company is concerned about climate change

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Climate Change (continued)

Strategies (continued)

Type	Climate-Related Risks/Opportunities	Effects on the Group's business model	Effects along the value chain	Impact period	Steps Taken to Manage the Risks/Opportunities
Transition Risks (continued)	*Reputation*				
	• Shifts in consumer preferences • Increasing stakeholders' concerns	• Possibly reducing future demand for goods or services if there is a decline in the Group's reputation, hence decreasing a revenue • Reduction in capital and financing availability	• Non compliance from supply chain partners may distrupt supply and have negative impact on our brand reputation	Short, medium, and long term	• Seeking for alternative materials or services with low emission • Addressing stakeholders' concerns or feedback
Opportunities	*Resource Efficiency*				
	• Use of more efficient transport and distribution processes • Wider adoption of recycling • Reduced water usage and consumption • Effective invenotry procurement planning to reduce wastage due to overstocking	• Enhances operational efficiency and reduces logistics costs • Reduces expenditures on raw materials and wastage, offering potential long-term cost savings • Supports sustainable brand image, attracting environmentally conscious customers to enhance revenue	• Reduces carbon footprint in logistics and warehousing • Encourages suppliers to adopt greener packaging and handling practices	Medium to long term	• Optimizing delivery routes and invenotry order planning • Implementing recyclable materials • Promoting water-saving measures
	Energy Source				
	• Use of lower-emission sources of energy • Use of supportive policy incentives • Use of new technologies and green instratructures and facilities	• Lowers energy costs and enhances compliance with environmental regulations • Enables participation in government green initiatives	• Drives suppliers toward renewable energy adoption • Increases transparency in emissions reporting	Medium to long term	• Encouraging transition to electric or hybrid vehicles • Installing solar panels

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Climate Change (continued)

Strategies (continued)

Type	Climate-Related Risks/Opportunities	Effects on the Group's business model	Effects along the value chain	Impact period	Steps Taken to Manage the Risks/Opportunities
Opportunities (continued)	*Products & Services*				
	• Development and/or expansion of low-emissions goods and services • Development of climate adaptation and insurance risk solutions	• Opens new revenue streams from sustainable product lines • Strengthens customer loyalty among eco-conscious brands, which may improve retention rates and reduce marketing costs over time • Enhances brand reputation and competitiveness in evolving markets, potentially increasing pricing power and market share	• Growing demand for sustainable textiles is driving upstream suppliers to invest in eco-friendly materials and production methods, creating new sourcing opportunities and potentially reducing long-term material costs through economies of scale. • Increased consumer interest in circular fashion models is prompting downstream retailers to seek partnerships with brands offering recyclable or reusable products, expanding market access and opening new revenue streams.	Medium to long term	• Exploring and developing a dedicated product line leveraging sustainable and low carbon materials
	Markets				
	• Access to new markets • Use of public-sector incentives	• Opens new revenue streams	• Builds relationships with green investors	Medium to long term	• Exploring and developing a dedicated product line leveraging sustainable and low carbon materials

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Climate Change (continued)

Strategies (continued)

Type	Climate-Related Risks/Opportunities	Effects on the Group's business model	Effects along the value chain	Impact period	Steps Taken to Manage the Risks/Opportunities
Opportunities (continued)	*Resilience*				
	• Participation in renewable energy programs and adoption of energy-efficiency measures	• Enhances long-term business continuity, reducing operational risks and potential revenue losses from energy disruptions	• Improves supply chain stability and crisis response capability	Long term	• Complying with the government's Net Energy Metering Scheme (a renewable energy scheme launched by the Malaysian government with the aim of encouraging households and businesses to install solar power systems, while the energy produced from the solar photovoltaic system will be consumed first, and any excess energy will be exported to TNB at the prevailing displaced cost)
	• Resource substitutes/ diversification	• Reduces exposure to energy price volatility and supply disruptions, which may lower energy procurement costs and improve cost predictability over time			• Conducting regular climate risk stress tests across the supply chain

The Group allocates resources to climate-related risk management primarily through existing management and operational functions. Relevant responsibilities are undertaken by senior management and department heads as part of their normal duties, supported by routine budgeting for ESG-related activities such as data collection, staff training and operational improvements. The Group will continue to resource climate-related initiatives proportionately to its business scale and operational needs, and will evaluate additional resource requirements as regulatory expectations and climate-related risks evolve.

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Climate Resilience & Scenario Analysis

The Group recognizes the importance of assessing climate-related risks under different warming scenarios. During the Reporting Period, the Group has conducted comprehensive climate scenario analysis using a systematic framework to assess the resilience of our strategy and business model to climate-related risks and opportunities. The scenario analysis will be reviewed and updated periodically as part of the Group's ongoing climate-related risk assessment process. The Group's climate-related scenario analysis covers all operations within the reporting boundary outlined in this report. For further details of the reporting boundary, please refer to the "REPORTING SCOPE" section. We took reference from the Intergovernmental Panel on Climate Change ("**IPCC**")'s Representative Concentration Pathways ("**RCPs**") and Shared Socioeconomic Pathways ("**SSPs**") for the assessment. SSPs are standardized global narratives describing how society, technology, and policy may evolve, influencing emissions and climate outcomes. Each RCP represents a different GHG concentration trajectory and provides a range of potential future climate scenarios. This analysis informs our strategic planning across short-term, medium-term, and long-term horizons. For our analysis, we have taken SSP1 (sustainability) paired with RCP2.6 which models a world with strong climate action, while SSP3 (regional rivalry) paired with RCP8.5 reflects a future with limited cooperation and high emissions. These scenarios inform our risk assessment and strategic planning by illustrating a range of possible climate and regulatory environments. The Group has adopted climate scenarios consistent with the latest international climate agreements and scientific frameworks, specifically those developed by the IPCC. The scenarios used include RCP2.6 (Low-Emissions Pathway) and RCP8.5 (High-Emissions Pathway), which are aligned with the Shared Socioeconomic Pathways (SSP1 and SSP3) under the IPCC's Sixth Assessment Report. These pathways represent plausible future trajectories of greenhouse gas emissions, socioeconomic development, and climate impacts, and are widely recognized as the global standard for climate scenario analysis.

The selection of these two contrasting scenarios, representing low and high emissions futures enables the Group to assess its resilience across a range of potential climate outcomes, including both moderate and severe physical risks. This approach supports robust decision-making by identifying vulnerabilities under different levels of climate stress, thereby informing adaptation strategies, investment planning, and risk mitigation measures. By evaluating performance under both optimistic and pessimistic climate futures, the Group enhances its ability to anticipate and respond to evolving climate-related uncertainties.

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Climate Resilience & Scenario Analysis (continued)

Risk/Opportunity	RCP2.6 SSP1 (Low-Emissions)[1]	RCP8.5 SSP3 (High-Emissions)[2]
Extreme Weather Events	Moderate, manageable with adaptation	Severe, frequent, requires major upgrades/relocation
Heat Stress	Moderate, manageable with adaptation	Notable productivity loss, critical need for cooling/protection
Regulatory Changes	Predictable, supportive, clear requirements	Fragmented, unpredictable, higher compliance costs
Technological Change	Accelerated adoption, operational efficiency	Slower adoption, risk of obsolescence/disadvantage
Market Demand	Growth in sustainable products, ESG premium	Shift to cost focus, reduced ESG premium, reputational risk

The Group faces multiple climate-related uncertainties. The frequency, intensity, and geographic distribution of extreme weather events, such as typhoons, floods, and heatwaves in Malaysia and Singapore remain highly uncertain, with localized impacts potentially diverging from global climate model projections. Long-term climate trends, including sea-level rise, rising global temperatures, and water scarcity, are subject to significant uncertainty regarding their timing and magnitude, influenced by global emissions pathways, national adaptation policies, and local water resource management practices.

Furthermore, the pace and stringency of evolving climate-related regulations are inherently unpredictable, which may affect compliance costs, market access conditions, and supply chain requirements. Consumer preferences for sustainable products may also shift rapidly in response to broader economic and societal trends. The climate resilience of key suppliers across the value chain remains insufficiently transparent; disruptions or regulatory changes upstream could trigger cascading impacts, potentially compromising finished goods delivery. Additionally, certain climate change related impacts, particularly Scope 3 emissions and supplier-related risks are subject to measurement uncertainty due to data gaps and reliance on external partners, thereby affecting the accuracy of risk exposure assessments and the ability to capture emerging opportunities.

[1] A pathway with sustainability-oriented future, indicating a future where stringent mitigation measures are implemented, rapid innovation in low carbon technologies and consumer demand for sustainable fashion.

[2] A pathway with high-emissions and fragmented future, indicating weak climate policy alignment, high fossil fuel dependency and sever climate-related risks disrupting supply chains.

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Climate Resilience & Scenario Analysis (continued)

The Group demonstrates strong adaptive capacity, underpinned by both financial and operational flexibility. It maintains adequate financial reserves to support emergency response, infrastructure upgrades, and investments in climate resilience initiatives. Capital allocation decisions prioritize projects that deliver clear risk mitigation benefits.

The Group conducts annual review and enhancement of its climate risk management framework, integrating the latest data, stakeholder feedback, and lessons learned from actual climate-related events. This continuous improvement process ensures that the Group's strategies remain robust, forward-looking, and responsive to the dynamic nature of climate-related risks and opportunities.

The climate-related risks and opportunities identified through scenario analysis are not only theoretical projections but increasingly manifest in real-world operational contexts. To enhance organizational resilience, the Group translates these insights into actionable strategies across governance, operations, and stakeholders' engagement.

In response to the demand from various stakeholders for climate-related financial information disclosure, we assessed potential financial impacts of climate-related risks and opportunities on the Group during the Reporting Period by combining key climate scenario parameters and the actual conditions of our business operations, demonstrating our commitment to adaptive management and long-term business continuity.

At this stage, the Group is not able to provide quantitative forecasts of future financial impacts arising from climate related risks and opportunities due to the limited availability of reasonable and supportable forward looking data and the high level of measurement uncertainty involved.

During the Reporting Period, the Group invested approximately RM200,000 in upgrading energy-saving and emission-reduction equipment, as well as addressing climate-related risks and pursuing climate-related opportunities. The Group does not currently have any dedicated capital investment or divestment plans that are specifically driven by climate-related considerations. Any future climate-related capital expenditures will be assessed based on operational needs, commercial rationale and evolving regulatory requirements.

The Group has also not formulated any climate-specific funding strategy at this stage. Climate-related initiatives, where required, will continue to be supported through existing operational budgets, and the Group will evaluate additional funding needs as climate-related requirements or strategic priorities evolve. While separate quantification of individual climate related financial effects is not feasible, the Group expects that the combined financial impact of climate related risks, primarily those relating to extreme weather events, would most likely affect operational costs, cost of goods sold, and gross margin in future periods. Such impacts are not expected to be material in the short term given the Group's business scale and exposure profile.

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Climate Resilience & Scenario Analysis (continued)

Malaysia flooding incidents

Heavy rainfall triggered severe flooding in several regions of Malaysia, resulting in evacuations and property damage. While the Group's office in Malaysia was not located in affected areas and thus experienced no direct operational disruption, some customers' offices or employees' residences may have been impacted, resulting in indirect business effects.

In response to climate-related physical risk, the Group implemented a series of precautionary and responsive measures, assessing the short-term financial impacts, and medium- to long-term positive outcomes. This approach reflects the Group's commitment to building operational resilience in the face of increasing climate volatility.

Risk Type	Mitigation Measures	Short-Term Financial Impact	Medium – to Long-Term Positive Outcomes
Customer Delivery Disruption	• Rescheduled deliveries upon agreement with affected customers • Leveraged own fleet and cross-trained staff for flexible logistics reallocation	• Additional rearrangement costs (labour and transport): – Minor (flexibility from internal resources) • Inventory holding cost: – Minor (Utilizing current warehouse capacity)	• Enhanced customer trust and satisfaction • Strengthened supply chain resilience
Employee Safety & Attendance	• Temporarily reassigned sales staff from flood-affected districts • Granted 1–2 days of paid compassionate leave for home recovery or family relocation	• Salary costs – Minor (only a few employees affected) • Productivity loss/operational delay/overtime – Minor (covered through team collaboration)	• Boosted employee morale and loyalty • Reduced turnover, lowering recruitment & training costs • Improved post-crisis focus and productivity • Strengthened ESG reputation among stakeholders • Competitive advantage in talent retention and attraction as a purpose-driven employer

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Risk management

In the context of global climate change, the climate-related risks and opportunities faced by the Group have become key factors affecting the long-term development. The Group deeply recognizes this and actively takes action to integrate climate change factors into the Group's overall risk assessment and management framework. Through its risk management and governance system, the Group ensures that it is able to identify and respond to climate-related risks in a timely manner and to continuously monitor and assess them, enabling it to flexibly adjust its strategy to seek new growth opportunities under the challenges posed by climate change, thereby laying a solid foundation for the Group's long-term sustainable development.

The Group's ESG Committee, serving as the highest-level direct governing body for climate change initiatives, is responsible for leading annual cross-departmental efforts to execute climate-related risk management tasks with reference to the IFRS S2 Climate-related Disclosures. These tasks include identifying the types of climate-related risks that the Group may be exposed to, assessing the potential impacts of these risks on the Group, and identifying the Group's existing countermeasures and potential areas for enhancement. The ESG Committee reports at least annually to the Board on relevant work and makes recommendations. The Board is responsible for overseeing the management program for climate-related risks and reviewing the potential impact of climate-related risks on the Group's strategic planning, thereby providing risk oversight at a strategic level.

Climate Risk Identification Process

- Information and data collection
- Analysis of relevant climate information
- Analysis of substantive issues of the Group
- Analysis of risks/opportunities of the Group
- Determination of climate risks/opportunities register

The Group employs a top-down approach to identify climate-related risks. The ESG Committee identifies short, medium and long-term climate risks that the Group may face and assesses the relevance of such risks to the Group's business by reviewing industry reports, peer disclosures, scenario analysis outcomes and climate publications. The ESG Committee analyzes substantive issues and actual risk events encountered by the Group during the Reporting Period to assess their climate relevance.

The Group assesses climate-related risks using qualitative criteria such as the expected severity of operational disruption, the likelihood of supply chain instability, and the potential financial implications for the business.

Climate Risk Assessment and Prioritization Process

- Analysis of risk occurrence probability and impact
- Risk prioritization

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Risk management (continued)

The Group assesses and prioritize the types of climate risks identified. Climate related risks are prioritised using the same qualitative considerations applied in the Group's broader risk management framework. Risks with potentially greater operational, financial or compliance implications are assigned higher priority for monitoring and management, ensuring alignment with the Group's overall risk ranking approach. There were no material changes to the Group's processes for identifying, assessing, prioritising and monitoring climate related risks compared with the previous reporting period, yet those processes for climate-related opportunities had been newly incorporated into our processes during the Reporting Period. Enhancements will be considered as more data, regulatory guidance and climate related tools become available.

The ESG Committee coordinates resources from other departments to conduct a thorough risk assessment, ensuring the comprehensiveness and accuracy of the assessment. Risks considered major, as identified through internal analysis, will be prioritized and reported to the Board.

Climate Risk Management Process
• Communication among business departments
• Development of response strategies
• Implementation of response strategies
• Risk monitoring and real-time improvement

For the identified key climate risks, the ESG Committee will collaborate with relevant departments to evaluate the existing risk mitigation measures implemented. The Group will also refer to industry reports, peer disclosures, and climate-related publications to identify the outstanding risk management practices in the industry. By comparing the Group's current measures with industry's best practices, the ESG Committee can assess the completeness of the Group's climate risk response system, identify potential areas for improvement, and develop targeted improvement measures accordingly. During the implementation phase, the Group will continue to track the implementation effects of various response plans, regularly evaluate their actual results and make improvements.

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Metrics and targets

As of the Reporting Period, the Group has not yet implemented an internal carbon pricing mechanism and does not incorporate carbon pricing into investment decisions, transfer pricing, or climate scenario analysis. Consequently, no carbon price per tonne of greenhouse gas emissions is disclosed at this stage.

Furthermore, the Group is actively exploring ways to link environmental metrics, such as emission reduction progress and resource efficiency to future incentive structures.

During the Reporting Period, the Group discloses the greenhouse gas emissions data, which aligns with the reporting boundary outlined in this report. For details of the reporting boundary, please refer to the "REPORTING SCOPE" section. Generally, we apply the operational control approach to define our organizational boundary for reporting purposes, unless otherwise stated. The Group measures its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standards (2004). Additionally, we refer to the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) to identify our Scope 3 greenhouse gas emissions across 15 Scope 3 categories. The Group is in the process of quantifying Scope 3 emissions for Categories 1, 4, 5, 6 and 7. As at the reporting date, the Group does not yet have sufficient reasonable and supportable data to disclose all Scope 3 emissions without undue cost or effort. The Group expects to disclose Scope 3 emissions progressively as the data collection process matures.

The Group has established a long-term aspiration to achieve carbon neutrality across its entire value chain by 2050, covering Scope 1, Scope 2, and material Scope 3 greenhouse gas emissions. This aspiration is guided by the global temperature goals of the Paris Agreement, informed by the science-based decarbonization pathways outlined by the IPCC, and aligned with international climate frameworks relevant to the Group's industry.

The Group had set ESG related targets and disclosed greenhouse gas emissions data in the "Emissions" section in this report. The Group's environmental KPI targets, including those for greenhouse gas emissions (Scope 1 and 2), energy consumption, and water usage, are set using a rolling two-year average intensity baseline (i.e., based on the average performance in the prior two Reporting Period). This approach enables the Group to establish realistic and progressively challenging targets that reflect recent operational performance while driving continuous improvement. The target-setting methodology is informed by scientific guidance and relevant industry benchmarks, ensuring alignment with prevailing best practices. However, as of the Reporting Period, neither the targets nor the underlying methodology have been subject to third-party verification. To ensure effective implementation, the Group has established an internal target review mechanism, under which the Board conducts an annual assessment of climate-related progress. The Group does not currently rely on carbon credits to achieve its carbon neutrality goal.

A. ENVIRONMENTAL ASPECTS (CONTINUED)

Metrics and targets (continued)

While the Group's environmental targets are currently set using a rolling two-year average intensity methodology, the Board considers these short-term targets as transitional management tools supporting the Group's long-term aspiration of achieving carbon neutrality by 2050. The rolling target approach enables the Group to establish achievable and operationally relevant targets based on recent performance, and helps to build the necessary data accuracy, internal capabilities and governance processes required for future pathway-based target setting. The Board will continue to periodically review the appropriateness of the rolling target methodology in light of the Group's evolving climate-related data coverage, regulatory developments, stakeholder expectations and business circumstances, and will consider enhancing or adjusting the target-setting approach as appropriate. As the Group's climate-related data coverage and internal capabilities mature, the rolling intensity targets are expected to form the foundational building blocks for progressively aligning short- and medium-term actions with the Group's long-term decarbonization pathway toward 2050.

During the Reporting Period, the Group invested approximately RM200,000 in upgrading energy-saving and emission-reduction equipment, as well as addressing climate-related risks and pursuing climate-related opportunities. Apart from this, the Group does not currently have any other dedicated capital investment or divestment plans that are specifically driven by climate-related considerations.

The Group will continue to monitor its climate related exposures and may allocate targeted capital resources as and when climate related projects become necessary or relevant to its operational needs.

The Group remains committed to strengthening its climate governance and disclosure practices in line with evolving regulatory expectations and best international practices. Although the Group does not currently have specific industry-based metrics, we will explore the feasibility of adopting such indicators as part of our ongoing efforts to enhance ESG disclosures.

The Group has conducted a qualitative assessment of its exposure to climate-related transition risks, physical risks, and climate-related opportunities. Based on the nature, scale and operational profile of the Group, the vast majority of its current business activities fall into a low-exposure category for both transition and physical risks, and the Group's alignment with climate-related opportunities remains modest. At present, however, the Group does not possess sufficiently granular or reliable data to quantify the amount or percentage of assets or business activities that are vulnerable to such risks or aligned with such opportunities. Preparing such quantitative metrics would require methodologies, systems and supply-chain data that are not currently available without undue cost or effort. Accordingly, the Group has not disclosed numerical amounts or percentages for these indicators for the Reporting Period. The Group will continue to enhance internal data collection processes and will review the feasibility of providing quantitative disclosures in future reporting periods as data availability and regulatory expectations evolve.

In a similar manner, due to the scale and operational profile of the business, the Group's ability to capture climate-related opportunities, such as sourcing sustainable materials, improving logistics efficiency, or promoting eco-friendly packaging, is also modest. Accordingly, the Group considers that its current business activities have limited alignment with climate-related opportunities. The Group will continue to review its risk and opportunity exposure and update its assessment as the regulatory environment evolves and business operations develop.

B. SOCIAL ASPECTS

Employment

The Group believes that a key to our success is our ability to recruit, retain, motivate and develop talented and experienced staff members. We endeavour to attract and retain appropriate and suitable personnel to serve our Group. Our Group assesses the available human resources on a continuous basis and will determine whether additional personnel are required to cope with the business development of our Group. The Group strictly complies with relevant laws and regulations (and their latest amendments) regarding employment and labour protection which have a significant impact on the Group, including but not limited to the Employment Act 1955, the Employees Provident Fund (Amendment) Act 2025, the Employees' Social Security (Amendment) Bill 2025, the Employment Insurance System (Amendment) Bill 2025 in Malaysia and the Employment Act and the Employment of Foreign Manpower Act in Singapore. The Group's human resources manual sets out our standards for compensation and dismissal, recruitment and promotion, working hours, rest periods, confidentiality, and other benefits and welfare.

We have a recruitment policy in place to maintain a fair and effective recruitment procedure. Under such policy, we normally recruit employees with the appropriate skills, both technical and personal, in order to meet our current and future needs and to ensure that the employees appointed are qualified and competent to carry out the duties. We have always maintained a good working relationship with our employees.

We entered into individual labour contracts with each of our employees in accordance with the applicable labour laws of Malaysia and Singapore, which cover matters such as wages, employee benefits and grounds for termination. The remuneration package our Group offers to our employees includes salary, bonuses, allowances and medical benefits. In general, we determine an employee's salary based on each employee's qualifications, experience and capability as well as the prevailing market remuneration rate.

The Group recognizes the value of a diverse and skilled workforce and is committed to creating and maintaining an inclusive and collaborative workplace culture in which all employees can thrive. The Group advocates the principles of equal employment opportunities and diversity without any forms of discrimination. Discrimination, including unjust or prejudicial treatment of anyone due to certain personal characteristics, such as race, gender, ethnicity, religion, disability, age and marital status, is strictly forbidden. We have a policy of Prohibition of Discrimination to protect the legitimate rights and interests of employees.

Our Group considers that our employees play a pivotal role in our continuous growth. It is our policy to maximise the potential of our employees through training and development. Our Group provides both internal and external training related to marketing knowledge, good customer service, safety and quality management and other useful topics. For new hires, our Group provides an induction training programme followed by on-the-job training during their probation period, and continually monitors their progress throughout the probation period. Our employee training and development aim at equipping our employees with the knowledge and skills necessary to perform their job functions and enhance their capability. We believe this will also increase the overall competitiveness of our workforce and can maintain good relationship with our employee as we believe that our employees are valuable assets to our Group.

During the Reporting Period, there was no material non-compliance regarding employment brought against the Group or its employees, and relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare.

B. SOCIAL ASPECTS (CONTINUED)

Employment (continued)

Below is a detailed breakdown of our employees employed under our major subsidiaries of the Group in Malaysia and Singapore by gender, age group, employment category and location as at 31 December 2025 and the corresponding period in 2024:

	2025 Number of staff	2025 % of total	2024 Number of staff	2024 % of total
By gender				
Male	225	49.5	226	50.3
Female	230	50.5	223	49.7
Total	455	100.0	449	100.0
By age group				
30 or below	196	43.1	204	45.4
31–40	117	25.7	114	25.4
41–50	77	16.9	73	16.3
51 or above	65	14.3	58	12.9
Total	455	100.0	449	100.0
By employment type				
Part time	–	–	–	–
Full time	455	100.0	449	100.0
Total	455	100.0	449	100.0
By location				
Malaysia	446	98.0	438	97.6
Singapore	9	2.0	11	2.4
Total	455	100.0	449	100.0

B. SOCIAL ASPECTS (CONTINUED)

Employment (continued)

Below is a detailed breakdown of turnover rate of our employees employed under our major subsidiaries of the Group in Malaysia and Singapore by gender, age group and location as of 31 December 2025 and the corresponding period in 2024.

	2025		2024	
	Number of staff	% of total	Number of staff	% of total
Turnover rate by gender				
Male	43	19.1	47	21.0
Female	70	30.9	75	34.2
Total	113	25.0	122	27.5
Turnover rate by age group				
30 or below	66	33.0	76	37.1
31–40	23	19.9	20	17.2
41–50	17	22.7	10	14.2
51 or above	7	11.4	16	31.1
Total	113	25.0	122	27.5
Turnover rate by location				
Malaysia	107	24.2	115	26.7
Singapore	6	60.0	7	58.3
Total	113	25.0	122	27.5

Notes:

10. Calculation methodology of turnover rate: employees in the specified category leaving employment divided by the average of total number of employees in the specified category of the Group at the beginning and the end of the Reporting Period.

B. SOCIAL ASPECTS (CONTINUED)

Health and Safety

The Group places a strong emphasis on occupational safety of our staff. The Group strictly complies with the Occupation Safety & Health policy and relevant laws and regulations (and their latest amendments) regarding safe working environment and labour protection from occupational hazards that have a significant impact on the Group, including but not limited to the Occupational Safety and Health Amendment Act 2022 in Malaysia, the Workplace Safety and Health Act 2006 ("**WSH**"), Work Injury Compensation Act 2019 ("**WICA**") in Singapore. During the course of our business operations, our staff working at our warehouses are required to lift heavy objects racks and handle heavy mechanical equipment and our staff performing cutting and sewing operating are required to handle cutting and pattern machines, sewing machines and machinery for specific tasks. They are provided with staff instructions manuals and supervision on-site to ensure their safety and health at work. We also provide regular internal and external training to our employees regarding operational and work safety.

The Group is committed to maintaining a safe working environment which poses no threat to health under the Group's control and inspect any unsafe condition and fixing it immediately. The management of the Group will continuously monitor the implementation of the aforementioned policy.

The Group maintains fire insurance, motor vehicles insurance, burglary insurance, glass insurance, money insurance, public liability insurance, surgical scheme policy and foreign workers compensation scheme policy for foreign workers.

We maintain an internal record of our work injuries, there were 5 injury cases with 41 lost working days due to work injuries during the Reporting Period. No official record of any fatal accident and major work-related fatalities in the Reporting Period, and there was no record of work-related fatality for at least three consecutive reporting years.

During the year ended 31 December 2025, the Group's work-related injuries and fatalities of the past three reporting years (including the Reporting Period) are listed as below:

	2025	2024	2023
Number of Work-related fatalities:	**–**	–	–
– Rate of Work-Related fatalities:	**–**	–	–
Number of Work Injuries:	**5**	3	2
– Lost days due to work injury	**41**	23	21

Development and Training

The Group recognizes the importance of training for the development of our employees as well as our Group. We have developed training program for our employees during the Reporting Period to provide various types of training, as mentioned in aspects "Employment" and "Health and Safety" in this ESG Report. We believe it is a win-win approach for achieving both employee and corporate goals as a whole.

B. SOCIAL ASPECTS (CONTINUED)

Development and Training (continued)

Below is a detailed breakdown of the percentage of employees trained by gender and employment category during the Reporting Period and the corresponding period in 2024:

	2025	2024
Employee trained by gender		
Male	25%	34%
Female	75%	66%
Total	100%	100%
Employee trained by employment category		
Senior management	9%	9%
Middle management	24%	20%
General staff	68%	71%
Total	100%	100%

Notes:

11. The calculated percentage represents the proportion of employees in specified category who have participated in training, out of the total employees who have received training.

The average training hours for employees by gender and employment category during the Reporting Period and the corresponding period in 2024 are as follows:

	2025 Hours per employee	2024 Hours per employee
By gender		
Male	2.4	2.8
Female	3.9	3.4
By employment category		
Senior management	0.9	8.6
Middle management	2.3	5.9
General staff	3.4	2.3

B. SOCIAL ASPECTS (CONTINUED)

Labour Standards

The Group is fully aware that child labour and forced labour violate fundamental human rights and also pose threat to sustainable social and economic development. The Group strictly complies with relevant labour laws in Malaysia and Singapore and prohibits the use of child labour and forced labour. The Group has established the recruitment policy and stipulated that child labour and forced labour were prohibited. The Group also complies with relevant laws and regulations (and their latest amendments) regarding employment and labour protection including but not limited to the Minimum Wages Order 2024, the Children and Young Persons (Employment) Act, the Employment Act 1955 in Malaysia and the Employment (Children and Young Persons) Regulations in Singapore. Employment contracts and other records, documenting all relevant details of the employees (including age) are properly maintained for verification by relevant statutory body upon request. During the recruitment process, the Group would verify the actual age of the applicants by checking their identity documentations and other records to avoid hiring any child labour. Terms and condition are stated in employment contract for employee to review before signing into contract, while duties and responsibilities are identified before recruitment.

If any violation is discovered, it will handle it in a serious manner, depending on the actual situation, it will be handled in accordance with national and local laws and regulations.

During the Reporting Period, we did not identify any issue related to child labour or forced labour within the Group.

Supply Chain Management

The Group works closely with its customer, suppliers and subcontractors who are committed to high quality, environmental, health and safety standards. The Group has measures to ensure that the products and services provided meet its standards. The Group also monitors the environmental and social performance of its suppliers and subcontractors to ensure that its requirements are met, and to reduce the environmental and social risks caused by procurement and subcontracting.

Suppliers

Our suppliers primarily include our Original Equipment Manufacturers ("**OEMs**") for ready-made products and suppliers of raw materials including yarn, fabric and accessories such as buttons, zippers, packing materials, labels and other materials mainly in the People's Republic of China ("**PRC**"), Bangladesh, Malaysia and other Asian countries. We had over 14 (2024:16) major OEMs and over 18 (2024:18) major raw material suppliers. The majority of our products are ready-made products we sourced and procured from OEMs primarily located in the PRC and Bangladesh. We usually place production orders with our OEMs weekly based on our daily inventory report for ready-made products. To determine whether to assign our production orders to suppliers in the PRC, Bangladesh or other countries, we typically take their prices, business relationship with us, technical capabilities, production capacities, delivery schedules and their respective strength and expertise into consideration.

B. SOCIAL ASPECTS (CONTINUED)

Supply Chain Management (continued)

Suppliers (continued)

Policies and procedures for selection and evaluation of suppliers are established for staff to follow. We have a careful selection process for our suppliers, including OEMs and raw material suppliers. We evaluate our prospective suppliers based on a number of factors, including their financial performance, technical strengths, product quality, quality control effectiveness, pricing, core management team, credit rating, size, reputation, production capacity and ability to meet our delivery timeline. Apart from product quality, delivery time and service quality, we evaluate if the suppliers consider the climate change, environmental and social criteria including but not limited to the prohibition on the recruitment of child and forced labour, eliminating discrimination to employees, providing a safe working environment, considering if the products and services provided are beneficial to environmental protection and fulfilling the Group's internal environmental requirement while minimizing the negative impact to natural environment, and strictly obeying the law. We will select suppliers that meet the following product criteria for environmentally friendly procurement: more suitable for reuse; using high recycled content; with less packing and greater durability; meeting higher energy efficiency requirements; utilizing clean technology or clean fuels; resulting in reduced water consumption; emitting fewer irritating or toxic substances during installation or use; or resulting in smaller production of toxic substances, or of less toxic substance, upon disposal. Our procurement personnel will conduct on-site investigations if necessary. We also conduct annual evaluations on our suppliers, including OEMs and raw material suppliers and cease to procure from those suppliers who (i) deliver off-standard products for a continuous period; (ii) refuse to replace or refund defective products; (iii) fail to meet our requisite standards, such as production capacity, environmental, health and safety standards, under our annual evaluation; and (iv) perform any actions which significantly affect our business interests. During the Reporting Period, all suppliers are engaged through the aforementioned selection procedures.

Subcontractors

When our Johor Facilities are working in full capacity, our Group may subcontract the production to subcontractors. We generally provide the subcontractors with the fabrics to be used and the specification and design of the products. In addition, we engage subcontractors for services such as silkscreen printing and embroidery. During the Reporting Period, we had approximately 8 (2024:5) major subcontractors mainly in Malaysia. We monitor the quality of the outsourced products as well as the service provided by our subcontractors closely to ensure that products manufactured or processed externally meet our requirements including but not limited to environmental, health and safety standards and climate change related impacts, for example the prohibition on the recruitment of the child and forced labour, eliminating discrimination to employees, providing a safe working environment, considering if the services provided are beneficial to environmental protection and fulfilling the Group's internal environmental requirement. We will review the performance of our subcontractors on an annual basis. During the Reporting Period, all subcontractors are engaged through the aforementioned selection procedures. Our Directors believe that our Group had a stable working relationship with our subcontractors.

Our Group evaluate the subcontractors taking into account of their technical capability, track records, services, prices, production capabilities, ability to complete the manufacturing procedures in a timely manner and product quality. Based on these factors, our Group selects and maintains a list of subcontractors approved by our Directors.

B. SOCIAL ASPECTS (CONTINUED)

Supply Chain Management (continued)

Subcontractors (continued)

Our Group will generally obtain a number of quotations from the list of approved subcontractors and select the most suitable one based on fee quotes and track records, before placing subcontracting orders with the respective subcontractors. Apart from subcontracting fee, our Group also set out other terms of subcontracting service including terms of payment, method and time of delivery in the order form with the subcontractors. Our Group had not entered into any long-term agreements with our subcontractors during the Reporting Period. In order to ensure that the products meet the required quality standard, our Group performs quality inspection on the finished products provided by the subcontractors.

The Group's internal management team is responsible for supervising and inspecting the suppliers and subcontractors which are providing processes, subcontracting works and services to the organization. The Group regularly reviews the updates of policies and laws related to the supply chain, and communicates with internal and external stakeholders to understand and identify potential environmental and social risks within its supply chain. We believe there are no significant environmental and social risks for our management decision on supply chain management during the Reporting Period. The following is an analysis of the Group's number of suppliers, OEMs and subcontractors by geographical location during the Reporting Period and the corresponding period in 2024:

Number of major suppliers, OEMs and subcontractors by

	2025	2024
Bangladesh	2	2
Malaysia	27	25
PRC	9	9
Others	2	3

Product Responsibility

Quality control

We monitor the quality of the finished products by performing quality inspection to ensure that products manufactured meet our quality control standards. We maintain quality control procedures for our products produced by our OEMs and subcontractors, and as well as those produced in facilities in Johor, we also inspect the raw materials with the view to ensuring the overall quality of our products. We generally follow up with our suppliers and/or our production department on production and delivery schedules in order to ensure that the finished products can be delivered or produced in accordance with our requirements. Our staff members who are responsible for quality control perform inspections on the products to ensure they meet the relevant specifications. During warehouse picking activities, if we found any discrepancy in terms of item, sizes or colors, the responsible personnel will issue a Picker Capture Form and feedback to the related departments for further action. A Defects Form will be issued to related department for further action once any products quality issue raised.

B. SOCIAL ASPECTS (CONTINUED)

Product Responsibility (continued)

Quality control (continued)

Other than engaging in a number of OEMs and subcontractors in the PRC, Bangladesh and other countries to produce major imprintable apparel and gift product, the Group also leverage on its own facilities to manufacture imprintable apparel with special designs, requirements or specifications. We select raw materials based on health and safety considerations and adhere to health, safety, and environmental standards during the fabric dyeing process to minimize any negative impacts on the environment. We always ensure that our in-stock products are dyed in the most environmentally friendly manner by our subcontractors when subcontracting such processes, without the use of chemical dyes, for a healthier experience for consumers. Our products will therefore not irritate the skin or cause skin sensitivity issues, thus providing our customers the best consumer experience.

Customers are always encouraged to give their feedback and opinions via service hotline and social media platforms, we did not receive any material claims or complaints by our customers in respect of the quality of our products and there was no incident of failure of our quality control procedures which had a material and adverse impact on our business operations.

Product Labelling and Advertising

The Group regularly attends and participates in exhibitions and promotional events in Malaysia and Singapore, such as the Malaysia Gifts Fair organized by the Malaysian Gifts & Premium Association. These events serve as platforms for us to showcase our new products and help promote brand awareness and broaden our customer base. For any marketing and promotional activities, the Group ensures that relevant activities observe applicable laws and regulations. No false nor misleading contents shall be contained in any advertisement and labels. The Group requires careful review of advertising material and also regulate product labeling to ensure that information presented on labels is accurate and not misleading.

Product return policy

Our products are subject to final inspections before delivery to the customers' designated locations to ensure that they conform with our specifications and quality requirements. The Group is committed to providing customers with high-quality products and after-sales service. Although we do not have any return policy in respect of our products, the relevant handling procedures are clearly outlined in the terms and conditions of our sales invoices. If there are any quality issues with the products or discrepancies in quantity, customers can contact our sales staff for resolution. We may accept the return of products due to quality issues or require our OEMs to rectify any defects our customers identified after delivery of the products to them. In the event that issues relating to product return arise, we follow up closely with our customers on any claims or requests for product return, payment refund, rectification or price discount, and may enter into negotiations with our customers to resolve the issue on a case-by-case basis. During the Reporting Period, there were no products sold or shipped subject to recall for safety and health reasons, no material claims against us in relation to defective products and there had not been any material product returns from customers.

B. SOCIAL ASPECTS (CONTINUED)

Product Responsibility (continued)

Compliance with Relevant Laws and Regulations

The Group is not aware of any material non-compliance with relevant laws and regulations that have a significant impact relating to health and safety, advertising, labelling and privacy matters regard to products and services provided by the Group during the Reporting Period.

Protection of Intellectual Property Rights

In order to maximize the protection of our intellectual property, the Group has registered trademarks in certain countries and regions. The Group understands and complies with the intellectual property ("**IP**") rights regulations. During the Reporting Period, there was no material infringement of the IP rights and the Group is confident that all reasonable measures have been taken to prevent any infringement of its IP rights and the IP rights of third parties. We retain the legal ownership of all designs, inventions or ideas developed by our employees during the course of their employment.

Customer Information and Privacy Protection

Subject to compliance with the relevant privacy protection regime, the Group will strive to protect and monitor the privacy of customer information. Any organizations or personnel are prohibited to access customer information without relevant approval by the Group. Practical measures are implemented as follows:

- Only related staff can access to customers' data
- External drives or USB are not allowed to access to computers in order to reduce the risks of customer data leakage
- Update software periodically to avoid malicious attacks

Internal management team was established to monitor the implementation of the aforementioned procedures.

B. SOCIAL ASPECTS (CONTINUED)

Anti-Corruption

To ensure operation efficiency and employees' development in a fair and honest working environment, the Group has formulated whistleblowing policy in the corporate governance manual in order to promote business ethics and integrity so as to avoid suspected bribery, extortion, fraud and money laundering channel such as by letter and email for employees to report suspected corruption are provided. If there are any suspected cases related to corruption, employees are encouraged to report the related cases through the mentioned channels. The management of the Group is responsible for overseeing the implementation and monitoring of the Group's measures to prevent bribery, extortion, fraud and money laundering and whistleblowing procedures. All these practical actions not only win the trust of customers, but also enhance the sense of belonging and fair play among our employees.

Familiarising directors and employees with all aspects of anti-corruption and helping them identify and mitigate associated risks is integral, and we are committed to providing regular online anti-corruption and fraud training courses for directors and employees as a supplement to training and development on regulatory compliance. During the Reporting Period, the Group organized training sessions on anti-corruption for directors and staff to strengthen the relevant management on the prevention, implementation and oversight of anti-corruption measures in the Group. During the Reporting Period, a total of 189 (2024:196) individuals participated in the training for a combined total of 95 (2024:98) hours.

The Group has been in strict compliance with law and regulation related to anti-corruption. During the Reporting Period, there was no legal case regarding bribery practices, extortion, fraud and money laundering brought against the Group or its employees.

Community Investment

As a socially responsible company, the Group is committed to understanding the needs of the communities in which we operate. The Group strives to develop long-term relationship with our stakeholders and seek to make contributions to programmes that have a positive impact on community development. Financial and resources support based on community needs will be at the core of the Group's community investment strategy.

During the Reporting Period, the Group actively organized and participated in various public welfare activities, focusing on caring for the underprivileged and education development in relation to the community. The Group donated RM234,000 and 7,000 pieces of apparel amounting to RM100,000 during the Reporting Period. In the future, the Group will continue to participate in community development, actively fulfill its social responsibilities and contribute to the construction of a harmonious society.

B. SOCIAL ASPECTS (CONTINUED)

Community Investment (continued)

Donating funds to promote educational development

Southern University College*(南方大學學院)was founded in 1975 by the Malaysian Chinese community with the aim of providing more opportunities for Malaysian Chinese youth to pursue higher education. The Group focuses on education development and strongly supports local educational activities. During the Reporting Period, the Group donated approximately RM199,000 to assist Southern University College in improving their education facilities and education environment. This contribution aims to create a high-quality education environment for students, by offering scholarships or financial aid to students from poorer backgrounds to achieve quality education, so as to bolster the university's long-term efforts in preserving Chinese culture, and strengthen community cohesion and cultural identity among the Malaysian Chinese population.

Supporting Cultural Heritage & Community Identity

The Group made a cash sponsorship of RM30,000 to the Hokkien Association to support the construction of the "Museum of Literature and History". This initiative aims to preserve and showcase the rich historical heritage and cultural contributions of the Hokkien community in Malaysia, particularly in the fields of economy, education, and culture. By supporting this project, the Group contributes to strengthening cultural identity and community cohesion among Malaysian Chinese, while promoting intergenerational understanding and appreciation of local history.

Advancing Education for Underprivileged Youth

The Group donated RM5,000 to Persatuan Pengajian Yuan Man, a non-profit organization dedicated to supporting underprivileged groups in B40 communities. This contribution is intended to assist in providing educational opportunities and resources to disadvantaged students, helping to bridge the education gap and promote social inclusion. The donation reflects the Group's commitment to inclusive growth and sustainable development by investing in human capital and empowering marginalized populations through access to quality education.

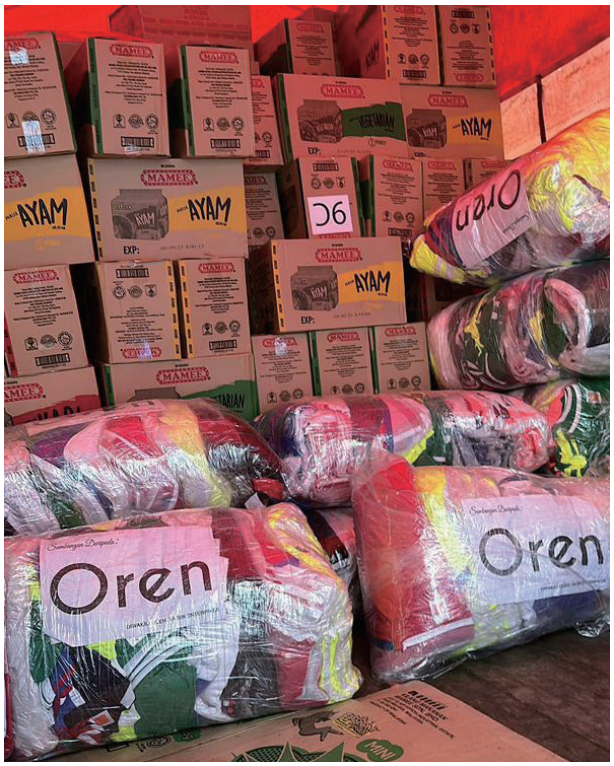
Environmental, Social and Governance Report

Flood relief with love for disaster victims

During the Reporting Period, Malaysia was affected by heavy rainfall caused by recent rapid climate changes, resulting in flooding in many areas and causing thousands of people homeless. The Group donated 7,000 pieces of apparel valued at approximately RM100,000 and cooperated with the local public to assist in distribution of the donated apparel to the groups in need and the victims of the disaster. This effort provided support to the frontline in helping the victims to overcome the challenges.









C. REFERENCES TO THE ESG REPORTING CODE

Subject areas, aspects, general disclosures and KPIs		Chapter/Disclosure	Page
A. Environmental			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group, relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions	8-12
KPI A1.1	The types of emissions and respective emissions data.	Emissions	8-12
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	Emissions	8-12
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Emissions	8-12
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions	8-12
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions	8-12

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Subject areas, aspects, general disclosures and KPIs		Chapter/Disclosure	Page
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Use of Resources	12-16
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources	12-16
KPI A2.2	Water consumption in total and intensity.	Use of Resources	12-16
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources	12-16
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources	12-16
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Use of Resources	12-16
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimizing the Group's significant impact on the environment and natural resources.	Emissions and Use of Resources	8-16
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emissions, Use of Resources and The Environment and Natural Resources	8-16

Subject areas, aspects, general disclosures and KPIs		Chapter/Disclosure	Page
B. Social			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	Employment	34-36
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Employment	34-36
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment	34-36

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Subject areas, aspects, general disclosures and KPIs		Chapter/Disclosure	Page
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group, relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety	37
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety	37
KPI B2.2	Lost days due to work injury.	Health and Safety	37
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety	37
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training	37-38
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training	37-38
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training	37-38

Subject areas, aspects, general disclosures and KPIs		Chapter/Disclosure	Page
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour.	Labour Standards	39
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards	39
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards	39
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	39-41
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management	39-41
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management	39-41
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	39-41
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	39-41

Subject areas, aspects, general disclosures and KPIs		Chapter/Disclosure	Page
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group, relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility	41-43
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility	41-43
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility	41-43
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility	41-43
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility	41-43
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility	41-43

Subject areas, aspects, general disclosures and KPIs		Chapter/Disclosure	Page
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group, relating to bribery, extortion, fraud and money laundering.	Anti-Corruption	44
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period and the outcomes of the cases.	Anti-Corruption	44
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption	44
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption	44
Community			
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the Group operates and to ensure its activities take into consideration the communities' interests.	Community Investment	44-46
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment	44-46
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment	44-46

Aspects	Description	Chapter/Disclosure	Page
Part D: Climate Related Disclosures			
(I) Governance	Information about: (a) the governance body responsible for oversight of climate-related risks and opportunities; and (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	THE ESG GOVERNANCE STRUCTURE Climate Change-Governance	4 17-18
(II) Strategy			
Climate-related risks and opportunities	Information of climate-related risks and opportunities that could be expected to affect the Group's cash flows, its access to finance or cost of capital over the short, medium or long term.	Climate Change-Strategies	19-25
Business model and value chain	Information of the current and anticipated effects of climate-related risks and opportunities on the business model and value chain.	Climate Change-Strategies	19-25
Strategy and decision-making	Information of the effects of climate-related risks and opportunities on its strategy and decision-making. Information about the progress of plans disclosed in previous reporting periods.	Emissions Climate Change-Strategies	8-12 19-25

Aspects	Description	Chapter/Disclosure	Page
Part D: Climate Related Disclosures			
Financial position, financial performance and cash flows	Information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period. Disclosures about: (a) how the Group expects its financial position to change over the short, medium and long term; and (b) how the Group expects its financial performance and cash flows to change over the short, medium and long term.	Climate Change-Strategies Climate Change-Climate Resilience & Scenario Analysis	19-25 26-29
Climate resilience	Information of the resilience of the Group's strategy and business model to climate-related changes, developments and uncertainties, with climate-related scenario analysis to assess its climate resilience.	Climate Change-Climate Resilience & Scenario Analysis	26-29

Aspects	Description	Chapter/Disclosure	Page
Part D: Climate Related Disclosures			
(III) Risk Management			
	Information about: (a) the processes and related policies used to identify, assess, prioritise and monitor climate-related risks; (b) the processes used to identify, assess, prioritise and monitor climate-related opportunities; and (c) the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the Group's overall risk management process.	Climate Change-Climate Resilience & Scenario Analysis Climate Change-Risk management	26-29 30-31

Aspects	Description	Chapter/Disclosure	Page
Part D: Climate Related Disclosures			
(IV) Metrics and Targets			
Greenhouse gas emissions	The absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions; Information on: (a) measurement of greenhouse gas emissions; (b) the approach used to measure its GHG emissions; (c) location-based Scope 2 emissions, and information about any contractual instruments of Scope 2 greenhouse gas emissions; and (d) the categories included within the measurement of Scope 3 greenhouse gas emissions.	REPORTING SCOPE Emissions Climate Change-Metrics and targets	3 10-11 32
Climate-related transition risks	The amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Climate Change-Metrics and targets	32-33
Climate-related physical risks	The amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Climate Change-Metrics and targets	32-33
Climate-related opportunities	The amount and percentage of assets or business activities aligned with climate-related opportunities.	Climate Change-Metrics and targets	32-33
Capital deployment	The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate Change-Metrics and targets	32

Aspects	Description	Chapter/Disclosure	Page
Part D: Climate Related Disclosures			
Internal carbon prices	Information on: (a) whether and how the Group is applying a carbon price in decision-making; and (b) the price of each metric tonne of greenhouse gas emissions the Group uses to assess the costs of its greenhouse gas emissions, if any.	Climate Change-Metrics and targets	32
Remuneration	Information on whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	Climate Change-Governance Climate Change-Metrics and targets	18 32
Industry-based metrics	Information on industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry, if any.	Climate Change-Metrics and targets	32-33
Climate-related targets	Information on: • The qualitative and quantitative climate-related targets the Group has set to monitor progress towards achieving its strategic goals; and any targets the Group is required to meet by law or regulation, including any greenhouse gas emissions targets. • The approach to setting and reviewing each target, and how progress against each target is monitored. • The performance against each climate-related target and an analysis of trends or changes in the Group's performance.	Emissions Climate Change-Metrics and targets	8-11 32-33
Applicability of cross-industry metrics and industry-based metrics	Reference to and consideration of the applicability of cross-industry metrics and industry-based metrics.	Climate Change-Metrics and targets	32-33