



TECHCENTIAL

INTERNATIONAL LTD

特昇國際

2024

Environmental Social Governance

ESG Report

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## Letter From the Chairman

To all stakeholders who care about Techcential International Ltd. (TIL):

In an era where environmental protection and social responsibility are becoming increasingly important globally, a company's value is no longer measured solely by its economic performance. Businesses now bear a profound responsibility toward society, the environment, and future generations. As a manufacturing and export enterprise rooted in Malaysia, TIL has always upheld its core values of integrity in business, quality as the foundation, and innovation as the driving force. Sustainability is not just a slogan for us—it is a long-term commitment and a steadfast journey toward a shared and better future.

Over the past year, amidst the challenges of global supply chain fluctuations and shifting market demands, we have continued to optimize our operational structure. We not only ensured that our products meet international safety and environmental standards, but also significantly reduced resource waste and operational costs—demonstrating a resilient and efficient management capability. In response to the ongoing changes in global market demand, we have actively expanded our market presence and launched an e-commerce initiative. Driven by digital transformation, we are leveraging online sales channels to broaden brand reach, enhance market coverage, and increase product sales opportunities.

On the other hand, we have always placed great importance on employee well-being. Through diverse welfare measures such as medical allowances and educational scholarships, we are committed to fostering a warm and friendly work environment. At the same time, we strictly adhere to labor laws to fully protect employees' legal rights and continuously strengthen our safety production systems. By prioritizing occupational health and safety, we have obtained multiple relevant certifications, improving the workplace environment both institutionally and practically. This has effectively enhanced our employees' safety awareness and protective capabilities, steadily advancing our goal of safe production. Looking ahead, we will further enhance our employees' digital literacy, environmental awareness, and cross-cultural communication skills, helping our team remain agile and competitive in a rapidly changing market. Through continuous learning and personal growth, we aim not only to solidify the foundation for the company's sustainable development but also to create meaningful and long-term career paths for every employee.

We firmly believe that a company's sustainable growth depends on the support and shared prosperity of the community. Therefore, we actively engage in local public welfare initiatives, focusing on areas such as education, culture, and healthcare. Through concrete actions, we strive to give back to society, fulfill our corporate social responsibility, and work hand in hand with all sectors of the community to create a warmer and more sustainable future.

Looking ahead, TIL will continue to uphold its core principle of integrity in business, while actively advancing smart manufacturing, green practices, and digital transformation. Building on a foundation of steady growth, we strive to expand our positive impact on both the

environment and society. We will also strengthen information transparency and deepen communication and collaboration with all stakeholders, working together toward sustainable development and building a better future for all.

We believe that sustainability is not just our choice — it is our long-term commitment to the next generation.

Techcential International Ltd. Chairman  
Eng Kai Pin

## About this Report

This report covers information related to Techcential International Ltd., incorporated in the Cayman Islands (hereinafter referred to as “TIL,” “the Company,” or “we”), for the period from January 1, 2024, to December 31, 2024. There were no significant operational changes during the reporting period. As this is company’s first sustainability report, there are no instances of restated information or changes in reporting methodology. The scope of this report aligns with the definition of the TIL Group as presented in the Company’s annual report. Financial data disclosed in this report is consistent with the scope of the consolidated financial statements. The primary reporting entity for the disclosed information is TIL’s key subsidiary, Techcential Sdn. Bhd. (hereinafter referred to as “TC”). The report covers three dimensions—economic, social, and environmental. Except for financial performance, which is presented on a consolidated basis, all other data primarily pertains to TC. The holding company and subsidiaries of other business entities are not included within the scope of this disclosure.

Here is the table of the Company’s affiliated enterprises:

Subsidiaries Included in TIL's Consolidated Financial Statements
Subsidiaries Covered in the Scope of This Report
Techcential Sdn. Bhd. (Malaysia) (Including TC1–TC6, for a total of six manufacturing facilities)
Subsidiaries Not Covered in the Scope of This Report
EHL Cabinetry Sdn. Bhd. (Malaysia)
Thinker Craft Sdn. Bhd. (Malaysia)
TC Home Corporation (US)
ESK Biomass Sdn. Bhd. (Malaysia)
ESK Wood Products Sdn. Bhd. (Malaysia)

### Basis of Preparation

This report is prepared with reference to the 2021 GRI Sustainability Reporting Standards issued by the Global Reporting Initiative (GRI), which serves as the primary framework for comprehensive disclosure. It is designed to address material topics of concern to stakeholders, as well as information related to environmental, governance, and social aspects. The statistical data disclosed in this report are based on company’s internal statistics and surveys, and all monetary amounts are presented in NTD. In addition, the preparation of this report follows the “Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” and the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” issued by the Taiwan Stock Exchange. These guidelines ensure that the report clearly communicates the Company’s corporate social responsibility (CSR) practices and performance to stakeholders. A detailed reference table can be found in the Appendix.

### Reporting Period and Frequency

This report is the first sustainability report published by TIL, incorporated in the Cayman Islands. It is scheduled for release in August 2025. The Company will publish a sustainability report annually and make it available on the Company's official website.

Current report release date: August 2025

Next scheduled release date: August 2026

### Restatements of information

As this is company's first sustainability report, there are no instances of information restatement.

### External Assurance

This report has not obtained any assurance or verification opinion from an independent third-party assurance provider.

### Responsible Department for Sustainability Reporting

Department : Techcential International Ltd. – Corporate Governance Department

Contact Person: Mr. Tan Kok Bee

Phone: +60-6-9873999

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# 1 Sustainable Operations

## 1.1 About Techcential

### 1.1.1 Company Profile

Techcential International Ltd. (hereinafter referred to as “the Company”) was incorporated in the Cayman Islands on June 14, 2016, as an investment holding company, and was officially listed on the Taipei Exchange on January 10, 2018. The Company is one of the major wooden furniture manufacturers in Malaysia, with its main operations located in Johor, Malaysia.

The Company’s subsidiaries include Techcential Sdn. Bhd. (“TC”), EHL Cabinetry Sdn. Bhd. (“EHL”), Thinker Craft Sdn. Bhd., TC Home Corporation (“TCH(US)”), ESK Biomass Sdn. Bhd. (“ESKB”), and ESK Wood Products Sdn. Bhd. (“ESKW”).

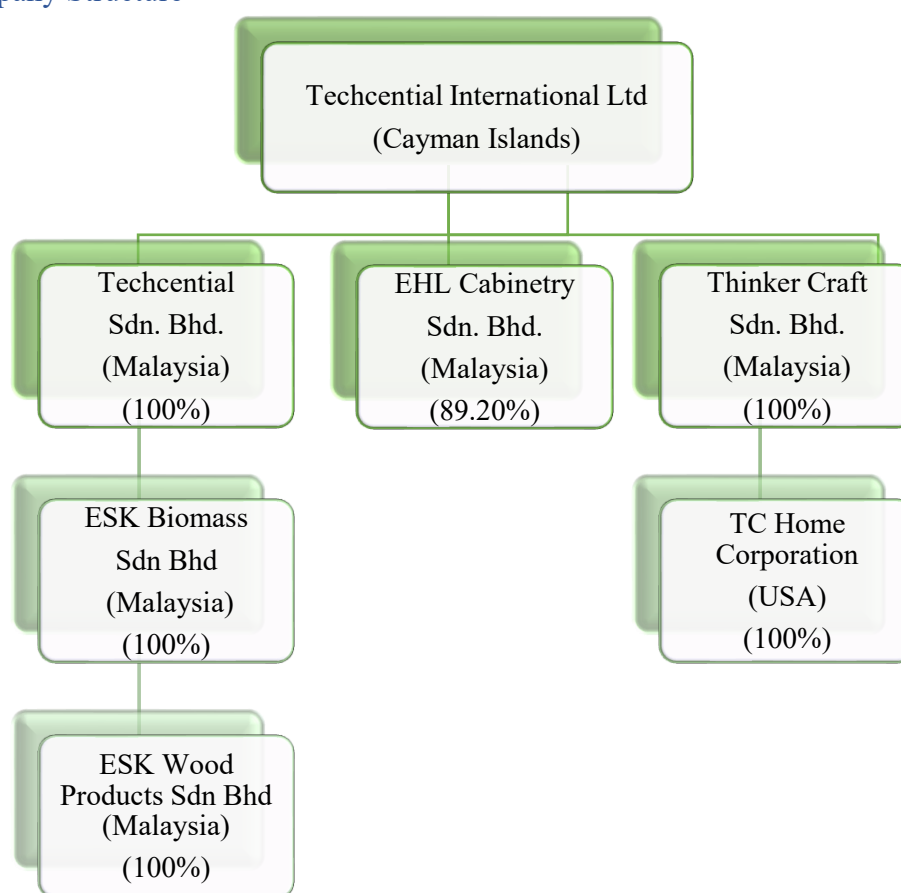
The Company’s principal business activities are:

- (1) The design, manufacturing, and sales of high-quality wooden furniture (TC); and
- (2) The processing, manufacturing, and trading of raw material rubberwood (ESKW).

<b>Techcential International Ltd.</b>		
Paid-in capital NTD 354,784,730		Industry category Home living
Chairman Eng Kai Pin	CEO Eng Kai Jie	Stoke Code 6616



## 1.1.2 Company Structure



## 1.1.3 Company Milestones

Year	Accomplishment
2012	TC revenue over RM60 million.
2013	<ol style="list-style-type: none"> <li>1. Establishment of TC Home Sdn. Bhd., mainly for the development of the market for furniture other than bedroom furniture through trade.</li> <li>2. Group staff increased to 400.</li> <li>3. TC introduced the WorkFlow ERP GP system.</li> </ol>
2014	<ol style="list-style-type: none"> <li>1. The group's revenue exceeded MYR 80 million, with an annual growth rate of approximately 30%.</li> <li>2. TC built a second plant to expand production capacity.</li> </ol>
2015	<ol style="list-style-type: none"> <li>1. The group's revenue is approximately MYR100 million, with an annual growth rate of approximately 20%.</li> <li>2. TCH launched its own brand, TC Home in High Point, North Carolina, USA, and has since operated its own brand of furniture business.</li> <li>3. TCH became one of the world's largest furniture exhibition "High Point Furniture Market" exhibitors.</li> </ol>
2016	<ol style="list-style-type: none"> <li>1. TCH actively explored the US West market and joined the Las Vegas Furniture Market.</li> <li>2. TCH set up a warehouse in Malaysia to fully promote the "Mixed Container Program," which provides more flexibilities and choices for small and medium-sized retailers in the United States.</li> </ol>
2017	Techcential won the "International Golden Eagle Award," hosted by Malaysian Nanyang Siang Pau, and in the same year, it was approved for listing by TPEX.
2018	On January 10th, TIL became one of the listed companies in Taiwan, and TIL actively

- invested in the procurement and manufacturing of rubber wood.
- 2019
    1. Techential Sdn Bhd participated in the MIFF International Furniture Fair in Kuala Lumpur, Malaysia.
    2. The company adjusted its business and invested in the manufacture of kitchen cabinets.
    3. TIL Issuance of the first unsecured conversion of corporate bonds in the Taiwan R.O.C.
  - 2020
    1. The demand for wooden furniture continues to grow, and TC's revenue grows by 6% under the COVID-19 pandemic.
    2. EHL has actively set up factories and can start production after the COVID-19 pandemic has eased.
  - 2021
    1. The 2<sup>nd</sup> Non-Guaranteed Convertible Corporate Bond in Taiwan R.O.C. was listed on the OTC on November 11, 2021.
    2. The increased share capital was listed on the OTC on December 8, 2021.
  - 2022
    1. Techential Sdn Bhd participated in the MIFF International Furniture Fair in Kuala Lumpur, Malaysia.
    2. The 1st Non-Guaranteed Convertible Corporate Bond in Taiwan R.O.C. was released on December 5, 2022.
  - 2023
    1. Techential Sdn Bhd participated in the MIFF International Furniture Fair in Kuala Lumpur, Malaysia, in March.
    2. Techential Sdn Bhd participated in the 28th China International Furniture Exhibition in September.
    3. Increase share capital by issuing ordinary shares and the 3rd Non-Guaranteed Convertible Corporate Bond in Taiwan R.O.C.
      - The 3rd Non-Guaranteed Convertible Corporate Bond in Taiwan R.O.C. was listed on the OTC on September 20, 2023.
      - The increased share capital was listed on the OTC on November 13, 2023.
  - 2024
    1. Techential Sdn Bhd participated in the MIFF International Furniture Fair in Kuala Lumpur, Malaysia.
    2. The 2nd Non-Guaranteed Convertible Corporate Bond in Taiwan R.O.C. was released on January 8, 2024.
  - 2025
 

Techential Sdn Bhd participated in the MIFF International Furniture Fair in Kuala Lumpur, Malaysia.

TC participated in the MIFF International Furniture Fair in 2024:



### 1.1.4 Furniture supply Chain Stakeholders

<u>Upstream</u> Suppliers of raw materials	<u>Midstream</u> Furniture manufacturer	<u>Downstream</u> Distributor (wholesale or retail)
Wood, board, paint, carton and hardware, etc.	Design, cutting, stamping, assembly, sanding, painting, drying, veneering, edge sealing, packaging	Major furniture brands or mass merchandisers, ie: Ashley, Coaster, Lifestyle, etc.

The furniture manufacturing industry chain covers raw material procurement and processing, design and development, production processes (cutting, molding, assembly, sanding, painting, drying, veneering, and edge banding), as well as final packaging and sales.

The upstream mainly supplies timber, panels (such as MDF and particleboard), paints, hardware, and packaging materials. Leveraging its natural resource advantages, Malaysia maintains a stable upstream supply chain. The midstream consists of furniture manufacturers, responsible for the full process of design and production, with some designs also provided and commissioned by downstream customers. The downstream covers wholesale and retail channels, where international brands such as Ashley, Coaster, and Lifestyle have already achieved integrated wholesale–retail operations and market their own brands globally.

### 1.1.5 Current Product Categories of the Company

TC specializes in crafting high-quality wooden furniture for global enterprises and is committed to becoming Malaysia’s leading wooden furniture manufacturer. With a focus on artisanal craftsmanship, we highlight the natural grain and texture of wood to create custom-made furniture that blends aesthetics with functionality, catering to the diverse needs of various markets and clients. Our services span across the United States, Canada, South Africa, and Morocco, earning the trust of international customers. Backed by decades of experience, we skillfully combine traditional woodworking techniques with modern manufacturing technologies to continuously improve product quality and production efficiency. We provide tailored furniture solutions for business clients who value high quality, durability, and design, striving to be a trusted partner for wooden furniture in the global market.

(a) Bedroom furniture:

- TC is the primary operating entity of our company, specializing in the design, manufacturing, and sales of wooden bedroom furniture. Its products are mainly exported to the U.S. market and serve a diverse customer base including distributors, dealers, and major retail chains. The main product offerings consist of five-piece bedroom furniture sets, including bed frames, nightstands, dressers, wardrobes, and mirrors. Currently, our wooden bedroom furniture products are mainly categorized into the following two types:

(i) Painting:



(ii) PU Paper: Styles of Oversized PU Paper Products (PU Sticker)



(b) Dining Set: TC also focuses on providing high-quality wooden dining tables, combining exceptional craftsmanship, flexible design options, and a sustainable manufacturing philosophy, offering both durability and aesthetic appeal.



(c) Living Series: TC is committed to creating living room furniture that combines comfort with stylish design, enhancing the appeal of the space while elevating the overall home ambiance, and setting a warm and inviting tone for the household.



## 1.2 Stakeholder Engagement

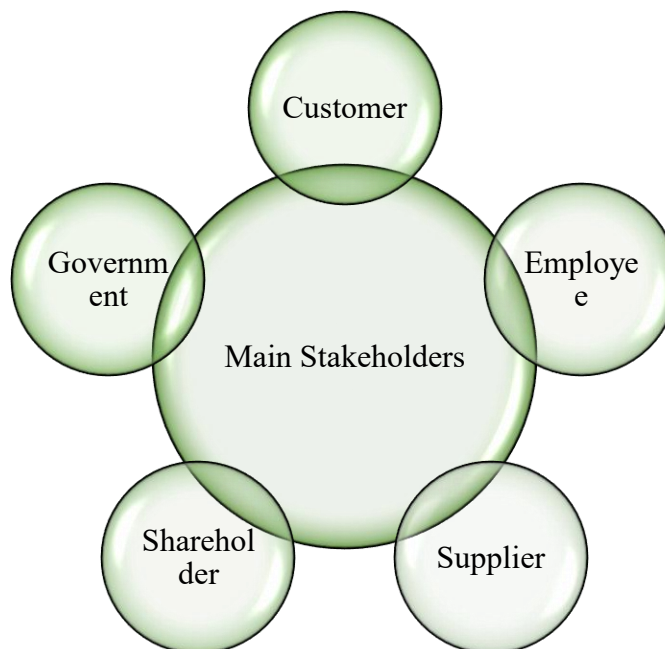
In accordance with the GRI Standards, the Company referred to the possible categories of stakeholders listed therein, including shareholders, banking institutions, government agencies, employees, customers, business partners, suppliers, communities/local groups, non-governmental organizations, social welfare organizations, as well as academic institutions and industry–academia collaboration units. By organizing and identifying the parties engaged by various departments in their daily operations, and with reference to industry peers' practices and standards, the Sustainability Report preparation team conducted comprehensive discussions and analyses to identify 5 key stakeholder groups: (1) shareholders/investors, (2) employees, (3) customers, (4) suppliers, and (5) government agencies.


### Stakeholder Engagement Methods

Upholding the core values of integrity and sustainable development, our company actively maintains positive interactions and close communication with various stakeholders, continuously gathering and monitoring the issues they care about. Depending on the nature of each department's operations, communication methods include both routine mechanisms and flexible, non-routine channels. The focus areas of concern also vary according to the type of stakeholder. Through diverse perspectives and effective communication, we aim to accurately understand stakeholders' needs and expectations, deepen two-way dialogue, and strengthen mutual trust. This approach helps safeguard the rights and interests of all parties, enhance corporate governance effectiveness, and move toward the sustainable goal of shared prosperity and mutual benefit.

To strengthen communication and mutual trust with stakeholders, our company has established a dedicated "Stakeholder Section" on our official website. Based on the concerns of different stakeholder groups, we have developed corresponding communication mechanisms and response methods to ensure that all feedback is addressed in a timely manner, thereby enhancing corporate transparency and trust. In 2024, we actively engaged with various stakeholders through diverse communication channels such as investor briefings, customer feedback sessions, employee forums, and supplier meetings. We provided concrete responses and improvement measures to address stakeholders' concerns, demonstrating our commitment to integrity and sustainable development.

 The key stakeholders for this year are as follows:



 Communication with the main stakeholders:

Stakeholders	Relationship	Issues of Concern	Communication Channels/ Frequency	Communication Practice Statistic	Department
Shareholders	Capital Providers	<ul style="list-style-type: none"> <li>Corporate Governance and Ethical Business Practices</li> <li>Risk Management</li> <li>Business Performance</li> <li>Regulatory Compliance</li> <li>Workplace Health and Safety</li> <li>Workforce Diversity</li> <li>Hazardous Substances</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting (once a year)</li> <li>Investor Briefing (at least once a year, online/in-person)</li> <li>Financial Reports (including annual reports and quarterly financial statements)</li> <li>Material Announcements (irregular updates on the company website)</li> <li>Investor Relations Section (providing operational information)</li> </ul>	<ul style="list-style-type: none"> <li>In 2024, one Annual General Meeting was held, and the company was invited to host one online investor briefing.</li> <li>In 2024, a total of 25 material announcements were made, and information in the Investor Relations section of the company website was regularly updated.</li> </ul>	Corporate Governance

Stakeholders	Relation ship	Issues of Concern	Communication Channels/ Frequency	Communication Practice Statistic	Department
		Management	<ul style="list-style-type: none"> <li>Instant Messaging (some shareholders stay in touch with the company via Line)</li> </ul> <p>Contact Person: Spokesperson            Contact Email: investor@techcential.com            Line ID: til6616</p>		
Employees	Key Operational Assets of the Company	<ul style="list-style-type: none"> <li>Corporate Governance and Ethical Business Practices</li> <li>Labor-Management Relations</li> <li>Workplace Health and Safety</li> <li>Workforce Diversity</li> </ul>	<ul style="list-style-type: none"> <li>Monthly Meetings, Cross-Departmental Meetings, and Labor-Management Meetings</li> <li>Internal Complaint Mailbox (for real-time feedback)</li> <li>Training Programs (held irregularly)</li> <li>Employee Social Events (to enhance team cohesion)</li> </ul> <p>Contact Department: Admin and HR Department            Contact Email: admin@techcential.com</p>	<ul style="list-style-type: none"> <li>In 2024, there were zero cases reported through the internal complaint mailbox.</li> <li>A total of 13 employee training sessions were conducted in 2024, covering topics such as occupational safety and health, and workplace sexual harassment prevention.</li> <li>Annual social events are held to enhance employee satisfaction.</li> </ul>	Admin and HR
Customers	Product Users	<ul style="list-style-type: none"> <li>Corporate Governance and Ethical Business Practices</li> <li>Risk Management</li> <li>Business Performance</li> <li>Workplace Health and Safety</li> <li>Customer Relationship Management</li> <li>Hazardous Substances Management</li> </ul>	<ul style="list-style-type: none"> <li>Email, phone calls, and on-site audit discussions</li> <li>Regularly scheduled factory visits</li> <li>International furniture exhibitions</li> <li>Dedicated account representatives</li> </ul> <p>Contact Person: TC Marketing Manager            Contact Email: frankchong@techcential.com</p>	<ul style="list-style-type: none"> <li>Weekly production and quality control meetings are held to review and improve based on customer feedback.</li> <li>Participated in the Kuala Lumpur International Furniture Fair to showcase new products and invite customers for visits.</li> <li>Attended four international furniture fairs in the United States, meeting</li> </ul>	Marketing

Stakeholders	Relation ship	Issues of Concern	Communication Channels/ Frequency	Communication Practice Statistic	Department
				with existing and potential clients, and visiting their physical retail stores to stay abreast of market demands and trends.	
Suppliers	Supply Chain Partners	<ul style="list-style-type: none"> <li>• Corporate Governance and Ethical Business Practices</li> <li>• Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>• Direct communication and email</li> <li>• Occasional supplier visits and meetings</li> <li>• Quality inspection and evaluation</li> <li>• Environmental, Health, and Quality assessments</li> </ul> <p>Contact Person: Purchasing Contact Email:purchasing@ techcential.com</p>	<ul style="list-style-type: none"> <li>• Make several visits each year to international raw material exhibitions to understand new trends in raw material development and to identify more potential high-quality suppliers.</li> <li>• Reviewed suppliers’ good/defective product data quarterly and provided timely feedback for improvement.</li> </ul>	Purchasing
Government	Regulatory Compliance	<ul style="list-style-type: none"> <li>• Corporate Governance and Ethical Business Practices</li> <li>• Regulatory Compliance Workplace Health and Safety</li> <li>• Hazardous Substances Management</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with regular inspections and license renewals conducted by regulatory authorities</li> <li>• Participate in regulatory briefings organized by government agencies</li> <li>• Disclose and report information through the Market Observation Post System (MOPS)</li> <li>• Attend industry seminars on an irregular basis</li> </ul> <p>Contact Person:Corporate Governance Contact Email:investor@techcential.com</p>	<ul style="list-style-type: none"> <li>• In 2024, there were no incidents of fines or penalties incurred due to violations of socio-economic or environmental regulations.</li> <li>• Continued to maintain a good relationship with regulatory authorities to ensure compliance with all applicable laws and regulations.</li> </ul>	Corporate Governance

### 1.3 Material Topic Identification

Through a material topic identification process, the company analyzed issues related to operational activities, business relationships, and sustainability context to identify the material topics for 2024. In accordance with GRI 3 Material Topics, the company further assessed the significance of the impacts these topics have on governance, social, and environmental aspects. The steps undertaken are as follows:



### 1.3.1 Results of Material Topic Identification

Through internal discussions across departments and topic collection based on the GRI Standards and current international trends, the company identified a total of 16 sustainability topics, covering 6 governance-related, 5 social-related, and 5 environmental-related areas. Senior management from each department then completed sustainability impact assessment questionnaires. These were combined with the results of stakeholder concern surveys to serve as a basis for prioritizing the topics. Ultimately, 8 material topics were analyzed and identified. The company will review these topics annually to determine whether adjustments are needed. Starting from these 8 material topics, the company has outlined corresponding management approaches, which are detailed in the respective chapters of this report. The results of the material topic identification are as follows:

Results of Material Topic Identification	
Material Topic	
1. Corporate Governance and Ethical Business Practices	
2. Regulatory Compliance	
3. Customer Relationship Management	
4. Business Performance	
5. Workplace Health and Safety	
6. Hazardous Substances Management	
7. Employee Training and Development	
8. Risk Management	
Other Topic	
1. Information Security and Privacy Protection	
2. Labor-Management Relations	
3. Workforce Diversity	
4. Noise Management	
5. Energy Management	
6. Supply Chain Management	
7. Climate Strategy	
8. Greenhouse Gas Management and Carbon Reduction	

### 1.3.2 List of Material Topics and Value Chain Impact Analysis

In the course of its operations, the Company may have either positive or negative impacts on the upstream and downstream segments of the value chain, as well as on various stakeholders. Therefore, Techcential has further analyzed the potential affected parties for each material topic, making this a key consideration in formulating management policies and preparing the report.

● Direct Impact / ▲ Indirect Impact

Material Topics	GRI Corresponding Topic	Section	Value Chain Impact Boundary					
			Shareholders	TIL	Employees	Customers	Suppliers	Governance
Corporate Governance and Ethical Business Practices	General Disclosures 2021 GRI 2, Anti-Corruption GRI 205, Anti-Competitive Behavior GRI 206	2.6 Integrity in Business Operations	●	●	●	▲	▲	▲
Regulatory Compliance	Regulatory Compliance GRI 2-27	2.6 Integrity in Business Operations	▲	●	●	▲	▲	●
Customer Relationship Management	Customer Health and Safety – GRI 416	3.7 Customer Relationship Management	▲	●	●	●	▲	▲
Business Performance	Economic Performance GRI 201	2.3 Operational Performance	●	●	●	●	▲	▲
Workplace Health and Safety	Occupational Health and Safety GRI 403	3.5 Workplace Safety and Training	▲	●	●	▲	▲	●
Hazardous Substances Management	Material Topic: 2021 GRI 3	4.4 Hazardous Substances Management	▲	●	●	▲	▲	●
Employee Training and Development	Training and Education – GRI 404	3.3 Talent Cultivation and Care	▲	●	●	▲	▲	●
Risk Management	General Disclosures 2021 GRI 2	2.4 Risk Management	▲	●	●	●	▲	●

## 2、Corporate Governance

### 2.1 Management Policies

#### ✦ Corporate Governance and Ethical Business Practices

Material Topics : Corporate Governance and Ethical Business Practices	
Reason for Materiality	Sound corporate governance and ethical business practices are the cornerstone of the company's sustainable development. By strengthening the corporate governance system, we ensure that the Board of Directors and its functional committees fulfill their responsibilities, and that operational principles such as the Corporate Governance Best Practice Principles are effectively implemented.
Impacts and Effects	<p>Actual/Potential Positive Impact:</p> <ul style="list-style-type: none"> <li>○ Economic Aspect: Enhances investor confidence in the company, attracts more investment, brings in additional capital and opportunities, and in turn drives regional economic development.</li> <li>○ Social Aspect: <ul style="list-style-type: none"> <li>▪ Strengthens a culture of integrity and corporate ethics, enhances the company's image, and earns the trust of the public and stakeholders.</li> <li>▪ A well-established governance system promotes transparent decision-making and accountability, increasing employee engagement and organizational identification, thereby enhancing internal stability and fostering a positive corporate culture.</li> </ul> </li> </ul> <p>Actual/Potential Negative Impact:</p> <ul style="list-style-type: none"> <li>○ Economic Aspect: Poor corporate governance can lead to internal management disorder, reducing operational efficiency and profitability. This may result in a loss of investor confidence and a decline in the company's market value.</li> <li>○ Social Aspect: <ul style="list-style-type: none"> <li>▪ A lack of effective governance and integrity mechanisms may lead to abuse of power or fraudulent behavior by senior management, severely damaging the company's reputation and public trust.</li> <li>▪ Inadequate information disclosure reduces corporate transparency and societal trust, which may negatively impact stakeholders' decision-making and level of support.</li> </ul> </li> </ul>
Policies / Strategies	<ol style="list-style-type: none"> <li>1. Effectively perform the functions of the Board of Directors and ensure shareholders' rights and interests, actively addressing shareholder matters.</li> <li>2. Regularly publish financial statements and operational reports to ensure the timeliness and transparency of information disclosure.</li> <li>3. Establish communication channels with stakeholders to enhance engagement and communication with them.</li> <li>4. Conduct annual performance evaluations of the Board of Directors and functional committees, and report the results to the Board.</li> </ol>
Short-term and Medium-to-Long-term Goals	<ul style="list-style-type: none"> <li>● Short-term Goal: Optimize the operations of the Board of Directors and its committees to enhance decision-making efficiency and supervisory capabilities.</li> <li>● Mid-term Goal: Require the corporate governance team to complete at least 6 hours of corporate governance-related training annually.</li> <li>● Long-term Goal: Publish a sustainability report each year to disclose performance in corporate governance and ethical business practices.</li> </ul>
Management Evaluation Mechanism	The Board of Directors, functional committees, and personnel responsible for corporate governance ensure the implementation of the corporate governance system and ethical business practices. To ensure the effective performance of directors' duties, annual performance evaluations are conducted for the Board of Directors, individual board members, and functional committees, with the results reported to the Board.
Performance and Adjustment	<ol style="list-style-type: none"> <li>1. Performance Evaluation: The Board of Directors and functional committees operate effectively and contribute significantly to the company's operations. They also provide oversight to ensure compliance with operational and tax regulations, offering suggestions as references for managing operational risks.</li> <li>2. In 2024, the company's corporate governance evaluation score ranked within the 66%–80% tier</li> </ol>

	among enterprises. 3. In 2024, all company directors attended corporate governance-related training courses and fulfilled the legally required training hours.
Preventive and Remedial Measures	In 2024, the company’s training program also included ESG-related content to enhance directors’ awareness of their responsibilities. During the year, two separate meetings were arranged for independent directors to engage directly with the external auditors, further strengthening the corporate governance mechanism.
Responsible Department / Grievance Mechanism	Contact Person: Spokesperson Contact Email: investor@techcential.com LINE ID: til6616

 Regulatory Compliance

Material Topics : Regulatory Compliance	
Reason for Materiality	Compliance with regulations is the fundamental basis of our company's development and a non-negotiable bottom line. In fulfilling our corporate responsibilities, we actively monitor changes in social, economic, and environmental regulations. In particular, we strictly adhere to or exceed Malaysian legal standards in noise control to safeguard the local natural environment.
Impacts and Effects	<p>Actual/Potential Positive Impact:</p> <ul style="list-style-type: none"> <li>○ Economic Aspect: Strict compliance with regulations helps avoid legal risks and reduces the likelihood of fines and litigation costs, thereby safeguarding the company's financial health.</li> <li>○ Social Aspect: Reinforces the image of a responsible corporate citizen by demonstrating a commitment to ethical business practices that respect social norms and public interests, thus enhancing public trust and support for the company.</li> </ul> <p>Actual/Potential Negative Impact:</p> <ul style="list-style-type: none"> <li>○ Economic Aspect: Regulatory violations may lead to fines and lawsuits, hinder business development, damage the company's reputation, and result in a loss of customer trust.</li> <li>○ Social Aspect: Non-compliance with environmental or labor regulations may harm the rights of communities or employees, potentially triggering public backlash, protests, or damage to the brand image.</li> </ul>
Policies / Strategies	Establish clear policies and standards covering areas such as environment, labor, finance, and information security to ensure that all business activities are legal and compliant, thereby reducing potential legal risks the company may face in its operations.
Short-term and Medium-to-Long-term Goals	<ul style="list-style-type: none"> <li>● Short-term Goals: <ol style="list-style-type: none"> <li>1. Improve internal compliance management mechanisms to ensure current business operations meet the latest regulatory requirements.</li> <li>2. Strengthen employee training on regulations to enhance awareness and operational capabilities regarding compliance.</li> <li>3. Establish effective internal audit and whistleblowing mechanisms to promptly identify and address compliance risks.</li> </ol> </li> <li>● Mid-term Goal: Set internal standards for air and noise control that are stricter than local regulatory requirements.</li> <li>● Long-term Goal: Promote a transformation in corporate culture by integrating regulatory compliance into daily decision-making and business development, thereby achieving long-term stability and sustainable growth.</li> </ul>
Management Evaluation Mechanism	<ol style="list-style-type: none"> <li>1. Internal Auditing and Supervision: Conduct regular internal reviews to assess each department's compliance status, ensure the implementation of policies, and promptly correct any deficiencies.</li> <li>2. Regulatory Updates and Adaptation: Actively participate in government-organized awareness programs and establish a dedicated team to monitor regulatory changes, ensuring the company can quickly adapt to new legal requirements and update internal guidelines accordingly.</li> </ol>
Performance and Adjustment	All environmental monitoring results in 2024 met the required standards, with no major violations reported. The company will continue to comply with relevant laws and regulatory requirements in the future.
Preventive and Remedial Measures	Complaints can be made through company's dedicated hotlines, proposals, suggestion boxes, or by contacting the Administration Department.
Responsible Department / Grievance Mechanism	Contact Person: Admin and HR Department Contact Email: admin@techcential.com

 Business Performance

Material Topics : Business Performance	
Reason for Materiality	Economic performance is an indicator of a company's operational outcomes and sustainable development. The Company upholds the business philosophy of sustainable development, striving to achieve both growth and environmental responsibility. The company is expanding downstream into the industry by developing high value-added services, while also enhancing the added value of its existing products.
Impacts and Effects	<p>Actual/Potential Positive Impact:</p> <ul style="list-style-type: none"> <li>○ Economic Aspect: <ul style="list-style-type: none"> <li>▪ Attracting Investment: Effective management of economic performance can attract investors, increase the company's investment value, and help raise capital.</li> <li>▪ Revenue and Profit Growth: Improved economic performance contributes to increased revenue and profits, promoting the company's sustainable development.</li> </ul> </li> <li>○ Social Aspect: <ul style="list-style-type: none"> <li>▪ Stable Employment Opportunities: Strong economic performance enables the company to expand its workforce, providing stable job opportunities.</li> <li>▪ Enhanced Employee Compensation and Morale: Positive business outcomes allow for better employee remuneration and incentive systems, boosting overall organizational morale and sense of belonging.</li> </ul> </li> </ul> <p>Actual/Potential Negative Impact:</p> <ul style="list-style-type: none"> <li>○ Economic Aspect: <ul style="list-style-type: none"> <li>▪ Risk of Profit Decline: Poor economic performance may lead to declining profits, negatively affecting shareholder interests and reducing investor confidence.</li> </ul> </li> <li>○ Social Aspect: <ul style="list-style-type: none"> <li>▪ Layoffs and Instability: Unsatisfactory business performance may result in layoffs, pay cuts, or organizational restructuring, impacting employees' families and social stability.</li> <li>▪ Spread of High-Stress Culture: Excessive focus on performance targets may lead to long working hours and increased psychological pressure on employees, affecting their physical and mental well-being.</li> </ul> </li> </ul>
Policies / Strategies	<ol style="list-style-type: none"> <li>1. Hold monthly executive management meetings.</li> <li>2. Submit quarterly financial reports to the Board of Directors and the Audit Committee each quarter.</li> <li>3. Plan the budget for the following year at the end of each year and submit it to the Board of Directors for review.</li> </ol>
Short-term and Medium-to-Long-term Goals	<ul style="list-style-type: none"> <li>● Short-term Goal: Enhance operational efficiency, maintain stable revenue growth, and improve profitability and capital utilization to deliver returns to shareholders.</li> <li>● Mid-term Goal: Expand into international markets, develop emerging industries and business models, and reduce reliance on a single market.</li> <li>● Long-term Goal: Achieve carbon reduction targets and uphold the principle of sustainable operation to ensure the company aligns with international sustainability standards.</li> </ul>
Management Evaluation Mechanism	Performance is reviewed monthly during executive management meetings. Quarterly financial reports are submitted to the Board of Directors and the Audit Committee each quarter. At the end of each year, the budget for the following year is planned and submitted to the Board of Directors for review.
Performance and Adjustment	<ol style="list-style-type: none"> <li>1. The company's consolidated revenue for 2024 reached NT\$1,164,364 thousand, representing a 15.31% increase compared to 2023.</li> <li>2. In 2024, the restricted employee shares were approved by the Financial Supervisory Commission (FSC), with 400,000 common shares issued, totaling NT\$4,000,000. The capital increase base date is set for October 1, 2024.</li> </ol>
Preventive and Remedial Measures	<ol style="list-style-type: none"> <li>1. Directors and independent directors conduct an annual site visit to discuss and review operational plans.</li> <li>2. Enhance management efficiency, reduce procurement and production costs, and strengthen market competitiveness.</li> </ol>

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Responsible Department / Grievance Mechanism	Contact Person: Spokesperson Contact Email: investor@techcential.com LINE ID: til6616
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 Risk Management

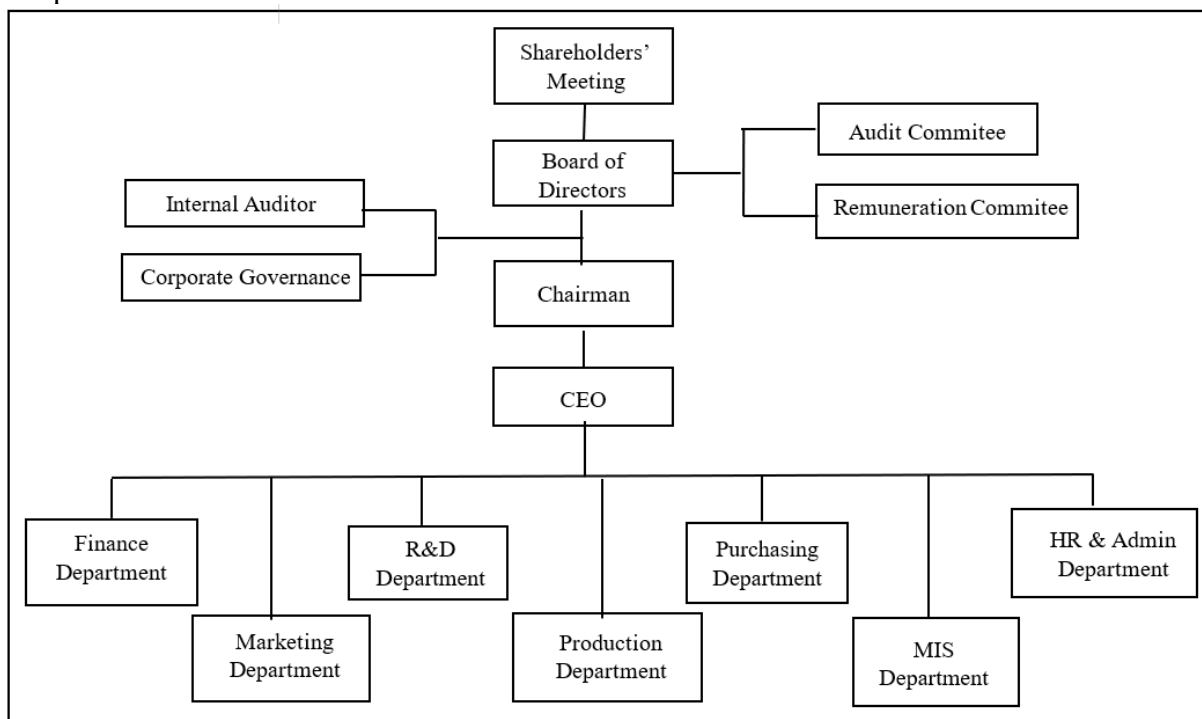
Material Topics : Risk Management	
Reason for Materiality	Risk management is a fundamental cornerstone of stable operations and sustainable development for a company. Through systematic identification and assessment of potential risks, a company can ensure steady operations while reducing financial, operational, regulatory, and environmental risks, thereby enhancing its long-term competitiveness.
Impacts and Effects	<p>Actual/Potential Positive Impact:</p> <ul style="list-style-type: none"> <li>○ Economic Aspect: <ul style="list-style-type: none"> <li>▪ Risk Prevention and Control: Identifying risks and establishing stable management and adaptation plans help reduce the impact of unexpected events, safeguarding assets and ensuring business continuity.</li> <li>▪ Cost Reduction: Effective risk management can lower potential costs such as losses, insurance premiums, and dispute resolution expenses.</li> </ul> </li> <li>○ Social Aspect: <ul style="list-style-type: none"> <li>▪ Enhancing Stakeholder Trust: Robust risk management demonstrates corporate responsibility, helping to maintain trust among customers, employees, and the community.</li> <li>▪ Improving Employee Safety and Mental Well-being: Proper control of occupational safety, environmental, and operational risks helps reduce the occurrence of accidents and stress-related incidents.</li> </ul> </li> </ul> <p>Actual/Potential Negative Impact:</p> <ul style="list-style-type: none"> <li>○ Economic Aspect: <ul style="list-style-type: none"> <li>▪ Risk of Escalated Losses: If the risk management system fails, it may lead to significant financial losses or operational disruptions, undermining the company's sustainability.</li> </ul> </li> <li>○ Social Aspect: <ul style="list-style-type: none"> <li>▪ Escalation of Social Impact: Failure to properly address safety, environmental, or regulatory risks may trigger public concern, media scrutiny, and a crisis of trust.</li> <li>▪ Stifled Innovation: Overly conservative risk control mechanisms may hinder organizational innovation and reduce adaptability.</li> </ul> </li> </ul>
Policies / Strategies	The internal audit unit establishes internal control mechanisms to ensure that business processes comply with risk management standards. Regular risk assessments are conducted to identify potential risks. The scope of risk control includes exchange rate fluctuations, information security, procurement concentration, sales concentration, and market scale. Customized response plans are developed and implemented accordingly.
Short-term and Medium-to-Long-term Goals	<ul style="list-style-type: none"> <li>• Short-term Goal: Enhance internal risk control and audit mechanisms by establishing a risk assessment framework to identify financial, operational, regulatory, and environmental risks, and define corresponding response measures.</li> <li>• Mid-term Goal: Strengthen the risk oversight responsibilities of senior management and improve decision-making transparency.</li> <li>• Long-term Goal: Continuously implement risk identification, analysis, and evaluation across risk management areas; reinforce cross-departmental collaboration mechanisms to improve the company's risk responsiveness and decision-making agility for effective risk control.</li> </ul>
Management Evaluation Mechanism	<ol style="list-style-type: none"> <li>1. Establish an independent internal audit mechanism to regularly review the effectiveness of risk control measures and ensure compliance with laws and internal policies.</li> <li>2. Strengthen employee risk awareness by providing training to enhance overall risk response capabilities.</li> <li>3. Hold management meetings regularly or as needed to review response strategies, aiming to prevent potential risks in advance or respond promptly.</li> </ol>
Performance and Adjustment	<ul style="list-style-type: none"> <li>• In 2024, the factory implemented 5S management on a monthly basis.</li> <li>• In 2024, the company identified major risk events as the impact of interest rate and exchange rate fluctuations on the company's profits and losses.</li> </ul> <p>Response Measures:</p> <ol style="list-style-type: none"> <li>1. Analyze future exchange rate trends and maintain sufficient foreign currency positions to support the operational needs of all group companies.</li> </ol>

	2. Maintain close communication with major partner banks and continuously monitor changes in the foreign exchange market. If hedging is needed, use derivative financial instruments as appropriate for risk management.
Preventive and Remedial Measures	The 2024 risk assessment results can be found in the Annual Shareholders' Meeting Report, page 83, under "Risk analysis and evaluation from the most recent year till the printing date of annual report."
Responsible Department / Grievance Mechanism	Contact Person: Spokesperson Contact Email: investor@techcential.com LINE ID: til6616

## 2.2 Business Philosophy

The Board of Directors serves as the core decision-making body and central pillar of governance for Techcential. It is responsible for overseeing the company’s overall operations and strategic development, ensuring that the company fulfills its sustainability responsibilities while balancing the interests of shareholders and all stakeholders. The company is committed to establishing a sound governance framework that safeguards the legitimate rights and interests of shareholders while also considering environmental, social, and economic aspects of sustainable development. The Board actively participates in and oversees corporate governance matters, and has established an Audit Committee and a Remuneration Committee under its purview. These committees assist the Board in fulfilling responsibilities such as financial oversight, risk management, and executive compensation decisions. To further strengthen the governance mechanism, in 2023, the company appointed CFO Mr. Tan Kok Bee to concurrently serve as the Corporate Governance Officer, responsible for coordinating and implementing governance-related policies and mechanisms. Functional committees perform pre-approval roles and provide professional advice, actively participating in the formulation and revision of internal control systems, sustainability strategies, and governance standards. At the same time, efforts have been made to enhance the independence and professionalism of independent directors, thereby improving the transparency and effectiveness of corporate governance and laying a solid foundation for the company’s long-term and steady development.

Corporate Governance Structure:



Note: This is the organizational structure of Techcential International Ltd.

### 2.2.1 The structure and operations of the Board of Directors

To strengthen the corporate governance framework and promote diversity and inclusiveness in decision-making, the Company actively implements a board diversity policy.


This policy encompasses aspects such as gender, age, professional background, and industry experience, with the aim of enhancing the effectiveness and quality of the Board's operations and decision-making through a diverse composition. The nomination of Board members is conducted in accordance with Article 192-1 of the Company Act, adopting a candidate nomination system. The Corporate Governance Department assists in this process, and the final selection is made through procedures involving both the Board of Directors and the Shareholders' Meeting, ensuring openness, fairness, and compliance with relevant regulations. As of 2024, the Board consists of seven directors, including three independent directors with backgrounds in finance and law, representing an independence ratio of 43%. Director candidates must possess the knowledge, skills, and integrity required to perform their duties. The Company also considers diversity and business development needs as the basis for nominations.

The independent directors have no specific interests in the Company and concurrently serve as members of both the Audit Committee and the Remuneration Committee. They provide neutral and objective professional opinions within the Board, effectively enhancing the quality of corporate governance. In 2024, a total of 4 Board meetings were held, with a 100% attendance rate by all directors. No extraordinary Board meetings were convened during the year.

Title	Name	Gender	Number of Actual Attendance	Rate of Actual Attendance (%)
Chairman	Eng Synergy Management Sdn. Bhd. Representative: Eng Kai Pin	Male	4	100%
Director	Surging Success Sdn. Bhd. Representative : Eng Kai Jie	Male	4	100%
Director	Liao Wei Chuan	Male	4	100%
Director	Chang Ming Huang	Male	4	100%
Independent Director	Chou Chih Yuan	Male	4	100%
Independent Director	Huang Chi Jui	Male	4	100%
Director	Tay Puay Chuan	Male	4	100%

Note : As of the 2024 fiscal year, the Company's Board of Directors has no female members, falling short of the requirement for either gender to comprise at least one-third of board seats in listed companies. Operating in Malaysia's traditional furniture manufacturing industry, which has historically been male-dominated, the availability of qualified female candidates with relevant expertise and experience has been limited. Consequently, female representation was not adequately included in past nomination processes. Nonetheless, the Company recognizes the importance of gender balance in enhancing board effectiveness and supporting sustainable growth. Gender diversity remains a key consideration in board nominations. For the current term (June 2025 to June 2028), the Company has appointed a female director with industry expertise, reflecting its commitment to gender balance and sound governance. We will continue to work toward achieving the one-third gender representation target, in line with our goals of diversity, inclusion, and sustainability.

For detailed information regarding the professional qualifications, backgrounds, and biographies of the Board members, please refer to the Company's 2024 Annual Report and official website. This allows stakeholders to gain a comprehensive understanding of the Company's governance structure and the composition of its professional leadership team.

 [https://www.techcential-international.com/company\\_govern-2/#Board](https://www.techcential-international.com/company_govern-2/#Board)

In addition to overseeing the Company's overall operations and risk management, the Board of Directors also bears ultimate responsibility for the supervision and approval of the Company's sustainability efforts. The Board actively participates in the formulation of sustainability policies, the setting of goals, and the planning of risk management mechanisms. It regularly reviews the Company's performance in environmental, social, and governance (ESG) areas to meet the expectations of diverse stakeholders. To enhance the effectiveness of sustainability governance, the Company established an ESG Task Force in June 2025. This Task Force, authorized by the Board, is responsible for coordinating the promotion of ESG policies and action plans, and for preparing reports to be submitted regularly to the Board. Prior to the establishment of this Task Force, ESG-related issues were managed respectively by the General Manager and heads of various departments, with the Corporate Governance Department responsible for overall coordination and progress tracking. Additionally, to strengthen the sustainability knowledge of board members, the Company encourages their participation in sustainability-related courses and professional training. These efforts aim to continuously enhance the Board's oversight responsibilities and decision-making capabilities in ESG governance, ensuring that the Company's strategies remain aligned with global trends.

#### 2.2.1.2 Directors Profession Enhancement Status

To enhance the overall functionality and professional competence of the Board, the Company regularly plans and arranges a variety of training programs for its directors each year. These programs aim to continuously strengthen the knowledge, skills, and core competencies required for effective business management. The training courses cover a wide range of topics, including ethical business practices, corporate governance, and corporate social responsibility. These sessions help directors stay up to date with the latest trends while aligning with the Company's core values and professional standards. In 2024, the total number of training hours completed by all directors amounted to 51 hours, of which training related to ESG accounted for 35.29%. Details of each director's participation in training are provided in the attached table.

Title	Name	Training Date		Organizing agency	Training/Speech Title	Hours	Total Hours
		Start	End				
Director	Eng Synergy Management Sdn. Bhd.	19/12/2024	19/12/2024	TPMA	上市櫃董事進修課程-企業永續發展與精實生產	3	6
	Representative: Eng Kai Pin	18/10/2024	18/10/2024	Taiwan Investor Relations Institute	品牌溝通與利害關係人管理	3	
Director	Surging Success Sdn. Bhd.	19/12/2024	19/12/2024	TPMA	上市櫃董事進修課程-企業永續發展與精實生產	3	6
	Representative: Eng Kai Jie	18/10/2024	18/10/2024	Taiwan Investor Relations Institute	品牌溝通與利害關係人管理	3	
Director	Liao Wei Chuan	10/12/2024	10/12/2024	社團法人中華公司治理協會	非合意併購之攻防策略與、與相關公司治理課題	3	6
		12/11/2024	12/11/2024	社團法人中華公司治理協會	AI時代，企業成長創新思維	3	
Director	Chang Ming Huang	21/10/2024	21/10/2024	中華民國會計師公會全國聯合會	會計師執業應注意的洗錢態樣，稅務犯罪案例解析	3	6

Title	Name	Training Date Start	Training Date End	Organizing agency	Training/Speech Title	Hours	Total Hours
		15/04/2024	15/04/2024	中華民國會計師公會全國聯合會	洗錢防制發展趨勢與案例研析	3	
Independent Director	Chou Chih Yuan	26/12/202	26/12/2024	社團法人中華公司治理協會	新版公司治理藍圖及證券法規遵循重點解析	3	12
		14/10/202	14/10/2024	中華民國會計師公會全國聯合會	會計師執業應注意的洗錢態樣，稅務犯罪案例解析	3	
		21/06/2024	21/06/2024	中華民國會計師公會全國聯合會	洗錢防制國際發展趨勢與實務	3	
		02/04/2024	02/04/2024	中華民國會計師公會全國聯合會	洗錢防制發展趨勢與案例研析	3	
Independent Director	Huang Chi Jui	13/11/2024	13/11/2024	中華民國內部稽核協會	資金貸與、背書保證及取得處分資產規定與實務解析	6	9
		04/06/2024	04/06/2024	社團法人中華公司治理協會	董事會/高階管理者在 ESG 治理的角色與職責	3	
Independent Director	Tay Puay Chuan	30/10/2024	30/10/2024	Accounting Research and Development Foundation in Taiwan	以「風險管理」推動企業永續發展	6	6

### 2.2.1.3 Directors Performance Evaluation

To strengthen corporate governance and enhance the effectiveness of Board operations, the Company has established and implemented the Board Performance Evaluation Policy since 2020, in accordance with Article 37 of the “Code of Corporate Governance Practices”. The Company conducts regular annual evaluations of the overall performance of the Board, self-assessments by individual directors, and evaluations of functional committees. These assessments serve as a foundation for enhancing corporate governance and improving the quality of decision-making.

The performance evaluation results of the Board of Directors and functional committees for the year 2024 are as follows:

#### A) Overall Performance Evaluation of the Board of Directors

Evaluation content	Evaluation Areas	Evaluation Results
Participation in Company Operations	Participation in Operations, Risk Management, and Compliance Oversight	The Board of Directors operates effectively, provides active oversight of the Company’s operations, and offers valuable advice and decision-making support.
Enhancement of Decision-Making Quality	Deliberation Procedures and Rationality of Decision-Making	
Composition and Structure	Number, Expertise, and Diversity of Directors	
Selection and Continuing Education	Director Nomination and Ongoing Professional Training	
Internal Control	Supervision and Strengthening of Internal Control Mechanisms	

#### B) Board Member Self-Evaluation

Evaluation content	Evaluation Areas	Evaluation Results
Understanding of Company Goals	Understanding of Company Strategy and Mission	Board members maintain good communication, actively participate in company operations, and are willing to share their
Awareness of Duties	Understanding of Directors’ Roles and Responsibilities	

Participation in company operations	Awareness of and Contribution to Operational Performance	professional insights and engage in self-directed learning, making substantial contributions to the Company's operations.
Communication and Collaboration	Collaboration and Interaction with Internal Teams	
Professional and training for directors	Continuous Learning and Professional Contribution	
Internal Control	Support for the Development of the Internal Control System	

### C) Performance Evaluation of Remuneration Committees

#### (1) Audit Committees

Evaluation content	Evaluation Areas	Evaluation Results
Participation in company Operations	Oversight of Operations, Risk, and Compliance Reminders	The Audit Committee operates steadily and effectively fulfills its responsibilities in financial and internal control oversight, providing meaningful support in risk identification and management.
Awareness of Responsibilities	Understanding of Committee Roles and Responsibilities	
Quality of Decision-Making	Rationality in Proposal Discussions and Decision-Making	
Composition and Selection	Assessment of Professionalism and Independence	
Internal Control	Supervision of Systems and Handling of Audit Findings	

#### (2) Remuneration Committees

Evaluation content	Evaluation Areas	Evaluation Results
Participation in company Operations	Support for the Compensation System and Incentive Mechanisms	The Remuneration Committee is able to recommend appropriate compensation systems based on corporate governance principles and provide suggestions regarding the remuneration plans for senior executives.
Awareness of Responsibilities	Understanding of Responsibilities and Review Items	
Quality of Decision-Making	Fairness and Rationality of Decision-Making	
Composition and Selection	Diversity and Qualification Requirements	
Internal Control	Alignment with Compensation Policies and Performance Oversight Mechanisms	

#### 2.2.1.4 Conflict of Interest Avoidance

The Company has established policies to prevent conflicts of interest based on the “Procedures for Ethical Management and Guidelines for Conduct”, “Code of Corporate Governance Practices”, “Rules and Procedures of Board Meeting”, “Ethical code of Conduct”, and the Company Act. These policies are used to identify, monitor, and manage risks of dishonest behavior that may arise from conflicts of interest. At the same time, appropriate communication and disclosure mechanisms are in place for directors, independent directors, managers, and other stakeholders attending or present at Board meetings to proactively disclose any potential conflicts of interest with the Company. This strengthens corporate governance and ensures transparency and fairness in decision-making.

The implementation status of directors' recusal from related-party transactions in 2024 is as follows:

Date	Name of Director	Content	Reason	Results
2024/03/15	Liao Wei Chuan Chang Ming Huang Chou Chih Yuan Huang Chi Jui Tay Puay Chuan	The Distribution of 2023 Employee and Director remuneration.	Due to personal interest	Except for the aforementioned directors who recused themselves due to conflicts of interest, the proposal was approved as submitted with no objections from the directors present, as confirmed by the Chair.
2024/11/11	Eng Kai Pin Eng Kai Jie	Performance assessments and salary adjustment of Directors and managerial officers" for the year 2024.	Due to personal interest	Except for the aforementioned directors who recused themselves due to conflicts of interest, the proposal was approved as submitted with no objections from the directors present, as confirmed by the Chair.

#### 2.2.1.4 Remuneration Structure and Remuneration Decision Process of Board of Director

The remuneration of the Company's directors is handled in accordance with the "Remuneration of Directors and Managers Policy". It is reviewed by the Remuneration Committee and submitted to the Board of Directors for approval. The compensation components include fixed salary, bonuses, and allowances. In accordance with Article 7 of the "Remuneration Committee Charter", the performance of directors, supervisors, and managers is regularly evaluated. Reasonable compensation levels are set by referencing market standards and industry trends.

At the end of each year, the Board Secretariat conducts performance evaluations of the Board and its members based on the Board Performance Evaluation Form and the Board Member Evaluation Form. If the average total score of the evaluation results reaches 80 points or above, director remuneration will be distributed proportionally in accordance with the Company's Articles of Incorporation. The Board Member Performance Evaluation Form serves as an important reference for the Remuneration Committee in assessing individual director compensation. The approval of director remuneration also takes into account the current economic conditions, future overall economic development trends, and risk levels, with flexible adjustments made to enhance the incentive effect and align with the Company's sustainable development goals. To date, the Company's remuneration policy has not yet established a performance-based link to the Company's sustainability development goals. Details regarding the director remuneration, remuneration scale, and distribution standards for the year 2024 can be found on page 13 of the Company's 2024 Annual Report (English Version).

The remuneration system for the Company's senior management is proposed by the Remuneration Committee and submitted to the Board of Directors for review and approval. Compensation includes fixed salary and retirement benefits, as well as performance bonuses calculated and awarded based on the achievement of various performance indicators, to

strengthen goal orientation and incentive effects. The retirement system for senior management follows the same principles as for general employees, maintaining fairness and consistency in the system. For information regarding the senior management’s remuneration details and salary scale for 2024, please refer to page 14 of the Company’s 2024 Annual Report (English Version).

## 2.2.2 The structure and operations of the Functional Committees

### 2.2.2.1 Remuneration Committee

The Company has established a comprehensive Board remuneration system and a Remuneration Committee, which regulate the compensation of directors and independent directors according to the Company’s “Director Remuneration Policy”. The remuneration consists of fixed and variable components. To prevent the remuneration policy from incentivizing directors or managers to engage in behaviors beyond the Company’s risk tolerance in pursuit of higher pay, the Company carefully considers risk control when designing the compensation system. Currently, the Remuneration Committee is composed of three independent directors. In accordance with Article 7 of the “Remuneration Committee Charter”, the committee regularly reviews directors’ remuneration by considering individual performance, overall company performance, the competitive environment, and external industry standards, and conducts reviews and adjustments accordingly. Details regarding directors’ remuneration and the remuneration scale for 2024 can be found in the Company’s Annual Report, Chapter 2, Corporate Governance Report II, which covers the remuneration paid to directors, the general manager, and deputy general manager in the most recent year.

The Remuneration Committee faithfully performs the following duties with the care of a good administrator and submits its recommendations to the Board of Directors for discussion.

1. Regularly review the Remuneration Committee Charter and propose amendments.
2. Establish and regularly review the Company’s policies, systems, standards, and structures for the annual and long-term performance goals and remuneration of directors and managers.
3. Periodically evaluate the achievement of performance goals by the Company’s directors and managers, and determine the content and amount of their individual remuneration.

The operation of the Company’s Remuneration Committee is conducted in accordance with the Company’s “Remuneration Committee Charter”, and it convenes at least twice annually.

Title	Name	Number of Actual Attendance	Number of Delegate Attendance	Rate of Actual Attendance (%)
Independent Director	Tay Puay Chuan	3	0	100%
Independent Director	Chou Chih Yuan	3	0	100%
Independent Director	Huang Chi Jui	3	0	100%

### 2.2.2.2 Audit Committee

To promote corporate governance, strengthen the functions of the Board of Directors, and enhance overall competitiveness, the Company has established an Audit Committee as part of its internal supervision mechanism. The operation of the Audit Committee is conducted in accordance with the Company's "Audit Committee Charter". In principle, the committee holds at least one meeting each quarter and may convene additional meetings as necessary to effectively fulfill its supervisory responsibilities.

The key focus areas of the Audit Committee for 2024 are as follows:

- Regulatory Compliance.
- Review the financial reports.
- Offering or issuance of securities.
- Appointment, dismissal of a CPA.
- Regularly communicate with the CPA on the auditing of financial statements.
- Material Loaning of Funds and Making of Endorsements and Guarantees.
- Material asset or derivative transactions.
- Appointment, dismissal of a financial, accounting, and internal audit officer
- Evaluation of the effectiveness of the internal control system.
- Regularly communicate the results of the audit report with the internal auditor based on the annual audit plan.

The Company's Audit Committee is composed of three independent directors. In 2024, a total of 4 meetings were held, with an attendance rate of 100%.

Title	Name	Number of Actual Attendance	Number of Delegate Attendance	Rate of Actual Attendance (%)
Independent Director	Chou Chih Yuan	4	0	100%
Independent Director	Huang Chi Jui	4	0	100%
Independent Director	Tay Puay Chuan	4	0	100%

#### Review of Financial Reports:

The Board of Directors has submitted the Company's 2024 Annual Business Report, consolidated financial statements, and loss appropriation proposal. The consolidated financial statements have been audited by certified public accountants Phyllis Chang and Aaron Chiang from KPMG Taiwan, who issued an audit report. After careful review by the Company's Audit Committee, it was determined that there were no discrepancies in the content. Following the Audit Committee's approval on March 14, 2025, an Audit Committee Review Report was issued in accordance with regulations and submitted for the 2025 Annual General Meeting of Shareholders' reference.

#### Assessment of the Effectiveness of the Internal Control System:

The Company's 2024 "Internal Control System Statement" was approved by the Audit Committee on March 14, 2025. After evaluation, the Audit Committee considers that the

overall internal control system of the Company and its subsidiaries is effectively designed and executed. The scope of the Audit Committee's assessment covers the effectiveness of policies and procedures related to the internal control system, including financial, operational, risk management, information security, and regulatory compliance controls. It also reviews reports regularly submitted by the certified public accountants, internal audit department, and other managerial departments (including matters related to risk management and regulatory compliance). In summary, the Audit Committee believes the Company has established appropriate and effective control mechanisms to supervise and correct potential violations, ensuring sound corporate governance and stable operations

 Communication between Independent Directors, Internal Audit Manager, and Accountants:

In 2024, committee members communicated with the certified public accountants on March 15, May 13, August 23, and November 11. The discussions covered audit planning, audit findings, the preparation of financial reports, and newly issued accounting regulations, ensuring a thorough understanding of key audit focuses as well as the accuracy and compliance of financial information. Additionally, the internal audit manager prepares an annual audit plan each year for the Audit Committee's review and submits monthly audit reports for independent directors' review. The internal audit activities are also reported during each Audit Committee meeting, with explanations provided when necessary. The independent directors raised no objections to the reports or communications, indicating that the overall audit and communication mechanisms operate effectively. Details of the 2024 communication between independent directors, the internal audit manager, and accountants can be found on the Company's official website.

 [https://www.techcential-international.com/company\\_govern-2/#corporate\\_govern](https://www.techcential-international.com/company_govern-2/#corporate_govern)

### 2.2.3 ESG Committee

While pursuing sustainable growth and profitability, the Company places strong emphasis on environmental, social, and governance (ESG) factors, integrating them into its governance policies and operational processes to effectively manage related risks and seize opportunities. In 2024, the Company had not yet established a dedicated or designated ESG unit, and thus no related meetings were held. To enhance its sustainability governance, the Company officially formed an ESG Committee in June 2025, chaired by the Chairman and comprising heads from the Production, Workplace Safety, Corporate Governance, and HR & Administration departments. The Committee is responsible for driving ESG strategy, formulating and implementing sustainability policies, systems, guidelines, and action plans. It also prepares the Company's sustainability report and reports progress regularly to the Board, incorporating feedback for continuous improvement. The Company ensures the Board stays informed of evolving global and local ESG standards and business environments, and continues to review and strengthen its corporate social responsibility framework to enhance sustainability performance and overall competitiveness.

## 2.3 Operational Performance

The financial information of the Company is as follows:

Units : NTD Thousands

Items/Year	2022	2023	2024
Operating Revenue	1,154,415	1,009,798	1,164,364
Operating Costs	950,828	909,434	1,027,517
Gross Profit	203,587	100,364	136,847
Operating Profit (Loss)	40,669	(25,640)	5,284
Non-operating Income and Expenses	7,575	(7,597)	(52,966)
Profit Before Tax	48,244	(33,237)	(47,682)
Net Profit After Tax for the Period	26,997	(26,193)	(54,910)
Total Comprehensive Income for the Period	55,824	(51,068)	(6,228)
Earnings Per Share (NTD)	1.04	(0.78)	(1.39)
Dividends	17,181	-	-
Employee Salaries and Benefits	157,118	187,878	199,460
Payments to Government	19,173	12,752	6,424
Receive government financial subsidies	628	87	-

Note:

1. Employee benefits within employee salaries and benefits include labor and health insurance fees, pension expenses, and other employee welfare expenses.
2. Payments to government refer to all taxes actually paid during the year (including prepaid income tax, sales tax, and withholding income tax).
3. All government financial subsidies received were grants under programs implemented during the MCO period to support enterprises in hiring local employees.

### Operating Ratio

Units : NTD Thousands ; %

Products	Year	2023		2024	
		Amount	%	Amount	%
Wooden Furniture		879,877	87.13	1,051,990	90.35
Others		129,921	12.87	112,374	9.65
Total		1,009,798	100.00	1,164,364	100.00

### Main Product Sales Regions

Units : NTD Thousands ; %

Regions	Year	2023		2024	
		Revenue	%	Revenue	%
Domestic Sales		66,223	6.56	104,304	8.96
Overseas Sales		943,575	93.44	1,060,060	91.04
Total		1,009,798	100.00	1,164,364	100.00

## 2.4 Risk Management

The company regularly reviews the latest developments and market changes in its industry to stay informed of industry trends and policy directions. Based on this, the company assesses potential impacts on its operations and identifies possible risk factors. For the key risks identified, the company formulates specific response measures and management mechanisms to strengthen operational resilience and ensure the sustained and stable development of the business.

Scope of Risk Management		
Type	Potential Risks	Countermeasures
R&D Plans and Budget Expenses	<p>Technical bottlenecks or incorrect design direction leading to R&amp;D outcomes falling short of expectations</p> <p>Departure of key technical personnel affecting project continuity</p> <p>Insufficient cost estimation during the development process, and increased expenses due to changes in requirements</p>	<ul style="list-style-type: none"> <li>▪ Flexibly adjust R&amp;D directions and objectives</li> <li>▪ Establish a backup talent pool for R&amp;D</li> <li>▪ Provide retention incentive programs for R&amp;D personnel</li> <li>▪ Reserve a certain proportion of flexible funds when preparing the annual R&amp;D budget to cover potential additional costs arising during the project process.</li> </ul>
Currency Rate	<p>Our company prices its exported products in USD; therefore, exchange gains and losses are primarily affected by fluctuations in the USD. In recent years, the MYR exchange rate has experienced significant volatility, while the export sales ratio has accounted for over 91% of total revenue in the past 3 years.</p>	<ul style="list-style-type: none"> <li>▪ Assess future exchange rate trends and maintain sufficient foreign currency holdings to meet the operational needs of the group companies.</li> <li>▪ Maintain close contact with major banks to continuously monitor changes in the foreign exchange market; if there is a need for hedging, timely use of derivative financial instruments may be employed for hedging purposes.</li> </ul>
Purchase concentration	<p>Overreliance on a single or a few suppliers may affect supply stability if the supplier experiences bankruptcy, delivery delays, or disruptions due to geopolitical disasters.</p>	<ul style="list-style-type: none"> <li>▪ Maintain two or more suppliers for major raw material procurement.</li> <li>▪ Regularly assess suppliers' financial and operational status.</li> <li>▪ Diversify suppliers across different geographical regions.</li> <li>▪ Stockpile critical raw materials.</li> <li>▪ Establish contingency plans and logistics backup solutions.</li> </ul>
Sales concentration	<p>Reliance on a single customer may pose operational risks.</p>	<ul style="list-style-type: none"> <li>▪ Actively strive to secure orders from downstream customers</li> <li>▪ Develop new markets and expand international market presence</li> <li>▪ Diversify product lines and application areas to spread out the customer base</li> </ul>

Market Size	Subject to changes due to the real estate market conditions and global economic systemic risks.	<ul style="list-style-type: none"> <li>▪ Regularly review and anticipate possible situations while strictly managing controllable costs</li> <li>▪ Expand market scope horizontally and enhance product range vertically</li> </ul>
Labor Health and Safety	On-site operations in the manufacturing industry carry a certain level of occupational risks.	<ul style="list-style-type: none"> <li>▪ Implement Chemical Health Risk Assessment (CHRA)</li> <li>▪ Strengthen safety operation training</li> <li>▪ Establish accident reporting and improvement mechanisms, and conduct regular internal audits</li> <li>▪ Inspect the provision of Personal Protective Equipment (PPE)</li> </ul>
Information Security Management	<ul style="list-style-type: none"> <li>• Theft of company confidential information</li> <li>• Computer viruses, destructive software, or ransomware</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establish an IT department and formulate information security policies.</li> <li>▪ Regularly review the company's information security status according to security policies, with reports submitted by the IT department head to the general manager.</li> <li>▪ Arrange occasional information security briefings.</li> <li>▪ Implement multiple cybersecurity measures, including firewalls and antivirus software.</li> <li>▪ Set up barriers to restrict employees from accessing unknown or malicious websites when browsing external web pages using the company network.</li> <li>▪ Plan, design, and upgrade appropriate software and hardware based on risk levels.</li> </ul>

## 2.5 Information Security Management

To comprehensively strengthen the company's network security management, the IT department actively implements multiple information protection measures, including deploying firewalls, antivirus software, and other cybersecurity technologies to guard against potential threats and risks of network intrusion. For employees browsing external websites via the company network, multiple protection mechanisms are also in place. When unknown or malicious websites are detected, the system automatically blocks related links to prevent malware intrusions and data leaks. Within the company's internal control system, clear operating procedures and management measures related to computerized information system handling have been established. Additionally, guidelines and precautions for information use are regularly communicated to all employees via email, ensuring their understanding and compliance with information security policies. Furthermore, the IT department periodically holds information security briefings and educational campaigns to help employees stay updated on the latest cybersecurity trends and protective practices, thereby enhancing overall information security awareness and creating a secure and stable digital work environment.

In summary, the company's information security risk assessment is classified as low risk. During the 2024 fiscal year, no major cyberattacks or information security incidents occurred, nor were there any events that have or could potentially cause significant adverse effects on the company's business operations. Additionally, the company was not involved in any information security-related legal disputes or investigations by regulatory authorities during the year. Overall, the company maintained a good level of information security, with no material losses resulting from information security issues.



## 2.6 Integrity in Business Operations

### 2.6.1 Internal Control System

The Company and its subsidiaries, in accordance with relevant laws and actual operational needs, have established, implemented, and continuously maintain an effective internal control system. Based on the judgment criteria prescribed in the “Guidelines for Establishing Internal Control Systems by Public Companies,” the design and execution effectiveness of the internal control system are regularly reviewed to confirm its effectiveness. The internal control framework adopted by these Guidelines consists of five key components:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

Each unit of the Company and its subsidiaries executes internal control checks according to the above framework, aligned with their operational level and risk assessment results, and documents these checks in writing. This process evaluates whether the overall design of the internal control system is reasonable and whether its execution is effective. Through this systematic mechanism, the Company and its subsidiaries reasonably ensure the effectiveness and compliance in achieving the following objectives: operational effectiveness and efficiency (including profitability, performance, and asset protection), reliability and timeliness of financial reporting, and compliance with relevant laws and regulations. Moreover, the Company and its subsidiaries have established a comprehensive internal control self-monitoring mechanism, which promptly initiates corrective procedures upon identifying deficiencies, ensuring continuous improvement of the system and proper risk management.

### 2.6.2 Internal Audit Mechanism

The internal audit unit of company operates with full independence and reports directly to the Board of Directors. Both the head of the audit unit and audit personnel are full-time staff, and a deputy is appointed to ensure continuity. The appointment or dismissal of the head of internal audit requires the approval of a majority of the Board of Directors. All internal audit staff and their deputies are required to undergo continuous professional training each year to enhance their technical knowledge and practical skills. This ensures operational effectiveness while improving the timeliness, reliability, transparency, and regulatory compliance of both

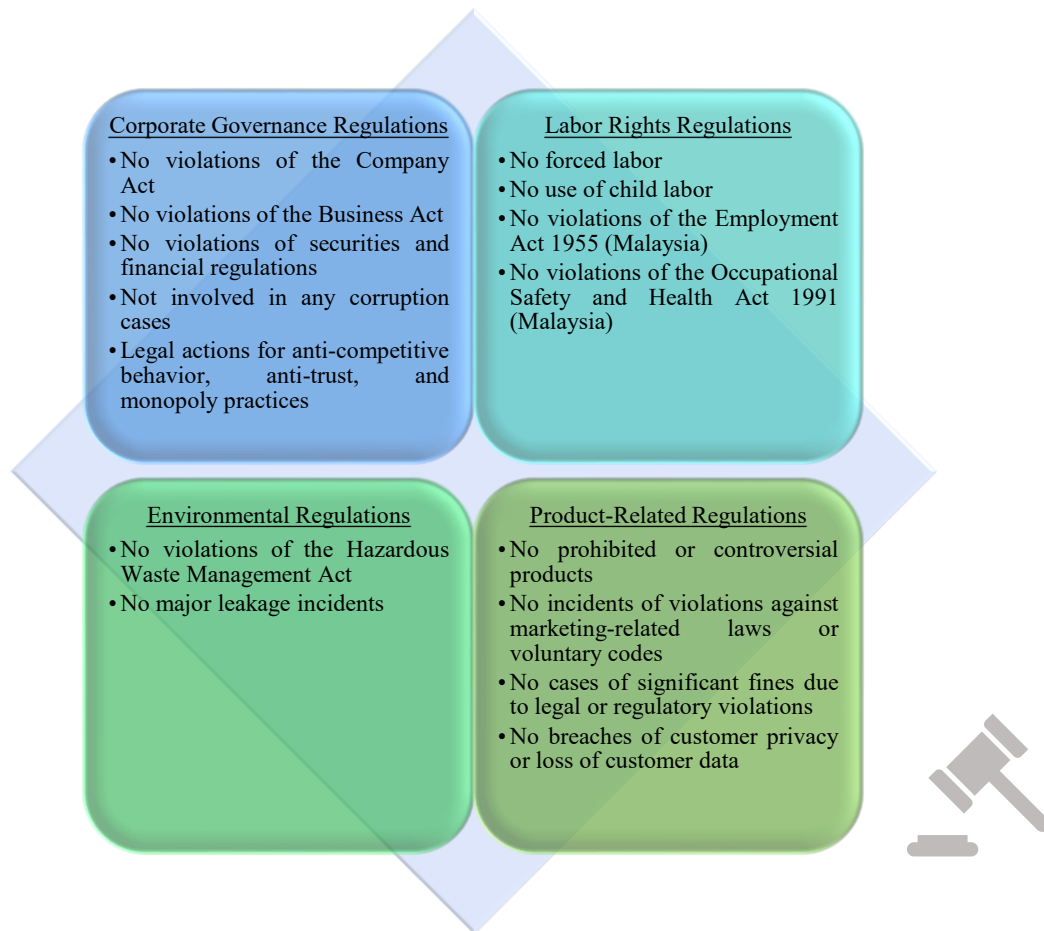
financial and non-financial information. In accordance with relevant regulatory requirements, the company has established the “Internal Audit System” , “Implementation of Internal Audit system details” , and “Audit Implementation Procedures for Each Operational Cycle” to serve as the basis and standards for internal audit execution. The audit personnel prepare an annual audit plan, which is submitted to both the Audit Committee and the Board of Directors for review and approval. Audits are conducted in accordance with the approved plan. Internal audits also review the self-inspections conducted by each department and subsidiary, evaluate operational execution, and verify relevant documentation to ensure the quality of implementation. Based on the results of these self-inspections, audit findings and recommendations for improvement are reported monthly to the independent directors. The head of the internal audit department also reports regularly to the Audit Committee and the Board of Directors on the implementation status of internal audits. This reinforces the internal control system and ensures the effectiveness of audit operations.

### 2.6.3 Regulatory Compliance

The company actively monitors regulatory trends and proactively formulates the “Corporate Practice on Sustainable Development” and related measures. The company is committed to strengthening its brand image by closely integrating wooden bedroom furniture with sustainability concepts. Through steady operations, the company aims to earn long-term public support and promote continued corporate growth.

All employees uphold the core value of integrity and strictly adhere to professional ethics, with a firm prohibition against any act of using their position for personal gain. In terms of taxation, the company files tax returns in accordance with the law and has never been involved in tax evasion. On environmental protection, the company actively complies with relevant policies, striving to balance environmental sustainability and occupational safety. The company also aligns with government policies to fulfill its corporate social responsibility.

Through a sound internal control and audit system, employees regularly review operational practices and legal compliance to ensure the effective implementation of self-monitoring mechanisms. In 2024, the company had no legal violations and made no political contributions, demonstrating a strong commitment to the rule of law and sound corporate governance.



#### 2.6.4 Anti-Corruption System

TC consistently upholds the principles of integrity and transparency in its business operations, striving to cultivate a corporate culture free from corruption and fraud. Integrity is regarded as a core value of the company, and the principles of honesty, transparency, and fair trade are fully implemented in accordance with the “Corporate Practice on Sustainable Development” and “Procedures for Ethical Management and Guidelines for Conduct”. To prevent conflicts of interest and acts of profiteering, relevant systems clearly stipulate obligations of confidentiality, proper use of company assets, and strict compliance with legal and regulatory requirements. All forms of gifts, bribery, or improper benefits are strictly prohibited. To protect the rights and interests of employees and external partners, the company has established anonymous whistleblowing channels to ensure that suspected corrupt practices can be reported in a timely manner. All reported cases are handled in accordance with the principles of fairness and impartiality, reinforcing the company’s commitment to ethical management and high moral standards. In recent years, the Company has not experienced any major corruption cases.

#### 2.6.5 Prevention of Insider Trading

The Company has established the “Management operation procedures to prevent insider trading”, which are publicly disclosed on its official website. These procedures clearly stipulate

that directors, managers, employees, and personnel specified in Article 157-1 of the “Securities and Exchange Act” are prohibited from trading the Company’s stocks or other equity-linked securities before the disclosure of any material information that may affect the stock price, or within 18 hours after such information has been made public. To strengthen regulatory compliance, the Corporate Governance Department sends quarterly email reminders to directors to observe the following regulations:

- ➖ Directors are prohibited from trading the Company’s stocks within 30 days prior to the announcement of the annual financial report.
- ➖ Directors are prohibited from trading the Company’s stocks within 15 days prior to the announcement of each quarterly financial report.

Any violations will be handled in accordance with internal regulations and applicable laws. In addition, the Company disseminates relevant regulatory information annually and periodically educates insiders (including directors and managers) on insider trading rules to mitigate the risk of non-compliance. Ongoing training and relevant legal seminar information are also provided to assist directors in meeting legal requirements. The Company actively promotes ethical conduct and encourages employees to report any illegal acts or violations of ethical standards through multiple channels (e.g., in person, by phone, suggestion box, or email) to managers, the internal audit supervisor, or relevant departments. The privacy and safety of whistleblowers are strictly protected. In 2024, The company did not experience any incidents in violation of the Code of Ethical Conduct, indicating strong performance in upholding ethical standards and integrity in business operations.

## 2.7 Participation in Various Associations and Organizations

The Company continues to participate in industry-related trade associations and professional organizations, engaging in knowledge exchange, information sharing, and practical experience with peers and experts. Through such collaboration, we aim to collectively respond to changes in the global landscape and enhance overall industry standards.

Participation in Industry-Related Associations and Organizations:

Industry Associations and Other Membership Organizations	Role of participation
Malaysian Furniture Council (MFC)	Group member
MATRADE (Malaysia External Trade Development Corporation)	Group member
Wisma Chinese Chamber	Group member
Forestry Department of Peninsular Malaysia	Group member
Muar Furniture Association (MFA)	Group member

As of the reporting year, the Company has not established a labor union nor entered into any collective agreement. This is primarily due to the prevailing industry practice in Malaysia’s furniture manufacturing sector, where labor unions are generally uncommon. Additionally, the Company has long developed a culture of mentorship and collaboration based on a senior-junior system, fostering smooth communication among employees and reducing the practical

need for a formal union structure. Despite the absence of a labor union, the Company consistently respects and values employee rights. All employment and human resource management practices are carried out in accordance with the “Malaysia Employment Act 1995”, covering aspects such as wages, working hours, leave entitlements, occupational safety, and employee welfare. Furthermore, the Company has established diverse and effective communication channels to ensure that employee feedback can be promptly addressed and appropriately handled. We are committed to building a stable, trustworthy, and legally compliant labor-management relationship.

## 2.8 Supply Chain Management

### 2.8.1 Production Material Sourcing

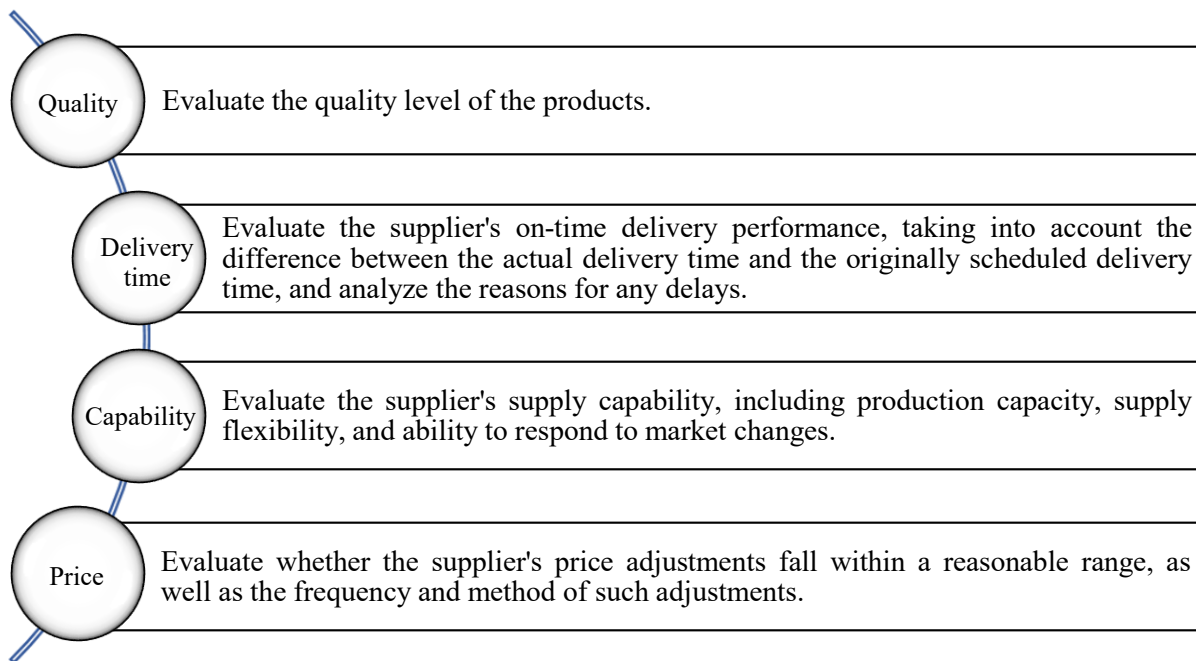
Major Raw Material	Major Supplier	Supply Situation
Board	Robin Resources 、Allgreen Timber 、Five Hills	Good
Wood	Magic Wood 、Linewood Industries 、Goodwood Hectares	Good
Paint	Lycora 、Nikkolac	Good
Packaging	Pine Packaging 、Southern Legend	Good

The Procurement information of the Company’s suppliers is shown in the table below:

Category	Procurement Region	2022		2023		2024	
		Number of Suppliers	Proportion of Total Procurement Amount (%)	Number of Suppliers	Proportion of Total Procurement Amount (%)	Number of Suppliers	Proportion of Total Procurement Amount (%)
Wood	Domestic	38	20.00%	46	22.43%	47	26.52%
	Overseas	5	4.39%	3	0.76%	3	0.82%
Board	Domestic	17	14.76%	15	15.08%	14	14.72%
	Overseas	6	5.93%	12	8.46%	14	6.36%
Packaging	Domestic	30	14.79%	29	14.96%	24	13.91%
	Overseas	0	0.00%	2	0.91%	1	1.27%
Paint	Domestic	10	10.62%	11	12.26%	9	8.98%
	Overseas	2	3.05%	1	0.41%	0	0.00%
Hardware	Domestic	38	4.61%	37	4.44%	38	5.77%
	Overseas	11	7.26%	13	6.86%	15	6.78%
Other	Domestic	30	13.50%	27	12.49%	26	13.40%
	Overseas	5	1.11%	6	0.94%	6	1.47%
Total		192	100.00%	202	100.00%	197	100.00%

### 2.8.2 Supplier Performance Evaluation System and Results

The Company conducts regular annual evaluations of its key suppliers. The supplier performance evaluation system covers several key indicators to ensure smooth supply chain operations and improved product quality. These indicators include:



### 2.8.3 Supplier Risk Management

Supplier risk management is an important part of maintaining the supply chain system. The Company closely monitors supplier risks, and in addition to conducting regular audits, it also makes ad hoc inquiries into key suppliers' operating conditions, financial status, product quality certifications, labor rights practices, and corporate reputation. This allows the Company to gain a comprehensive understanding of supplier risks and determine whether to continue the business relationship. The Company requires all supply chain partners to comply with legally mandated human rights and labor standards, and reserves the right to immediately terminate cooperation upon discovering any major violations (such as the use of child labor). In 2023 and 2024, the Company's largest supplier accounted for 4.72% and 4.01% of total purchases, respectively. In Muar, Malaysia, the upstream and midstream segments of the furniture industry are well-developed. Due to the nature of the industry, most procurement is sourced locally, which is advantageous for delivery schedule control. The Company's suppliers are all long-established raw material providers, ensuring relatively stable quality and delivery times. Furthermore, each of the Company's main procurement items is supplied by at least two different suppliers. If a supplier is unable to provide a stable supply or meet delivery requirements, the Company will seek alternative vendors or suitable substitute raw materials. Given that all sources of supply are stable, the risks of procurement concentration and supply disruption are effectively reduced.

## 3、 Social Engagement

### 3.1 Management Policy

#### ✦ Customer Relationship Management

##### Material Topics : Customer Relationship Management

Reason for Materiality	<p>Customers are essential partners in a company's sustainable development. Through a comprehensive customer relationship management system and continuously enhanced product research and design capabilities, we are able to promptly respond to market needs, improve customer satisfaction, and strengthen brand trust. Effective customer engagement not only fosters long-term partnerships but also provides critical insights for product innovation and service optimization, further driving steady business growth and the realization of sustainable value.</p>
Impacts and Effects	<p>Actual/Potential Positive Impact:</p> <ul style="list-style-type: none"> <li>○ Economic Aspects: <ul style="list-style-type: none"> <li>▪ Improved Customer Satisfaction: Effective customer service management helps enhance customer satisfaction and loyalty, leading to higher customer retention and increased economic value.</li> <li>▪ Reputation and Brand Value: Excellent customer service builds a strong reputation in the market, enhances brand value, and attracts more customer orders.</li> <li>▪ Product Innovation and Design: Close interaction and feedback from customers provide valuable market insights that can be integrated into R&amp;D and design phases, increasing the success rate of new products and boosting market differentiation and competitiveness.</li> </ul> </li> <li>○ Social Aspect: <ul style="list-style-type: none"> <li>▪ Equal Opportunity: Providing equal access to customer services regardless of background or identity helps uphold human rights and equality.</li> <li>▪ Employee Well-being: Sound customer service management often reflects respectful and fair treatment of employees, contributing to the protection of their rights and welfare.</li> <li>▪ Promotion of Sustainable Design Concepts: Integrating environmental and inclusive elements into innovative product design enhances public and consumer acceptance and support for sustainable products.</li> <li>▪ Employee Development: The demand for innovative design drives the growth of design and R&amp;D personnel, strengthening internal professional capabilities and fostering a culture of continuous learning.</li> </ul> </li> </ul> <p>Actual/Potential Negative Impact:</p> <ul style="list-style-type: none"> <li>○ Economic Aspects: <ul style="list-style-type: none"> <li>▪ Customer Loss and Brand Reputation Damage: Poor customer service can lead to customer churn and harm the company's brand reputation, which in turn negatively impacts revenue and market value.</li> <li>▪ Increased Costs: Ineffective customer service management may result in more customer complaints and disputes, leading to higher handling costs and reduced economic efficiency.</li> <li>▪ Risk of Innovation Failure: Product design and R&amp;D involve high investment costs; if commercial success is not achieved, it may result in wasted resources and diminished profitability.</li> </ul> </li> <li>○ Social Aspect: <ul style="list-style-type: none"> <li>▪ Labor Rights: Improper customer service management may lead to employee overwork and unfair treatment, infringing on labor rights.</li> <li>▪ Information Privacy: Inadequate handling of customer data can violate privacy rights, posing a threat to human rights.</li> <li>▪ Design Pressure and Overwork Risk: Fast-paced development cycles and demands for innovation may subject R&amp;D and design teams to long working hours and high-pressure environments.</li> </ul> </li> </ul>
Policies / Strategies	<p>1. The Quality Assurance (QA) department establishes inspection standards for each product and safeguards product quality through random sampling inspections for every batch. In addition, our products have obtained various international certifications to ensure compliance with global</p>

	standards.
Short-term and Medium-to-Long-term Goals	<ul style="list-style-type: none"> <li>• Short- to Mid-Term Goals: Conduct regular cybersecurity risk assessments to enhance data protection capabilities and prevent the risk of personal data breaches. Reduce the frequency of customer complaints and improve handling efficiency.</li> <li>• Long-Term Goal: Drive brand differentiation and stand out among competitors by ensuring customer safety and well-being through the company's high-quality products and services.</li> </ul>
Management Evaluation Mechanism	In the future, customer satisfaction surveys will be conducted, with detailed analyses carried out for various service aspects such as product quality and customer service response time.
Performance and Adjustment	Strengthen quality inspection procedures to reduce customer complaints.
Preventive and Remedial Measures	Our company has established a comprehensive customer complaint handling process. The Marketing Department, together with the Quality Assurance and Production Departments, is jointly responsible for managing this process. In the event of a customer complaint, we will accurately document the cause and implement preventive measures to reduce the likelihood of recurrence and improve customer satisfaction.
Responsible Department / Grievance Mechanism	Contact Point: TC Marketing Department Contact Email: frankchong@techcential.com

## ◆ Workplace Health and Safety

### Material Topics : Workplace Health and Safety

Reason for Materiality	Workplace health and safety is a fundamental commitment that a company owes to its employees and is also a key element in achieving sustainable development. Our company complies with Malaysian labor protection laws, occupational safety regulations, labor rights standards, workplace safety requirements, fire safety and hygiene training, and occupational safety and health training for supervisors and managers. We aim to reduce workplace injuries and ensure that every employee can thrive in a safe and healthy working environment.
Impacts and Effects	<p>Actual/Potential Positive Impact:</p> <ul style="list-style-type: none"> <li>○ Economic Aspect: <ul style="list-style-type: none"> <li>▪ Reduced Operational Risks: Compliance with occupational health and safety regulations can lower the incidence of workplace injuries, reducing production disruptions, fines, lawsuits, and medical expenses caused by accidents.</li> <li>▪ Increased Productivity: A healthy and safe working environment helps enhance employee focus and attendance, thereby improving overall productivity.</li> </ul> </li> <li>○ Social Aspect: <ul style="list-style-type: none"> <li>▪ Employee Health Protection: Emphasizing occupational health and safety ensures employees' physical well-being and protects their fundamental rights.</li> <li>▪ Stable Labor Relations: A sound safety system and strong safety culture help foster stable and harmonious labor relations, reducing employee turnover.</li> </ul> </li> </ul> <p>Actual/Potential Negative Impact:</p> <ul style="list-style-type: none"> <li>○ Economic Aspect: <ul style="list-style-type: none"> <li>▪ Legal and Financial Risks: Failure to properly implement occupational health and safety policies may result in fines, lawsuits, increased insurance costs, and damage to the company's reputation.</li> </ul> </li> <li>○ Social Aspect: <ul style="list-style-type: none"> <li>▪ Employee Health Impairment: Ineffective implementation of safety policies may lead to occupational injuries or illnesses, affecting employees' physical and mental health and their families' well-being.</li> <li>▪ Damage to Social Image: Severe workplace accidents may attract public and media attention, undermining the company's social credibility and employer brand.</li> </ul> </li> </ul>
Policies / Strategies	<ol style="list-style-type: none"> <li>1. Establish a "Workplace Safety and Health Policy" to ensure a safe and healthy working environment.</li> <li>2. Organize periodic training sessions to ensure employees are well-informed about occupational safety and health regulations, as well as the company's safety management procedures.</li> <li>3. Collaborate with external organizations to adopt the latest safety management technologies and standards (such as annual hearing protection programs and chemical exposure training) to enhance overall safety levels.</li> </ol>
Short-term and Medium-to-Long-term Goals	<ul style="list-style-type: none"> <li>● Short-Term Goal: Promote safety education and ensure 100% of employees receive annual safety training.</li> <li>● Mid-Term Goal: Gradually achieve the goal of "zero workplace injuries and zero occupational diseases," reducing the incident rate to below industry standards.</li> <li>● Long-Term Goal: Establish a collaborative workplace safety mechanism and work with industry peers to promote a higher standard of safety culture.</li> </ul>
Management Evaluation Mechanism	<ol style="list-style-type: none"> <li>1. Conduct multiple fire alarm system inspection trainings each year.</li> <li>2. Comply with government safety inspections and undergo safety assessments and certifications by external professional organizations to ensure compliance with the latest regulations and standards.</li> </ol>
Performance and Adjustment	In 2024, a total of 13 safety education seminars were held. No major occupational accidents occurred during the year. Records were kept for minor incidents (such as minor scrapes and cuts), with immediate reviews and improvements made to continuously enhance safety protection standards year by year. Moving forward, we will continue to focus on labor protection and training to drive further improvements. A safe and comfortable working environment will be maintained and adjusted in accordance with new regulations.

Preventive and Remedial Measures	<ul style="list-style-type: none"> <li>• Enhance employees' knowledge of risk identification and control.</li> <li>• Provide professional safety training for high-risk positions (such as machine operation).</li> <li>• Feedback can be submitted to the company or the HR department through announcements, proposals, or suggestion boxes.</li> </ul>
Responsible Department / Grievance Mechanism	<p>Contact Point: Admin and HR Department          Contact Email: <a href="mailto:admin@techcentral.com">admin@techcentral.com</a></p>

## Employee Training and Development



### Material Topics : Employee Training and Development

Reason for Materiality	Employee training and development is a vital component of corporate human resource management. It plays a significant role in enhancing a company's competitiveness, improving employee work efficiency, and promoting the long-term development of the organization.
Impacts and Effects	<p>Actual/Potential Positive Impact:</p> <ul style="list-style-type: none"> <li>○ Economic Aspect: <ul style="list-style-type: none"> <li>▪ Improved Production Efficiency: Through skills training, work quality and efficiency are enhanced, reducing errors and rework costs.</li> <li>▪ Enhanced Employee Innovation: Advanced training fosters R&amp;D and process innovation, increasing overall operational value.</li> </ul> </li> <li>○ Social Aspect: <ul style="list-style-type: none"> <li>▪ Employee Self-Actualization: Enhancing employee capabilities contributes to personal growth and career development, increasing job satisfaction.</li> <li>▪ Promoting Workplace Equality and Diversity: Equal access to training opportunities empowers employees from diverse backgrounds to realize their potential, fostering an inclusive workplace culture.</li> </ul> </li> </ul> <p>Actual/Potential Negative Impact:</p> <ul style="list-style-type: none"> <li>○ Economic Aspect: <ul style="list-style-type: none"> <li>▪ Cost Burden: Training requires financial and resource investment, which may place pressure on the budgets of small and medium-sized enterprises.</li> <li>▪ Long Return on Investment Period: High employee turnover can make it difficult to recoup the capital invested in long-term training programs.</li> </ul> </li> <li>○ Social Aspect: <ul style="list-style-type: none"> <li>▪ Time Pressure: Intensive or inflexible training schedules may increase employee stress or interfere with work-life balance.</li> <li>▪ Unequal Training Opportunities: A lack of fair systems or transparent selection processes may lead to internal dissatisfaction or perceptions of workplace inequality.</li> </ul> </li> </ul>
Policies / Strategies	<ol style="list-style-type: none"> <li>1. Provide internal and external training opportunities on an ongoing basis to ensure employees can adapt to industry changes and technological advancements.</li> <li>2. Ensure equal access to training opportunities, promoting gender equality and multicultural learning.</li> </ol>
Short-term and Medium-to-Long-term Goals	<ul style="list-style-type: none"> <li>• Short-Term Goal: Offer internal and external training programs to increase employee participation.</li> <li>• Mid- to Long-Term Goal: Gradually align training content with future trends to ensure employees develop innovative and digital mindsets.</li> </ul>
Management Evaluation Mechanism	<ol style="list-style-type: none"> <li>1. Assess whether employees apply what they have learned in their work, through methods such as supervisor observations and performance feedback.</li> </ol>
Performance and Adjustment	Supervisors observe whether employees apply what they have learned to their work. An employee feedback mechanism has been established, including anonymous feedback channels, to ensure that training content meets actual needs.
Preventive and Remedial Measures	<ul style="list-style-type: none"> <li>• Ensure that training content aligns with both employee and company development needs.</li> <li>• Regularly review training content to ensure it keeps pace with market and technological developments.</li> </ul>
Responsible Department / Grievance Mechanism	<p>Contact Point: Admin and HR Department</p> <p>Contact Email: <a href="mailto:admin@techcential.com">admin@techcential.com</a></p>

### 3.2 Diverse Employee Structure

Employees are the cornerstone of company's steady development and sustainable operations. The company values every team member and strictly adheres to local labor regulations (The Company's operations are located in Malaysia). As of the end of 2024, the total number of employees was 746. In addition to full-time employees, the company also engaged 11 non-employee workers, primarily outsourced security personnel stationed across various facilities. To safeguard both employees and company premises, the company maintains a high-standard security management system, which includes basic safety training, round-the-clock CCTV surveillance, a controlled access system, as well as employee ID and visitor registration protocols to ensure facility security.

#### A) Overview of Employees and Non-Employees in 2024:

Overview of Employees				
		Reporting Period		
Employee Type				Total
Full-Time	Management Personnel	13	18	31
	General Staff	42	34	65
	Production Workers	18	610	650
	Total	77	669	746
Temporary		0	0	0
Non-Permanent		0	0	0
Full-Time		77	669	746
Part-Time		0	0	0

#### Note:

1. Employee: An individual who, in accordance with national laws or applicable requirements, has an employment relationship with the organization.
2. Temporary: An individual employed under a fixed-term contract.
3. Non-Permanent: Employees who are not guaranteed a minimum or fixed number of working hours per day, week, or month, but may be required to be available for work as needed.
4. Full-Time: An individual whose working hours comply with the definition set by the Labor Standards Act—no more than 8 hours per day and 48 hours per week.
5. Part-Time: Employees who are not classified as full-time.
6. As the company is a furniture manufacturing company, most operators are male, resulting in a significant gender gap in the workforce.

Overview of Non-Employees		
Type	Contractual Relationship with the Company	Total
Security Guard	Contracted	11
Intern	None	0



B) Employee Educational Background Distribution:

Type	Year	2023	2024
Education (%)	Doctoral	-	-
	Master	0.13	0.27
	University & College	7.21	7.51
	High School	7.74	7.64
	Below High School	84.92	84.58

3.2.1 New employee hires and employee turnover

In 2024, the number and rate of new hires showed a downward trend compared to the previous year, while the number and rate of employee turnover slightly increased. The main reasons for employee departures included difficulties in adapting to work-life balance, personal career planning, changes in marital status, relocation, and returning to hometowns. These factors contributed to relatively high rates of both new hires and turnover. In total, there were 130 employee departures and 126 new hires in 2024. In comparison, 2023 saw 113 employee departures and 251 new hires. This reflects an increase in the turnover rate and a decrease in the hiring rate. As employee awareness and expectations continue to rise, the company remains committed to safeguarding employee rights, enhancing employee care policies, and striving to reduce turnover. We aim to build a stable talent pool to support the company’s healthy and sustainable growth.



3.2.2 Employment of a Diverse Workforce and Gender Equality

Our company upholds its core value of “people-oriented” and is committed to creating a work environment that respects human rights and values diversity, equality, and inclusion. The company strictly prohibits all forms of discrimination, harassment, coercion, or unequal treatment. It ensures that no employee is treated unfairly based on gender (including sexual orientation), race, religious beliefs, socioeconomic background, age, marital or family status, political stance, physical appearance, or any legally protected status.

We implement a diversity and equal employment policy and adhere to the following principles and practices:

1. Compliance with Regulations and International Labor Principles

✿ The Company is fully committed to complying with Malaysia’s labor-related laws and regulations, and adheres to the fundamental labor rights advocated by the International Labour Organization (ILO). It strictly prohibits the employment of child labor and any form of forced labor, and ensures that recruitment, employment conditions, compensation and benefits, training, performance evaluation, and promotion are all based on the principles of fairness and merit.

## 2. Creating a Friendly and Free Work Environment

✿ We provide a workplace free from sexual harassment, violence, and unlawful discrimination. We respect employees’ religious beliefs and freedom of association, and strictly prohibit any form of inhumane treatment or psychological oppression.

## 3. Promoting Workplace Diversity and Gender Equality

✿ We actively provide equal job opportunities and development spaces for underrepresented groups such as older adults, women, migrant workers, and persons with disabilities, promoting an inclusive and balanced corporate culture.

## 4. Fair Compensation and Promotion System

✿ We adopt a gender-neutral pay structure and implement performance-based evaluations and promotions. The company is dedicated to increasing the proportion of female managers to establish a gender-balanced leadership team.

## 5. Ensuring Workplace Health and Safety

✿ We provide a safe, hygienic, and regulation-compliant working environment, equipped with necessary health and first-aid facilities. We actively identify and eliminate potential hazards to continuously prevent occupational injuries and health risks.

Since its establishment, the company has never employed child labor and has had no incidents involving labor disputes, corruption, bribery, discrimination, sexual harassment, forced labor, or any other violations of employee rights—demonstrating a strong commitment to corporate ethics and employee well-being.

Details of company’s workforce diversity for the year 2024 are as follows:

Category	Male	Female	Total %	
	Percentage %	Percentage %		
Nationality / Ethnicity	Malaysian - Chinese	3.89	3.89	7.77
	Malaysian - Malay	4.83	6.30	11.13
	Malaysian - Indian	0.40	0.13	0.54
	Malaysian - Subtotal	9.12	10.32	19.44
	Bangladeshi	46.51	0.00	46.51
	Nepalese	24.40	0.00	24.40
	Burmese	9.65	0.00	9.65
	Foreigner - Subtotal	80.56	0.00	80.56
	Total	89.68	10.32	100.00
	Position / Job Title	Directors	0.94	0.00
Management Personnel		2.41	1.74	4.15
General Staff		86.33	8.58	94.91

	Total	89.68	10.32	100.00
Age	Below 45 Years Old	84.18	7.91	92.09
	46-55 Years Old	4.56	1.61	6.17
	Above 55 Years Old	0.94	0.80	1.74
	Total	89.68	10.32	100.00

### 3.2.3 Annual Total Compensation Ratio

Year	Annual Total Compensation Ratio (%)	Annual Total Compensation Change Ratio (%)
2024	7.59	-0.50
2023	6.06	-

※Note 1: Annual Total Compensation Ratio = Total annual compensation of the highest-paid individual ÷ Median total annual compensation of all employees (excluding the highest-paid individual).

※Note 2: Annual Total Compensation Change Ratio = Percentage increase in total annual compensation of the highest-paid individual ÷ Percentage increase in the average total annual compensation of all employees (excluding the highest-paid individual).





※Note 3: Regular employees with less than 6 months of service are excluded.

In 2024, the Company's annual total compensation ratio was 7.59, an increase from 6.06 in 2023. This change was mainly due to a 25.75% increase in total headcount, with most of the new hires in production entry-level positions earning relatively lower wages, leading to a 14.42% decrease in the median salary. Meanwhile, the total annual compensation for the highest-paid individual increased by 7.24%. As the two metrics moved in opposite directions, the annual total compensation change ratio was -0.50, indicating that the pay gap expanded during the company's rapid expansion period. The Company will continue to review its compensation structure and reward mechanisms, progressively advancing pay transparency to ensure that the compensation policy balances market competitiveness with internal equity.

### 3.2.4 Ratio of basic salary and remuneration of women to men

The company values gender equality and fair compensation, and continues to disclose the ratio of female to male employee remuneration across different job levels in accordance with GRI 405-2 indicators. This practice helps evaluate the fairness of the salary structure and promotes diversity and inclusion within the organization.

The analysis results based on data of Malaysian employees for the year 2024 are as follows:

Remuneration Ratio by Job Category	Number of Employees		Average Total Compensation (in thousands)		Compensation Ratio (Female/Male)
					
Management	13	18	554	659	84.03%
General	42	34	286	258	110.78%

※ The above compensation ratios refer to total remuneration, including base salary, performance bonuses, allowances, and other forms of compensation.

※ The analysis is based on the 2024 employee salary database and has been reviewed and compiled by the HR department.

- Management: The average total compensation for female employees is 84.03% of that for male employees. This ratio is approaching the commonly accepted international benchmark of 85% or above, indicating that the company's overall compensation structure is moving toward balance.

The gap may be related to factors such as job grade composition, years of service, or division of responsibilities. The company will continue to review internal systems and promote diverse leadership development and talent pipeline programs to support gender balance in management roles.

- Staff: The average total compensation for female employees is 110.78% of that for male employees. This reflects the stable performance and longer tenure of female employees in entry-level positions, and may also be attributed to their roles in positions with performance-based incentives or professional allowances. This result also indicates that the company has made initial progress in achieving the principle of equal pay for equal work in general staff roles.

To ensure the continued implementation of fair compensation and gender equality, the company will:

- Conduct annual gender pay gap analyses
- Continuously monitor gender compensation ratio trends across different job levels
- Promote transparency in job grading and promotion, and strengthen support for women's career development
- Align with domestic and international sustainability disclosure standards by continuing to disclose relevant information externally and enhancing communication with stakeholders

The company firmly believes that building a diverse, inclusive, and equitable work environment helps attract and retain top talent, while enhancing overall organizational resilience and competitiveness.

### 3.2.5 Fair Performance Management System

To foster continuous growth and professional development among all employees, the company has established a comprehensive and fair performance management system. We are committed to evaluating solely based on job performance, eliminating differences based on gender, age, or any other non-performance-related factors, thereby demonstrating our dedication to fairness and equity.

The company adopts a goal-oriented performance evaluation mechanism, encouraging employees to set clear work plans and focus on goal achievement. This approach enhances individual performance, team collaboration, and overall operational competitiveness. Performance evaluations are conducted twice a year to promote communication across departments and between hierarchical levels. This allows for timely goal reviews and adjustments, enabling flexibility in response to actual execution and driving continuous improvement in efficiency and outcomes.

Outstanding performers receive timely feedback and positive reinforcement, which boosts their sense of achievement, recognition, and belonging—contributing to a motivated and positive workplace culture. Performance evaluation results also serve as a key basis for annual salary adjustments and bonus distributions, ensuring alignment between individual goals and the company's business strategy, and realizing the vision of sustainable corporate growth alongside employee development.

### 3.3 Talent Cultivation and Care

#### 3.3.1 Employee Training and Development

Our company firmly believes that employees are the most valuable asset of the enterprise. We are committed to providing comprehensive and continuous training and development opportunities to help our team members stay aligned with market trends, continuously enhance their skills, and broaden their knowledge. Through well-structured training programs, we support employees in realizing their potential and improving performance within the right roles and environments. In addition, the company contributes 1% of employees' monthly wages, as required, to the Human Resource Development Fund (HRDF), now known as HRD Corp, actively supporting the government's talent development initiatives. Managed by the Ministry of Human Resources (MOHR) Malaysia, HRD Corp operates under the "Human Resources Development Act 2001" (PSMB Act). Through a levy and grant system, it promotes skills enhancement and employment competitiveness in industries, supporting Malaysia's economic transformation and sustainable development.

Our company will continue to strengthen employees' digital skills, environmental awareness, and cross-cultural communication capabilities to adapt to the rapidly changing market environment and ensure the team's competitive advantage. Through continuous learning and development, we aim not only to enhance the company's sustainability and resilience but also to provide employees with a forward-looking career development platform—realizing a vision of shared growth and mutual success between individuals and the company.

#### 3.3.2 Training Categories


The professional development of employees is a key driving force for the company's journey toward sustainable growth. Our company continues to invest in a diverse range of training programs to help employees acquire the core skills and professional knowledge necessary to respond to rapidly changing market demands. At the same time, we encourage our staff to participate in external professional certification courses covering areas such as Environmental, Social, and Governance (ESG), digital transformation, and innovative technologies to broaden their perspectives and enhance competitiveness. In addition, we place great emphasis on workplace safety and health. Through systematic training, we aim to reduce occupational risks and injuries, fostering a safe and sustainable working environment. The table below provides an overview of our various training programs:

Training Categories	Content
New Employee Training / Pre-employment Training	To help new probationary employees quickly adapt to the work environment and corporate culture, the training covers understanding the company's organizational structure, business overview, workplace safety and hygiene, and standard operating procedures. It includes basic training and onboarding guidance. In addition, the supervisors of new employees also assist them in adjusting to the company culture and job responsibilities as quickly as possible.

On-the-Job Training	Provide diversified on-the-job training to enhance the fundamental and professional competencies required for various roles across departments, thereby strengthening workplace capabilities.
Internal Training	Training based on job categories includes programs mandated by local Malaysian government regulations, company policy requirements, and organization-wide training activities, such as workplace safety training, quality-related training, and emergency response training at the factory.
External Training	Professional and functional-specific training includes technical and specialized courses required by each functional department, such as equipment engineering, finance and accounting, information technology, Malaysian tax law, and Malaysian labor law. Employees are assigned to attend external training to enhance their professional competencies.




There is a difference in the average training hours between female and male employees in our company, primarily because the majority of factory operators are male. In accordance with government regulations, factory workers are required to undergo specific education and training. The company regularly arranges corresponding training programs, such as fire safety, technical skills, and quality management courses.

The following is the summary of employee training hours for 2023 and 2024:

Category/Item		Year	
		2023	2024
Total number of training participants		134	161
Total Training Hours	Hours	1368.25	1032.50
Average Training Hours	Hours/person	1.59	2.42

### 3.3.3 Employee Retirement System and Implementation Status

To safeguard employees' future retirement life, the Company strictly adheres to the relevant provisions of Malaysia's "Labor Standards Act" and "Employees Provident Fund Act", ensuring the proper implementation of the retirement system. This guarantees that employees can enjoy a stable and dignified standard of living after ending their careers, reflecting the Company's commitment to the long-term well-being of its employees.

-  Employees who reach the age of 60 within the year shall retire in accordance with the law, with December 31 of the same year regarded as their official retirement date. The Company will issue a written notice in advance to terminate the employment relationship.
-  Prior to reaching the retirement age of 60, both parties may consider extending the employment contract or agreeing on a fixed-term arrangement, allowing the employee to continue working. Upon completion of the agreed term, retirement will proceed in accordance with Malaysian regulations, and the applicable retirement benefits will be provided.
-  The retirement gratuity payable by the Company (based on the employee's years of service) is as follows:

Years of Service	Gratuity Amount
10 to 15 years	1 month's basic salary
15 to 20 years	1.5 month's basic salary
20 to 25 years	2 months' basic salary
25 to 30 years	2.5 months' basic salary
More than 30 years	3 months' basic salary



### 3.3.4 Employee welfare measures

Our company values employee welfare and has established various management policies and regulations, including salary, promotion, rewards and penalties, social insurance funds, provident funds, and annual leave benefits, all in compliance with local laws and regulations. We hope that employees can work in a favorable environment and contribute together to the company's success. The relevant employee benefits are listed in the table below:

Welfare Items	Description
Salary System	A competitive salary level is provided, and annual salary adjustments are made based on the company's overall operational performance and individual performance evaluations.
Bonus System	Each year, the company allocates a portion of its profits to provide employee bonuses, which are distributed based on performance evaluations conducted by the management team.
Insurance Scheme	Accident insurance is provided for employees who have served in the company for more than 3 years.
Employee Relations	Occasionally organizes sports competitions, year-end banquets, and staff gatherings.
Employee Care	Subsidies for weddings and funerals, an annual MYR 250 medical allowance for employees to visit company-affiliated clinics, and 14 days of paid sick leave and other benefits.
Leave and Attendance System	In accordance with Malaysian labor laws, the Company provides benefits such as Employees Provident Fund (KWSP), 98 days of maternity leave, 7 days of paternity leave, paid annual leave (ranging from 8 to 16 days depending on years of service), 14 days of paid sick leave, and 2 days of bereavement leave.
Other	Provision of company uniforms, domestic and overseas travel allowances, and long service awards to recognize employees who have served the company for over 10, 20, and 30 years. In addition, employees' children who achieve outstanding academic performance are eligible to receive academic excellence scholarships awarded by the company.

Employee Activity Photos, Annual Dinner



Employee Activity Photos, Long Service Award



Employee Activity Photos, Birthday Celebration



Employee Activity Photos, Lucky Draw



Employee Activity Photos, Academic Excellence Award for Employees' Children

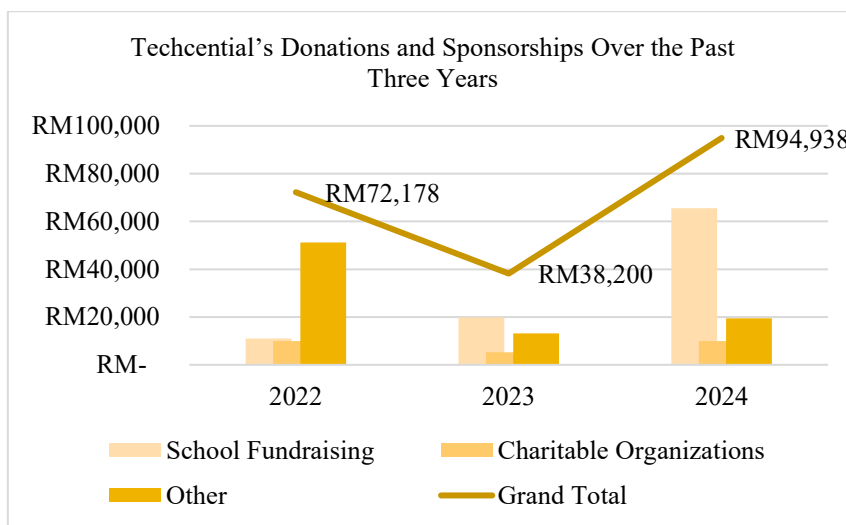


### 3.3.5 Minimum notice periods regarding operational changes

In the event of major operational changes (such as production line adjustments, relocation of business sites, or layoffs), the Company complies with the requirements of Malaysian labor laws by, in principle, providing written notice at least 30 days in advance and paying severance compensation based on years of service. If advance notice is not given, the Company will, in accordance with the law, pay compensation in lieu of notice equivalent to the notice period. The Company’s notice period policy meets or exceeds the statutory minimum requirements.

## 3.4 Social Welfare

The company demonstrates its strong commitment to corporate social responsibility by allocating an annual budget to support school organizations and local community initiatives. It has consistently sponsored fundraising and charitable activities, including long-term support for the Kun Seng Keng Lion and Dragon Dance Association Muar, Chung Hwa High School Muar, and the Muar Lions Renal Centre. These efforts reflect the company’s core values and founding mission of promoting Chinese culture and Chinese-language education, while strengthening community ties and advancing sustainability through meaningful social contributions.

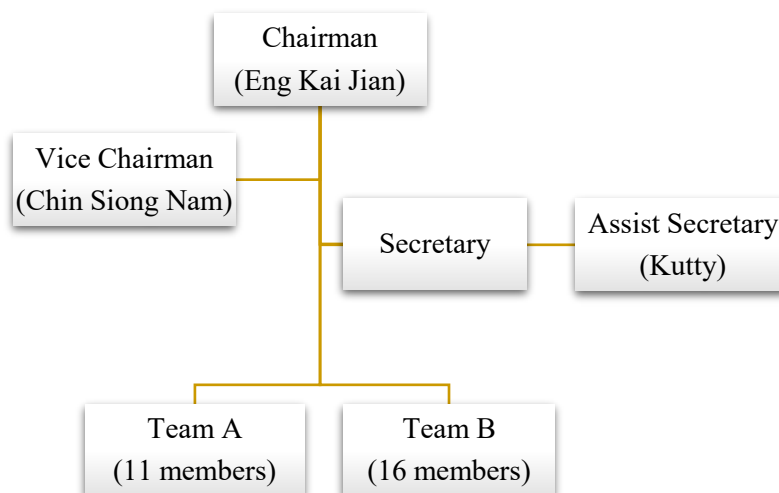


### 3.5 Workplace Safety and Training

Our company strictly complies with the relevant regulations of Malaysia’s Department of Occupational Safety and Health (JKKP) to ensure a safe and healthy workplace. We have established a “Workplace Safety and Health Policy” and formed a “Workplace Safety Teams” responsible for coordinating and implementing safety and health measures. The key responsibilities of this committee include: developing and executing employee safety management plans, promoting occupational safety and health systems, raising awareness of safety practices, and improving overall workplace safety standards. To strengthen safety prevention efforts, the company continuously identifies and mitigates potential risks and occupational hazards. Each year, based on actual working conditions, we formulate priority items and action plans to actively promote a culture of safety, ensuring employees are in a secure and hazard-free work environment.

To enhance all employees’ understanding of occupational safety and health regulations, as well as the company’s safety management mechanisms, our company regularly and occasionally conducts various training programs. Internal emails and bulletin boards are also used to reinforce safety promotion and reminders, strengthening employees’ safety awareness and ensuring adherence to workplace safety rules. In 2024, a total of 13 safety training seminars were held. Additionally, comprehensive safety and health education programs were provided to new employees to help them quickly adapt and comply with the company's safety regulations. These efforts aim to foster a safe, healthy, and risk-aware working environment.

Safety Teams Chart:

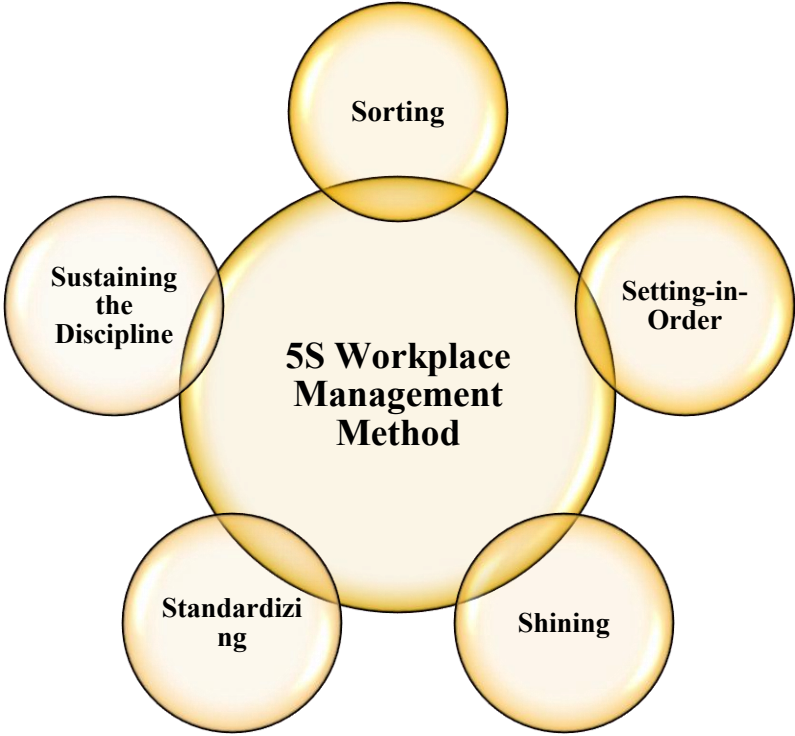


Safety and Health Education Training:

#### ✂ 5S Workplace Management Method

Our company regards the 5S workplace management method as an important management guideline, aimed at comprehensively enhancing workplace efficiency and quality. By promoting 5S management, we effectively improve workplace cleanliness and workflow, reduce potential safety risks, boost production efficiency, and cultivate strong workplace discipline and professional conduct among employees.

The 5S method encompasses the following 5 core elements:



Workplace Sexual Harassment Prevention Seminar

Our company places great importance on the prevention of workplace sexual harassment. We regularly or occasionally organize special seminars to raise employees’ legal awareness and self-protection knowledge. In addition, awareness posters are displayed on bulletin boards to reinforce a zero-tolerance culture toward sexual harassment, fostering a safe, respectful, and equitable working environment.

Workplace Sexual Harassment Prevention Seminar



Fire Safety Awareness and Fire Prevention Management

To prevent fire-related incidents, our company actively implements a range of fire safety measures, including enhancing fire prevention equipment and improving employees’ awareness of fire hazards. Regular training sessions are conducted, covering the operation and inspection of fire alarm systems. We also invite Malaysia’s Emergency Response Team (ERT) to provide professional, hands-on guidance to ensure that employees are equipped with proper fire prevention and emergency

response skills. On the infrastructure side, the company continues to install fire extinguishers, fire suppression balls, and a comprehensive sprinkler system. We also maintain 24-hour security patrols and have obtained certification from the fire department, significantly improving our overall fire protection capacity.

#### Training on Various Safety Standard Operating Procedures (SOP)

The Company actively promotes various safety standard operating procedure (SOP) training programs to ensure employees are well-versed in proper safety knowledge and operational skills. The training covers topics such as machinery and forklift operation safety, chemical hazard identification and protection, correct use of personal protective equipment (PPE), as well as regulations prohibiting smoking in work areas and maintaining workplace cleanliness. In addition, the Company has established clear regulations for forklift operation within the factory premises: “Only designated employees who have undergone forklift safety training and obtained authorization are permitted to operate forklifts.” Any unauthorized employee found operating a forklift will be subject to disciplinary action.

In 2024, The Company did not experience any major occupational accidents. For minor incidents (such as scrapes or cuts), records are kept, and immediate reviews and corrective actions are taken to continuously improve safety standards each year. To comprehensively safeguard personnel safety, the company strictly prohibits unauthorized personnel from entering operational areas and consistently enhances safety training for both employees and contractors. For large machinery operations, on-site supervision and strict adherence to operational protocols are enforced to tightly control the work environment and ensure the occupational health and safety of all personnel.

All employees are required to undergo occupational safety and health training. The training statistics for the reporting period are as follows:

Occupational Safety and Health Training Program Statistics Table			
Training Program	Training participants	Date of Training	Internal/ External Training
	Year 2024		
Usage Method of Conveyor Rail	7 persons	04/01/2024	Internal
Standard Operating Procedure (SOP) / Machine Training	97 persons	01/03/2024	Internal
Forklift Training (Retraining)	4 persons	01/03/2024	Internal
Forklift Driving Safety Training	2 persons	07/03/2024	Internal
Chemical Health Risk Assessment, CHRA Training	6 persons	14/03/2024	External
Hazardous Waste Handling Training	4 persons	16/04/2024	Internal
Chemical Health Risk Assessment, CHRA	10 persons	22/04/2024	External
LEV System	10 persons	22/04/2024	External

5S Organization Method: Creating a More Efficient and Organized Workplace	Safety Teams	22/06/2024	External
Occupational Safety and Health Coordinator (OSH-C)	2 persons	02~ 04/07/2024	External
Safety and Health Officer	1 persons	07/09 ~ 17/11/2024	External
Annual Hearing Conservation Program	All production workers	22/10/2024	External
Chemical Exposure Training	16 persons	19/11/2024	External

The Company is committed to creating a safe, healthy, and friendly workplace environment, enabling every employee to work with peace of mind and fully utilize their strengths. To strengthen occupational safety awareness, the company continuously promotes various safety campaigns and training programs, actively implementing the concept of 「Safety for Everyone」. It fully enforces the three-tier workplace safety protection principle—「Self-Protection, Supervisory Protection, and Peer Protection」—to ensure both employee health and the safety of the working environment.

### Status of Workplace Safety Education and Training

#### Workplace Safety 5S Awareness Seminar



#### Basic Fire Safety Knowledge and Evacuation Drill Training



👉 Fire Alarm System Inspection Training



👉 Safety Awareness and Emergency Standard Operating Procedure (SOP) Training

**SAFETY FORKLIFT**

**SAFETY CHEMICAL HAZARDS**


**BOUNDARY AREA FOLLOW ALL RULES & REGULATION**

NO SMOKING	WEAR HELMET	WEAR EYE PROTECTION	WEAR FACE PROTECTION	WEAR HAND PROTECTION	WEAR FOOT PROTECTION



👉 Scheduled Waste Handling Training



## 3.6 Noise Management

### 3.6.1 Noise Management and Occupational Health

Noise control is a key element in the occupational safety and health management system. Prolonged exposure to high-decibel environments can not only cause hearing loss but also lead to stress, reduced concentration, lower productivity, and increased risk of accidents. In response, the company actively implements noise management strategies through noise monitoring, risk assessment, equipment maintenance, and education and training. These comprehensive measures aim to minimize the impact of noise on employee health and to create a safe and comfortable working environment that complies with regulatory requirements.

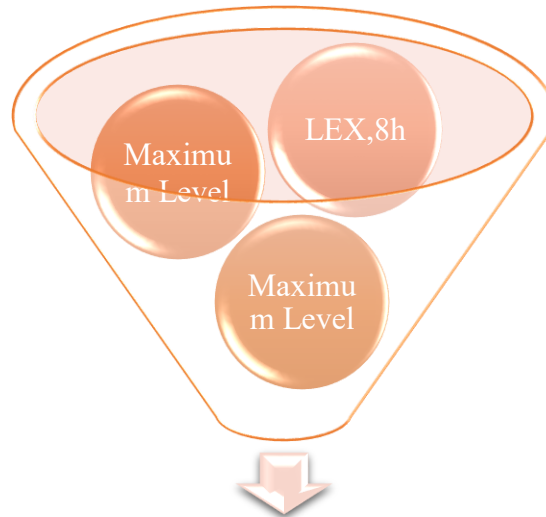
### 3.6.2 Noise Monitoring and Management

Our company upholds its commitment to employee health and operational safety by strictly complying with relevant environmental regulations in Malaysia. Regular noise monitoring is conducted to ensure noise levels meet the required standards. We implement a series of effective control measures targeting production equipment and other noise sources, striving to create a safe and healthy working environment. To reduce the impact of prolonged exposure to high noise levels on employees' hearing, we regularly perform Noise Risk Assessments (NRA) and apply engineering and administrative controls to minimize noise effects on employees and the surrounding environment. Additionally, regular Audiometric Tests are conducted to continuously monitor employees' hearing health and to verify the effectiveness of noise protection measures. Through ongoing noise monitoring and health surveillance, we strengthen workplace noise management mechanisms to ensure business operations prioritize both employee well-being and regulatory compliance.

#### A) Noise Risk Assessment Monitoring

In accordance with Section 4 of “Occupational Safety and Health (Noise Exposure) Regulations 2019”, our company has conducted noise risk assessments within the factory to ensure the working environment meets safety standards and to continuously enhance employee occupational health management. To comply with the regulatory requirements of the Malaysian Department of Occupational Safety and Health (DOSH) and the Department of Environment (DOE), our company commissioned a qualified professional organization—OSH Safety & Health Service—on January 18, 2024, to carry out a comprehensive noise risk assessment. This assessment focused on monitoring employees' personal noise exposure levels under actual working conditions and identifying potential high noise sources within various operational areas.

The assessment results will serve as an important basis for determining whether the factory noise exceeds the following exposure limits:



Noise Exposure Limits

2024 Daily Noise Exposure Level Monitoring Results:

Monitoring Department	LEX,8h	Maximum Level	Peak Level
Assembly	88.34	113.9	150.6
Finishing	86.14	113.7	120.5
Sanding	88.94	122.6	147.8
Drill (White Wood)	88.04	114.2	150.8
Veneer (White Wood)	88.84	107	120.3
Panel Saw (White Wood)	97.9	116.5	120.5

Explanation:

- The Daily Noise Exposure Level (DNEL) refers to the equivalent continuous sound pressure level (SPL) normalized to a standard 8-hour workday.
- The Daily Noise Exposure Level is expressed as LEX,8h.
- $LEX,8h = LeqTe + 10 \log (Te / To) \text{ dB(A)}$ 
  - $LeqTe$ : A-weighted equivalent continuous sound pressure level during the actual workday
  - $Te$ : Effective duration of the actual workday (hours)
  - $To$ : Reference time,  $To = 8$  hours
- Noise Exposure Limits :
  - LEX,8h :  $> 85 \text{ dB(A)}$  ( Daily Noise Exposure Limit )
  - Maximum Level :
  - Peak Level :  $> 140 \text{ dB(C)}$
- The monitoring level data in the above table are sourced from the background noise generated by departmental operations and their production processes.

B) Hearing Test

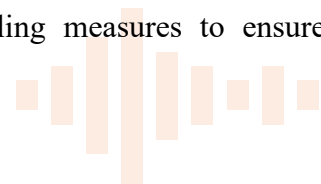
Our company deeply understands the potential impact of noise risks on employee health and is therefore committed to promoting a comprehensive noise risk management system. From production operations to supply chain activities, we rigorously implement relevant control measures. To ensure a safe working environment and protect employee health, we fully comply with current Malaysian regulations and industry standards, including:

- Occupational Safety and Health (Noise Exposure) Regulations 2019

- Industry Code of Practice for Management of Occupational Noise Exposure and Hearing Conservation 2019
- Guidelines on Management of Occupational Noise–Related Hearing Disorders 2021

To comply with Section 9(3) of the “Occupational Safety and Health (Noise Exposure) Regulations 2019”, as well as the regulatory requirements of the Malaysian Department of Occupational Safety and Health (DOSH) and the Department of Environment (DOE), our company commissioned a professionally qualified third-party organization—“Industrial Safety Management Service”—to conduct the annual employee hearing tests on February 22, 2024. The tests are operated by trained and certified technicians and supervised throughout by an Occupational Health Doctor (OHD). They are conducted in a mobile soundproof testing room certified by DOSH and holding a valid calibration certificate, ensuring that the testing process complies with regulatory standards and guarantees the accuracy and reliability of the results.

The tested personnel came from multiple production units, including the blanking, assembly, painting, and packaging departments, with a total of 60 employees participating. The tests covered a wide frequency range, including 500 Hz, 1000 Hz, 2000 Hz, 3000 Hz, 4000 Hz, 6000 Hz, and 8000 Hz, to comprehensively assess the hearing condition of the participants. According to the formal report issued by the Occupational Health Doctor, 58 of the 60 tested employees have normal hearing, while 2 were detected with hearing impairment. The company will continue to follow relevant regulations and medical advice to provide ongoing monitoring, necessary hearing protection, and counseling measures to ensure effective protection of employees’ occupational health and safety.



### 3.6.3 Noise Control Measures

To effectively manage and reduce noise risks in the workplace, our company has actively implemented various control measures to ensure employees work in a safe and healthy environment. The specific measures are as follows:

Control Measures	Implementation
Reasonable scheduling of working hours	For high-noise workstations, work time limits are implemented, with a 60-minute rest period provided daily to reduce continuous noise exposure and lower the risk of hearing damage.
Conducting annual hearing tests	Employees undergo regular annual hearing tests to monitor their hearing health, detect potential issues early, and evaluate the effectiveness of existing noise protection measures.
Installation of noise warning signs	Warning signs are posted in high-noise work areas to remind employees to properly wear personal protective equipment (PPE) when entering, thereby enhancing safety awareness.
Regular maintenance of equipment	New employees must receive comprehensive education on noise risks and protection, and be fully supervised by the production line team leader or supervisor during the initial period to ensure operations comply with safety regulations.

Equipment upgrades Continuous inspection, maintenance, and replacement of production equipment are carried out to reduce machinery noise and optimize the safety and comfort of the working environment.

Our company will continue to optimize noise management strategies by integrating technological innovation and international best practices to further reduce the impact of workplace noise on employee health, ensuring workplace safety and employee well-being. At the same time, through a sound occupational health and safety management system, we aim to improve operational efficiency and accelerate the achievement of our corporate sustainability goals.

Noise Monitoring Status

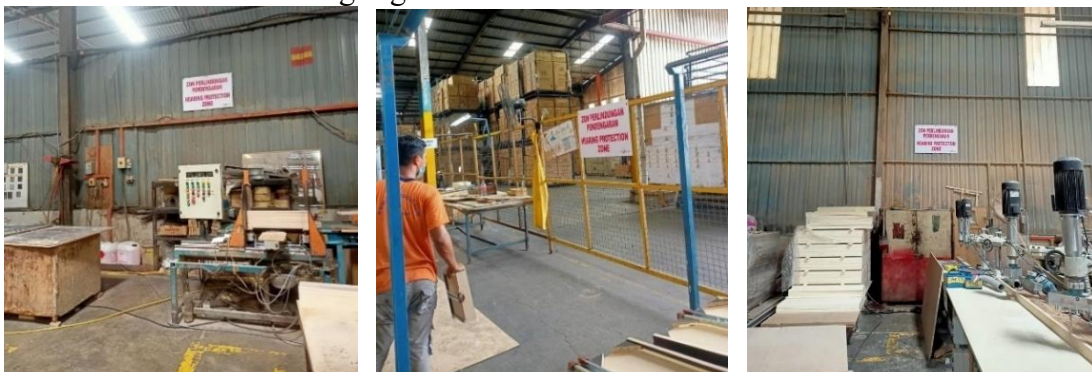
👉 Mobile Soundproof Testing Room



👉 Audiometric Test



👉 Noise Hazard Area Warning Signs



### 3.7 Customer Relationship Management

#### 3.7.1 Products and Services



Modern consumers increasingly value transparency and accuracy in product labeling. Clear product information helps protect consumer rights and promotes informed decision-making. The Company always ensures that all product labels are complete, accurate, and comply with relevant regulatory requirements. As of the end of 2024, our company has no records of violations related to product and service labeling, marketing communications (including advertising, promotions, and sponsorships). All products meet established quality standards and safety certification requirements. In 2024, our company also had no confirmed complaints regarding customer privacy breaches or loss of customer data.

- The Company places great importance on product quality and safety. All products sold strictly adhere to the following standards:

Standards/Regulations	Contents
California Air Resources Board (CARB) ATCM (Airborne Toxic Control) 93120	Regulates formaldehyde emissions in wood products to reduce harmful substances in the air and protect public health.
Chapter 6 of the United States Toxic Substances Control Act (TSCA Title VI)	Specifies compliance with formaldehyde emission standards for wood products, consistent with CARB standards, applicable to products manufactured or sold in the United States, effectively protecting consumer health and environmental safety.
TB117-2013 Flammability Test	Conducts flammability tests on upholstered furniture materials to ensure products meet fire safety requirements.
Stopping Tip-overs of Unstable, Risky Dressers on Youth Act (STURDY Act, S.3232)	All storage-type furniture sold in the U.S. market (such as wardrobes and drawer chests) must comply with new stability tests to ensure they are not easily tipped over, even when drawers are open or during simulated child climbing scenarios.

The following are external certificates:

External certificates	Certificate
<p>Formaldehyde Emission Certification International Certificate Testing Technology (ICTT)</p>	
<p>Board Certification Certificate Service International, LLC ( Particle Board 9mm – 40mm )</p>	
<p>Board Certification Certificate Service International, LLC ( MDF 8mm – 30mm )</p>	
<p>Board Certification Certificate Service International, LLC ( Thin MDF 3mm – 8mm and MDF 8.1mm - 25mm )</p>	

### 3.7.2 Customer Satisfaction

The Company actively understands whether various products meet customer needs and provides the best after-sales service, establishing a communication bridge with customers to enhance brand loyalty and recognition. According to the quality inspection principles set for each product, product quality is controlled through random sampling inspections. At the same time, our company's products have obtained various international certification marks to ensure that the products meet international standards.

#### Awards & Achievements



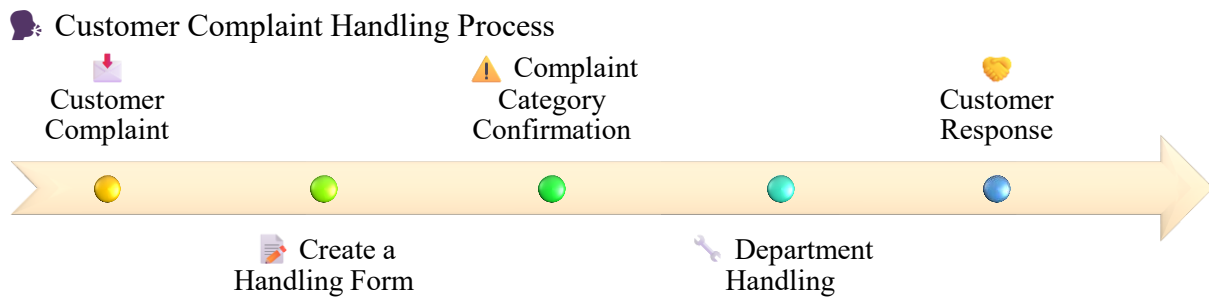
### 3.7.3 Customer Communication Channels



### 3.7.4 Customer Complaint Handling

Customer complaint handling is not only a process for resolving issues but also an important aspect of enhancing customer satisfaction and maintaining brand image. The Company places great importance on customer opinions and feedback, and has established a comprehensive handling process for complaint cases to thoroughly identify the causes of complaints and continuously improve product and service quality. All cases are recorded in the after-sales service log to reduce and prevent the recurrence of similar incidents.

As of the end of 2024, the Company has not experienced any incidents of customer privacy breaches or loss of customer data, nor has it faced any major product liability disputes or legal proceedings arising from customer complaints. This demonstrates that the Company continues to earn market recognition for its product quality and customer satisfaction.



### 3.7.5 Product R&D and Innovation

The Company views sustainable development as a driving force for business growth. Through continuous innovation and optimization in product R&D, we are committed to designing furniture products that combine quality, aesthetics, and environmental sustainability. By optimizing production processes, introducing low-carbon materials, and adopting circular design concepts, we reduce resource waste and environmental impact while enhancing the overall life cycle efficiency of our products. At the same time, the company actively keeps pace with market trends and customer needs to increase product added value and market competitiveness.

#### 1. Innovation and Technological Upgrades

To improve production efficiency and reduce energy consumption, we actively introduce advanced manufacturing technologies and automated equipment. Our R&D team continuously explores innovative processing techniques, such as low-VOC (Volatile Organic Compounds) coating technology and the application of environmentally friendly materials, to ensure that our products not only meet international safety and environmental standards but also provide consumers with a safer and healthier user experience.

#### 2. Consumer Demand-Oriented Approach

Our product development always focuses on meeting consumer needs while maintaining market foresight. Through continuous market research and customer feedback, we are able to adjust product designs and functions to launch innovative furniture that better meets the needs of modern households. Our design team integrates user-friendliness, practicality, and aesthetics into every product development process, thereby continuously enhancing customer quality of life and brand value.

#### 3. Compliance and Safety Certifications

The Company's R&D team places special emphasis on product compliance, ensuring that every product meets international safety and environmental standards. For example, our furniture complies with the U.S. CARB (California Air Resources Board) formaldehyde emission requirements and adheres to the EU REACH chemical management regulations, guaranteeing safe use for consumers.

## 4、 Sustainable Environment

### 4.1 Management Policy

#### ✦ Hazardous Substances Management

Material Topics : Hazardous Substances Management	
Reason for Materiality	Hazardous Substances Management involves the safety and compliance of handling hazardous chemicals or substances during production, storage, transportation, and processing. Proper management of hazardous substances not only ensures the safety of the environment and personnel but also reduces legal risks for the company and promotes sustainable development.
Impacts and Effects	<p>Actual/Potential Positive Impact:</p> <ul style="list-style-type: none"> <li>○ Environmental Aspect: Effective hazardous substances management can reduce the emission of pollutants such as volatile organic compounds (VOCs) and formaldehyde, thereby minimizing environmental pollution.</li> <li>○ Social Aspect: Reducing employee exposure to toxic chemicals during production helps lower the risk of occupational diseases and workplace accidents, improving overall workplace safety.</li> </ul> <p>Actual/Potential Negative Impact:</p> <ul style="list-style-type: none"> <li>○ Environmental Aspect: Failure to implement proper hazardous substance management in the production process can lead to environmental pollution.</li> <li>○ Social Aspect: Employees need to learn the properties of new eco-friendly materials and the corresponding safety operation protocols. Insufficient training may result in production errors or increased safety risks.</li> </ul>
Policies / Strategies	Complying with Malaysian and international regulations, we have established emergency response mechanisms and strengthened employee training to ensure the safe handling and operation of hazardous substances.
Short-term and Medium-to-Long-term Goals	<ul style="list-style-type: none"> <li>● Short-Term Goal: Establish a hazardous waste classification and disposal mechanism to ensure compliant handling.</li> <li>● Medium-to-Long-Term Goal: Develop a digital monitoring platform for the supply chain to track chemical usage in real time.</li> </ul>
Management Evaluation Mechanism	<ol style="list-style-type: none"> <li>1. Establish a chemical registration system to record data on usage, storage, and emissions.</li> <li>2. Conduct company-wide education and training to enhance employee safety awareness and standardize operational procedures.</li> </ol>
Performance and Adjustment	Employee participation rate in hazardous substances management training reached 100%.
Preventive and Remedial Measures	<ul style="list-style-type: none"> <li>● Adopt clean production technologies during the manufacturing process to reduce chemical emissions, achieving low-carbon and low-pollution production.</li> <li>● Conduct regular risk assessments of hazardous substances, updating internal management measures in accordance with regulations and standards to prevent leaks or accidental incidents.</li> <li>● Provide employees with regular training on hazardous substances management to enhance their awareness and ensure they can safely handle and operate hazardous materials.</li> </ul>
Responsible Department / Grievance Mechanism	Contact Person: Admin and HR Department Contact Email: admin@techcential.com

## 4.2 Energy Management

The issue of carbon neutrality, which has emerged in response to global climate change, has become an international consensus and a potential risk under new and upcoming environmental regulations. Various industries have begun implementing measures to address climate change. In recent years, the United Nations has actively promoted the SDGs, and a majority of global manufacturers have responded by striving to reduce pollution, protect the environment, improve energy efficiency, utilize resources effectively, and minimize waste — all in pursuit of sustainable corporate development. Our company proactively advocates compliance with environmental regulations and adopts energy saving and carbon reduction as a core business principle. We emphasize both environmental protection and economic value, aiming to minimize environmental impact, fulfill social responsibility, and coexist harmoniously with the planet.

### 💡 Factory Electricity Consumption:

Indicator \ Year	2022	2023	2024
Electricity Consumption	1,590,577 KWh	3,134,286 KWh	3,077,581 KWh

#### Note:

1. TC operates a total of six plants. From January to April 2022, only three plants—TC 1, TC 3, and TC 5—were in operation. TC 6 commenced operations in May 2022. As a result, the overall electricity consumption for 2022 was significantly lower compared to 2023, primarily due to the smaller number of operational plants during that period.
2. From January to December 2023, four plants—TC 1, TC 3, TC 5, and TC 6—were continuously in operation. The operational scale expanded compared to 2022, leading to a corresponding increase in electricity consumption.
3. As of the end of July 2024, five plants—TC 1, TC 2, TC 3, TC 5, and TC 6—were in operation, with TC 2 being newly commissioned. TC 4 is scheduled to begin operations in August 2024, at which point all six of the company's plants will be fully operational.

### 4.2.1 Energy-Saving Measures

Upholding the concept of sustainable operations, our company actively promotes various policies to improve energy efficiency, reduce energy consumption, and lower carbon emissions. We also strengthen employee awareness of energy conservation to fulfill our commitment to environmental protection. In recent years, the following measures have been progressively implemented in our operational sites and daily management:

Energy-Saving and Carbon Reduction Measures	Method
Digitalization of Administrative Processes	Fully implemented the Online e-Leave System to effectively reduce the use of paper documents, improve administrative efficiency, and lower the consumption of office supplies.
Introduction of Energy-Efficient Equipment	Replaced factory perimeter lighting and surveillance systems with solar-powered spotlights and CCTV cameras, achieving both energy efficiency and enhanced nighttime security.

Optimization of Vehicle Management	Phased out work vehicles that have been in use for over 15 years, prioritizing replacement with hybrid vehicles to reduce fuel consumption and carbon emissions, while simultaneously improving operational efficiency.
Daily Energy-Saving Actions	Promoted good habits such as turning off lights when not in use, setting air conditioning to reasonable temperatures, and reducing paper printing through double-sided printing and paper recycling. Regular internal awareness campaigns are conducted to deepen the company's culture of energy conservation and carbon reduction.

In the future, our company will continue to review current energy usage and evaluate more forward-looking energy-saving strategies. By integrating emerging technologies and encouraging employee participation, we aim to further enhance energy management performance and move toward the goal of low-carbon and sustainable operations.

### 4.3 Climate Change

In 2024, global climate change continued to intensify. According to the World Meteorological Organization (WMO) “State of the Global Climate 2024 Report”, the global average surface temperature was about 1.55°C higher than the pre-industrial level (1850–1900), marking the highest temperature on record. The Company is mindful of the potential impacts of climate change on production stability, raw material supply chains, and employee health and well-being. We are committed to taking proactive actions to reduce the environmental impact of our operations while enhancing corporate resilience and sustainable competitiveness.

The Malaysian government has released the “National Climate Action Blueprint”, pledging to reduce carbon emission intensity by 2030 and to promote the development of green industries and a low-carbon economy. In alignment with national policies, the Company is gradually adjusting its operations and implementing various climate initiatives, including energy conservation and carbon reduction, process digitalization, renewable energy adoption, vehicle replacement, and the establishment of a carbon emission inventory system, which will serve as the foundation for setting future carbon reduction targets and action plans.



#### 4.3.1 Climate-Related Issues Management

The Board of Directors holds ultimate oversight responsibility for climate-related matters. Since 2022, the schedule for greenhouse gas (GHG) inventory and verification has been incorporated into quarterly reports and tracked by the Corporate Governance Department. Starting in 2024, the Head of Corporate Governance has been tasked with coordinating progress across all aspects of sustainability and regularly reporting implementation status to the Board.

Although the direct and significant impacts of climate change on the Company's business, strategy, and finances are not yet evident, the medium- to long-term impacts are expected to increase year by year. In line with the TCFD principles, the Company has identified potential short-, medium-, and long-term physical risks, transition risks, and related opportunities, and has incorporated them into future enterprise risk management considerations to ensure that climate risks and opportunities are integrated into business decision-making.

## Potential Impacts of Climate Risks and Opportunities on Operations:

Period	Category	Potential Impact	Response Strategy
Short Term (1-3 years)	Physical Risks (Extreme Rainfall, Floods and Storms, Heatwaves)	Raw Material Delivery Delays, Damage to Facilities and Inventory, Increased Energy Consumption	Enhance Flood Control, Ventilation, and Storage Facilities; Diversify Supply Chain
Medium Term (3-10 years)	Transition Risks (Carbon Tax, Emission Standards)	Rising Export Costs, Investment in Energy-Efficient Equipment Required	Invest in Energy-Efficient Equipment, Transition to Low-Carbon Products
Long Term (10 years and above)	Climate Opportunities (Rising Demand for Green Products)	Expand Low-Carbon Furniture Market, Enhance Brand Image	Adopt FSC-Certified Timber and Eco-Friendly Coatings, Develop Furniture with Recycled Materials

## Energy Conservation, Carbon Reduction, and Transition Measures:

Energy-Saving and Carbon Reduction Measures	Measures
Operational Energy-Saving and Carbon Reduction Measures	Continue implementing daily energy management practices, including turning off lights when not in use, setting air conditioning to reasonable temperatures, and reducing paper printing by promoting double-sided printing and reusing single-sided waste paper. These efforts aim to minimize unnecessary energy consumption and greenhouse gas emissions, while regular awareness campaigns help strengthen employees' consciousness of energy conservation and carbon reduction.
Digital Process Optimization	Since 2023, the company has fully implemented the Online e-Leave System, effectively reducing the use of paper leave forms, improving administrative efficiency, and achieving both resource conservation and process optimization.
Application of Renewable Energy	The company is gradually replacing the factory's perimeter lighting and surveillance systems with solar-powered spotlights and CCTV cameras to enhance nighttime security monitoring while reducing reliance on conventional energy sources.
Vehicle Replacement and Upgrade	Starting in 2024, the company has begun phasing out work vehicles that have been in use for over 15 years, prioritizing the purchase of hybrid models to reduce fuel consumption and carbon emissions. This initiative also helps lower vehicle maintenance costs and improve operational efficiency.

Looking ahead, the Company will continue to monitor the potential impacts of climate change on its business and supply chain, while formulating more forward-looking energy-saving and carbon-reduction initiatives and actively exploring the application of renewable energy technologies such as solar power. At the same time, the Company will strengthen carbon emission data management and enhance information transparency to meet the expectations of international customers, investors, and ESG rating agencies regarding low-carbon transition, thereby ensuring the Company's competitiveness amid global sustainability trends.

## 4.4 Hazardous Substances Management

The Company fully recognizes the potential risks that hazardous substances pose to the environment and human health. The company continuously promotes comprehensive hazardous substance management to ensure that all production and supply chain operations strictly comply with relevant Malaysian regulations, including:

- Environmental Quality Act 1974
- Environmental Quality (Scheduled Wastes) Regulations 2007
- Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 · USECHH

The company's management strategy encompasses key areas such as substance identification, risk monitoring, reduction, and substitution of hazardous materials. Through stringent internal controls and compliance procedures, the company effectively minimizes impacts on the environment and employee health, thereby fulfilling its commitment to sustainable development and corporate responsibility.



### 4.4.1 Hazardous Substance Identification and Monitoring

We have established a systematic chemical management system that fully complies with the Classification, Labelling and Safety Data Sheet of Hazardous Chemicals Regulations 2013 (CLASS Regulations) and the Globally Harmonized System (GHS). This includes chemical classification, labelling, and the management of Safety Data Sheets (SDS), ensuring transparency of information and effective risk control. The company strictly adheres to the Environmental Quality Act 1974 in the procurement, use, storage, and disposal of chemicals. In addition, regular Chemical Health Risk Assessments (CHRA) are conducted in accordance with the Use and Standards of Exposure of Chemicals Hazardous to Health Regulations 2000 (USECHH) to continuously assess risks and improve protective measures, safeguarding employee health and environmental safety.

On March 14, 2024, the company commissioned a qualified professional agency, Optimize OSH Halt Hazard and Empower Workplace (OHE Consultancy), to conduct an on-site assessment, and the Chemical Health Risk Assessment (CHRA) report was completed on April 4, 2024. This report was prepared based on the "Chemical Health Risk Assessment Manual (3rd Edition)" issued by the Department of Occupational Safety and Health (DOSH) under Malaysia's Ministry of Human Resources. It serves as a key reference for evaluating the health risks posed by hazardous chemicals in the workplace to employees.

Based on the preliminary investigation, three operational units within the company have been identified as requiring a Chemical Health Risk Assessment (CHRA). These units are:

1. Chemical Storekeeper and Mixer
2. White Wood Operator
3. Filler and Finishing Operator



The CHRA covered a total of 124 chemicals, with three primary Routes of Exposure (ROE) identified for each substance: inhalation hazard, dermal (skin contact) hazard, and ingestion hazard. Through systematic analysis, the assessment provided a comprehensive understanding

of potential health risks that employees may face during operational processes, serving as a critical foundation for subsequent risk classification and the implementation of appropriate control measures.

☠ Summary Level of Risk according to the work unit for inhalation and dermal assessment:

Work Unit	Level of risk for Inhalation Hazard			Level of risk for Dermal Hazard			Total Level of risk		
	Low	Moderate	High	Low	Moderate	High	Low	Moderate	High
Chemical Storekeeper and Mixer	-	58	-	-	58	-	-	116	-
White Wood Operator	1	-	-	-	1	-	1	1	-
Filler and Finishing Operator	-	59	-	-	59	-	-	118	-
Summation	1	117	-	-	118	-	1	235	-
Percentage (%)	0.85	99.15	-	-	100	-	0.4	99.6	-

Note: The risk levels for inhalation and dermal hazards are classified based on the actual exposure of chemicals in each work unit.

Among the 124 chemicals assessed, 121 (97.6%) were classified as Action Priority Level 2 (AP-2), while the remaining 3 (2.4%) were classified as Action Priority Level 1 (AP-1).

☠ Summary of action priority according to the work units assessed:

Work Unit	No. of Chemical Assessed	Action Priority (AP-1)	Action Priority (AP-2)
Chemical Storekeeper and Mixer	64	3	61
White Wood Operator	1	-	1
Filler and Finishing Operator	59	-	59
Summation	124	3	121
Percentage (%)		2.4%	97.6%

Note: The action priority level is based on the highest risk route of exposure (ROE) identified for each chemical, which is used for percentage statistics.





The company continuously strengthens management based on existing controls to actively prevent employee exposure to hazardous chemicals classified as AP-1 and AP-2 levels. Local Exhaust Ventilation (LEV) systems have been installed in the production areas to promptly capture harmful gases and dust generated during the manufacturing process, preventing their spread into the work environment. The LEV system includes exhaust hoods, ductwork, air cleaning devices, fans, and stacks, all of which are inspected and maintained monthly by the technical department. In 2024, the company commissioned a qualified organization, Optimize OSH Halt Hazard and Empower Workplace (OHE Consultancy), to conduct comprehensive testing of the LEV system. The evaluation was based on the design basis, baseline data, and

physical measurement values recommended by the American Conference of Governmental Industrial Hygienists (ACGIH). The results met all regulatory standards with no corrective actions required, demonstrating the company's solid foundation and effective execution in engineering controls.

The company has established a comprehensive personal protective equipment (PPE) management system. According to the risk characteristics of different work environments, appropriate PPE is provided to employees in relevant departments, covering respiratory protection, eye protection, and skin protection, to comprehensively enhance the safety protection level in the workplace. To ensure the effectiveness of the protective equipment, the company also strengthens employee training on PPE usage and daily supervision. Through systematic implementation and on-site enforcement, employees' safety awareness and correct operation are enhanced, further fulfilling the company's commitment and responsibility in environmental protection and occupational health and safety management.

#### 4.4.2 Reduction and Substitution Strategies

To reduce the risks posed by hazardous chemicals to the environment and employee health, our company actively promotes reduction and substitution strategies as the core of our chemical management system. Through cross-departmental collaboration and strict control, we continuously optimize management from the following aspects:

-  **Green Supply Chain:** Strictly control from the raw material procurement stage, prioritizing the use of alternative materials with low toxicity, low volatility, and minimal impact on human health. Ensure that raw materials comply with environmental regulations and sustainability principles, practicing green transformation from the source.
-  **Process Improvement:** Optimize production processes to reduce the usage and emissions of chemicals, improve efficiency, and minimize residues and leakage.
-  **Research and Innovation:** Combine technological R&D with external resources to introduce environmentally friendly materials and sustainable technologies, enhancing overall green manufacturing capabilities.
-  **Training and Supervision:** Strengthen employee training and supervision to ensure the effective implementation of environmental management systems.

Our company will continue to monitor regulatory developments and trends in chemical usage. Through institutionalized processes and risk assessment mechanisms, we ensure the minimization and optimized use of hazardous substances, striving toward higher standards of safety and environmental protection.

#### 4.4.3 Hazardous Substances Storage and Waste Management Plan

To actively prevent the potential risks that hazardous substances pose to human health and the natural environment, our company has developed a "Hazardous Substances Storage and Waste Management Plan" in accordance with relevant regulations, integrating it into the core processes of sustainable operations. This plan aims to strengthen source management, reduce

operational risks, and fulfill the company's commitment to environmental protection and workplace safety. It covers the following two major aspects:

A) Storage Management: Creating a Safe and Controlled Chemical Storage Environment

- 🧪 **Classified Storage and Labeling:** Chemicals are stored and classified according to their physical and chemical properties (such as flammability, corrosiveness, toxicity, etc.). All storage containers are clearly labeled with the chemical name, hazard category, date of receipt, and emergency response information. Regular inventory checks are conducted to monitor actual stock levels.
- 🧪 **Facility Safety Enhancement:** All storage areas are equipped with necessary safety devices and ventilation systems, which are regularly inspected and maintained to ensure compliance with regulatory standards and operational requirements.
- 🧪 **Regular Training and Emergency Drills:** Relevant personnel receive regular training on proper use of personal protective equipment (PPE) and emergency response procedures, ensuring they are capable of managing incidents such as leaks and fires effectively.

B) Waste Management: Reducing Pollution Risks and Fulfilling Environmental Responsibilities

- 🧪 **Waste Classification and Temporary Storage:** Waste containing hazardous components should be segregated from general waste, clearly labeled, collected according to its nature, and temporarily stored in designated hazardous waste storage areas.
- 🧪 **Continuous Improvement and Risk Control:** Regular internal audits and training sessions are conducted to enhance employees' awareness of waste classification and disposal, thereby strengthening overall management effectiveness.

The Company will continue to optimize its hazardous substance management processes, aiming to reduce environmental impact, fulfill corporate social responsibility, and move toward sustainable development.

### Hazardous Substance Control Status

#### 👉 Chemical Health Risk Assessment (CHRA) Awareness and Chemical Handling



☞ LEV, Local Exhaust Ventilation



☞ Classification and Labeling of Chemical Waste



☞ Standard Operating Procedures (SOP) for Chemical Handling

Standard Operating Procedure (SOP)			
Chemical Handling			
1) Ensure to wear the Personal Protective equipment (PPE)	2) Adding the suitable quantity of chemical	3) Adding suitable 'thinner'	4) Measuring by second meter
5) Mixing chemical	6) Delivery to production line	7) Used Chemical to put inside recycling drum	
8) Empty drum to keep at 'Scheduled Waste Storage Area'	9) In case of accident should quickly wash eyes at emergency area	10) In case of accident at body should quickly take off uniform and taking bath, after that go to hospital for Pharmaceutical Processing	11) If chemical spilled, quickly apply with the prepared dry sand or call superior for assistance.

## 5、Appendix

### 5.1 Appendix 1、GRI Standards Content Index

General Disclosures: GRI 1: Foundation 2021

GRI Standards Categories/ Topics	Disclosure items	Disclosure Title	Chapter / Note	Page
<b>1. The organization and its reporting practices</b>				
GRI 2 : General Disclosures 2021	2-1	Organizational details	1.1 About Techcential	7
	2-2	Entities included in the organization's sustainability reporting	About this Report	5
	2-3	Reporting period, frequency and contact point	About this Report	5
	2-4	Restatements of information	About this Report	6
	2-5	External assurance	About this Report	6
<b>2. Activities and workers</b>				
GRI 2 : General Disclosures 2021	2-6	Activities, value chain and other business relationships	1.1 About Techcential	7
	2-7	Employees	3.2 Diverse Employee Structure	49
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	2-10	Nomination and selection of the highest governance body	2.2 Business Philosophy	26
	2-11	Chair of the highest governance body	2.2 Business Philosophy	27
	2-12	Role of the highest governance body in overseeing the management of impacts	2.2 Business Philosophy	27
	2-13	Delegation of responsibility for managing impacts	2.2 Business Philosophy	26
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	2-19	Remuneration policies	2.2 Business Philosophy	31
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<b>4. Strategy, policies and practices</b>				
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	2-24	Embedding policy commitments		44,
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	2-26	Mechanisms for seeking advice and raising concerns	2.6 Integrity in Business Operations	38
	2-27	Compliance with laws and regulations	2.6 Integrity in Business Operations	38
	2-28	Membership associations	2.7 Participation in Various Associations and Organizations	41
<b>5. Stakeholder engagement</b>				
GRI 2 : General Disclosures 2021	2-29	Approach to stakeholder engagement	1.2 Stakeholder Engagement	12
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GRI 204 : Procurement Practices 2016	204-1	Proportion of spending on local suppliers	2.8 Supply Chain Management	42
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GRI 206 : Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.6 Integrity in Business Operations	38
<b>Topic-specific Standards: GRI 300 Series (Environment Topics)</b>				
	302-1	Energy consumption within the organization	4.2 Energy Management	74

GRI Standards Categories/ Topics	Disclosure items	Disclosure Title	Chapter / Note	Page
GRI 302 : Energy 2016	302-2	Energy consumption outside of the organization	4.2 Energy Management	74
	302-3	Energy intensity	4.2 Energy Management	74
Topic-specific Standards: GRI 400 Series (Social Topics)				
GRI 401 : Employment 2016	401-1	New employee hires and employee turnover	3.2 Diverse Employee Structure	50
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.3 Talent Cultivation and Care	56
	401-3	Parental leave	3.3 Talent Cultivation and Care	56
GRI 402 : Labor Management Relations 2016	402-1	Minimum notice periods regarding operational changes	3.3 Talent Cultivation and Care	58
GRI 403 : Occupational Health and Safety 2018	403-1	Occupational health and safety management system	3.5 Workplace Safety and Training	59
	403-2	Hazard identification, risk assessment, and incident investigation	3.5 Workplace Safety and Training 4.4 Hazardous Substances Management	61, 78
	403-3	Occupational health services	3.5 Workplace Safety and Training	59
	403-4	Worker participation, consultation, and communication on occupational health and safety	3.5 Workplace Safety and Training	59
	403-5	Worker training on occupational health and safety	3.5 Workplace Safety and Training	61
	403-6	Promotion of worker health	3.5 Workplace Safety and Training	59
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.5 Workplace Safety and Training	59
	403-8	Workers covered by an occupational health and safety management system	3.5 Workplace Safety and Training	59
	403-9	Work-related injuries	3.5 Workplace Safety and Training 4.4 Hazardous Substances Management	61, 78
	403-10	Work-related ill health	4.4 Hazardous Substances Management	78
GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	3.3 Talent Cultivation and Care	54
	404-2	Programs for upgrading employee skills and transition assistance programs	3.3 Talent Cultivation and Care	54
	404-3	Percentage of employees receiving regular performance and career development reviews	3.3 Talent Cultivation and Care	54

GRI Standards Categories/ Topics	Disclosure items	Disclosure Title	Chapter / Note	Page
GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	3.2 Diverse Employee Structure	49
	405-2	Ratio of basic salary and remuneration of women to men	3.2 Diverse Employee Structure	52
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	3.2 Diverse Employee Structure	49
GRI 407 Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2.6 Integrity in Business Operations	38
GRI 408 Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	2.8 Supply Chain Management	43
GRI 409 Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.2 Diverse Employee Structure	51
GRI 414 : Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	2.8 Supply Chain Management	42
	414-2	Negative social impacts in the supply chain and actions taken	2.8 Supply Chain Management	43
GRI 416 : Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	3.7 Customer Relationship Management	69
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.7 Customer Relationship Management	69
GRI 418 : Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.7 Customer Relationship Management	71

## 5.2 Appendix 2 、 Material Topic Disclosures

GRI No	Topic	Sector Standards No	Disclosure items	Disclosure Title	Chapter / Note	Page
GRI 3 : Material Topics 2021	Management Policy	-	3-1	Process to determine material topics	1.3 Material Topic Identification	16
	Management Policy	-	3-2	List of material topics	1.3 Material Topic Identification	17
Material Topics : Corporate Governance and Ethical Business Practices						
GRI 3 : Material Topics 2021	Corporate Governance and Ethical Business Practices Management Policy	-	3-3	Management of material topics	2.1 Management Policy	19
GRI 205	Anti-corruption disclosure 2016	-	205-1	Operations assessed for risks related to corruption	2.6 Integrity in Business Operations	40
		-	205-2	Communication and training about anti-corruption policies and procedures	2.6 Integrity in Business Operations	40
		-	205-3	Confirmed incidents of corruption and actions taken	2.6 Integrity in Business Operations	40
Material Topics : Regulatory Compliance						
GRI 3 : Material Topics 2021	Regulatory Compliance Management Policy	-	3-3	Management of material topics	2.1 Management Policy	21
GRI 2 : 2021	General Disclosures 2021	-	2-27	Compliance with laws and regulations	2.6 Integrity in Business Operations	38
Material Topics : Customer Relationship Management						
GRI 3 : Material Topics 2021	Customer Relationship Management Policy	-	3-3	Management of material topics	3.1 Management Policy	44
GRI 416	Customer Health and Safety disclosure 2016	-	416-1	Assessment of the health and safety impacts of product and service categories	3.7 Customer Relationship Management	69
			416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.7 Customer Relationship Management	69
Material Topics : Business Performance						

GRI No	Topic	Sector Standards No	Disclosure items	Disclosure Title	Chapter / Note	Page
GRI 3 : Material Topics 2021	Business Performance Management Policy	-	3-3	Management of material topics	2.1 Management Policy	22
GRI 201	Economic Performance disclosure 2016	-	201-1	Direct economic value generated and distributed	2.3 Operational Performance	35
		-	201-2	Financial implications and other risks and opportunities due to climate change	4.3 Climate Change	75
		-	201-3	Defined benefit plan obligations and other retirement plans	2.3 Operational Performance	35
		-	201-4	Financial assistance received from government	2.3 Operational Performance	35
<b>Material Topics : Workplace Health and Safety</b>						
GRI 3 : Material Topics 2021	Workplace Health and Safety Management Policy	-	3-3	Management of material topics	3.1 Management Policy	46
GRI 403	Occupational Health and Safety disclosure 2018	-	403-1	Occupational health and safety management system	3.5 Workplace Safety and Training	59
		-	403-2	Hazard identification, risk assessment, and incident investigation	3.5 Workplace Safety and Training 4.4 Hazardous Substances Management	61, 78
		-	403-3	Occupational health services	3.5 Workplace Safety and Training	59
		-	403-4	Worker participation, consultation, and communication on occupational health and safety	3.5 Workplace Safety and Training	59
		-	403-5	Worker training on occupational health and safety	3.5 Workplace Safety and Training	61
		-	403-6	Promotion of worker health	3.5 Workplace Safety and Training	59
		-	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.5 Workplace Safety and Training	59
		-	403-8	Workers covered by an occupational health and	3.5 Workplace Safety and Training	59

GRI No	Topic	Sector Standards No	Disclosure items	Disclosure Title	Chapter / Note	Page
				safety management system		
		-	403-9	Work-related injuries	3.5 Workplace Safety and Training	61, 78
		-	403-10	Work-related ill health	4.4 Hazardous Substances Management	
Material Topics : Hazardous Substances Management						
GRI 3 : Material Topics 2021	Hazardous Substances Management Policy	-	3-3	Management of material topics	4.1 Management Policy	73
Material Topics : Employee Training and Development						
GRI 3 : Material Topics 2021	Employee Training and Development Management Policy	-	3-3	Management of material topics	3.1 Management Policy	48
GRI 401	Employment disclosure 2016	-	401-1	New employee hires and employee turnover	3.2 Diverse Employee Structure	50
		-	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.3 Talent Cultivation and Care	56
		-	401-3	Parental leave	3.3 Talent Cultivation and Care	56
GRI 404	Training and Education disclosure 2016	-	404-1	Average hours of training per year per employee	3.3 Talent Cultivation and Care	54
		-	404-2	Programs for upgrading employee skills and transition assistance programs	3.3 Talent Cultivation and Care	54
		-	404-3	Percentage of employees receiving regular performance and career development reviews	3.3 Talent Cultivation and Care	54
Material Topics : Risk Management						
GRI 3 : Material Topics 2021	Risk Management Policy	-	3-3	Management of material topics	2.1 Management Policy	24

### 5.3 Appendix 3 · Climate-Related Information

No	Content	Chapter	Page
1	Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	4.3 Climate Change	75
2	Describe how the identified climate-related risks and opportunities impact the company's business, strategy, and financial planning over the short, medium, and long term.	4.3 Climate Change	75
3	Describe the financial impacts of extreme weather events and transition activities.	4.3 Climate Change	75
4	Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management framework.	4.3 Climate Change	75
5	If scenario analysis is used to assess resilience to climate change risks, disclose the scenarios, parameters, assumptions, analytical factors, and key financial impacts applied in the analysis.	Our company has not used scenario analysis to assess climate change risks.	-
6	If there is a transition plan in place to manage climate-related risks, disclose the content of the plan, as well as the metrics and targets used to identify and manage physical and transition risks.	The transition plan for managing climate-related risks is still under consideration.	-
7	If internal carbon pricing is used as a planning tool, disclose the basis for determining the price.	Internal carbon pricing has not been used as a planning tool.	-
8	If climate-related targets have been set, disclose the covered activities, greenhouse gas emission scopes, target timelines, and annual progress toward achieving the targets. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet these targets, disclose the sources and amounts of the carbon offsets or the number of RECs used.	The method for setting the company's climate-related targets is still under consideration.	-
9-1-1	Greenhouse gas (GHG) inventory information for the most recent two years.	Although the Company has not yet reached the mandatory disclosure threshold, it will initiate carbon inventory in 2026 in accordance with the regulatory timeline. Since 2024, the Company has been collecting baseline data and establishing an inventory framework to support future disclosures.	-
9-1-2	Greenhouse gas (GHG) assurance information for the most recent two years.	In accordance with regulations, the Company will complete consolidated assurance by 2029 and has already begun planning the verification process and external collaboration model in advance.	-
9-2	Greenhouse gas (GHG) reduction targets, strategies, and specific action plans.	After the 2026 inventory, the Company will set reduction targets and implement measures such as energy conservation, renewable energy adoption, process optimization, and transportation efficiency improvements.	-



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