2025

TECHCENTIAL
INTERNATIONAL LTD
特昇國際

ESG Report

Environmental Social Governance

Environmental Social Governance

ESG Report

Content

Letter From the Chairman

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

In an era of rising global focus on environmental and social stewardship, corporate value extends far beyond financial returns to encompass a long-term responsibility toward our planet, society, and future generations. As a Malaysia-based furniture manufacturer with a global footprint, Techcential International Ltd. remains committed to our core values of integrity, quality, and innovation, integrating sustainability into our daily operations and strategic decisions.

Over the past year, in response to global supply chain volatility and evolving market demands, we proactively implemented lean management practices, optimising production efficiency and resource allocation. While securing operational stability, we minimised resource consumption and operating costs through systematic energy conservation and waste reduction initiatives. Simultaneously, we expanded our global market reach and accelerated our digital transition by developing e-commerce and diversified sales channels, boosting international brand visibility.

Our people are our most valuable asset. We are dedicated to cultivating a safe, healthy, and inclusive workplace, supported by comprehensive medical subsidies, educational grants, and diverse welfare programmes. Techcential strictly complies with labor laws and continues to strengthen occupational health and safety management alongside training programmes, advancing steadily toward our goal of zero accidents. We also remain committed to enhancing our team's digital literacy, sustainability awareness, and cross-cultural communication skills to foster resilience in a dynamic global market.

We believe that corporate growth is deeply linked with community co-prosperity. Throughout 2025, despite external economic headwinds and disciplined cost management, we upheld our social commitments. Guided by our principle of supporting local heritage and education, we directed our resources primarily toward local school fundraising and educational institutions, while continuing to assist various charitable organisations to fulfill our role as a responsible corporate citizen.

Looking forward, Techcential will continue to strengthen its sustainability governance. Following the formal establishment of our Board-authorized ESG Task Force in June 2025, we successfully designated 2025 as our greenhouse gas inventory base year, establishing a systematic foundation for our long-term decarbonisation roadmap. By continuing to drive smart manufacturing, green processes, and digital transition, we aim to enhance both operational efficiency and environmental performance. We are dedicated to raising disclosure transparency and deepening stakeholder engagement to build a sustainable, prosperous future for all.

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, 2025, to December 31, 2025. 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. Any restatements of information, if applicable, will be clearly explained within the report. 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

The reporting period for this report is consistent with the consolidated financial statements, covering January 1, 2025, to December 31, 2025. Techcential International Ltd. publishes its Sustainability Report annually and makes it available on the official corporate website.

Current Publication Date: August 2026

External Assurance

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

Information Recompilation

There is no information recompilation in this report.

Responsible Department for Sustainability Reporting

Department：Techcential International Ltd. – Corporate Governance Department
Contact Person: Ms Yee
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Company ESG website: https://www.techcential-international.com/esg-relevant-2-2/
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1、 Sustainable Operations

1.1 About Techcential

（GRI 2-1，GRI 2-6）

1.1.1 Company Profile

Company Name	**Techcential International Ltd**
Established Year	2016
Headquarters	Muar, Johor, Malaysia
Industry Category	Home & Living
Main Products & Services	Manufacturing and sales of wooden bedroom furniture
Paid-in Capital	TWD 354,784,730
Number of Employees	654

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.

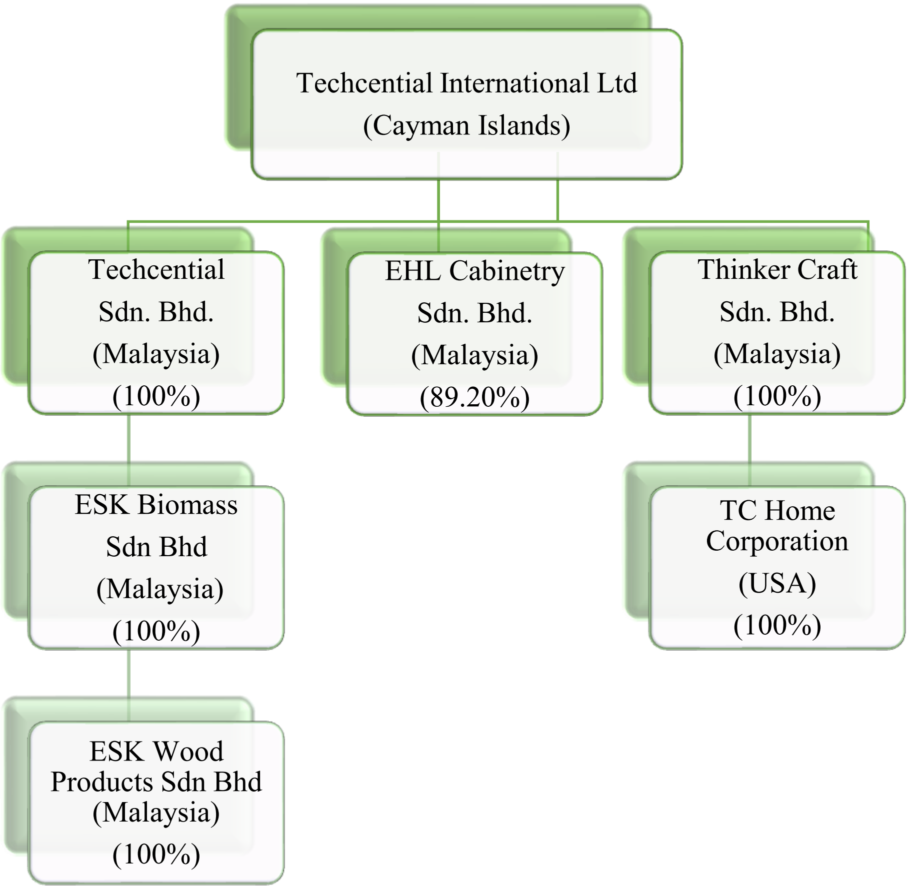
The Company’s subsidiaries include Techcential Sdn. Bhd. (“TC”), EHL Cabinetry Sdn. Bhd. (“EHL”), TC Home Sdn. Bhd. (now renamed as Thinker Craft Sdn. Bhd., “TCH”), TC Home Corporation ("TCC”), ESK Biomass Sdn. Bhd. ("ESKB"), and ESK Wood Products Sdn. Bhd. (ESKW”).

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).

1.1.2 Company Structure

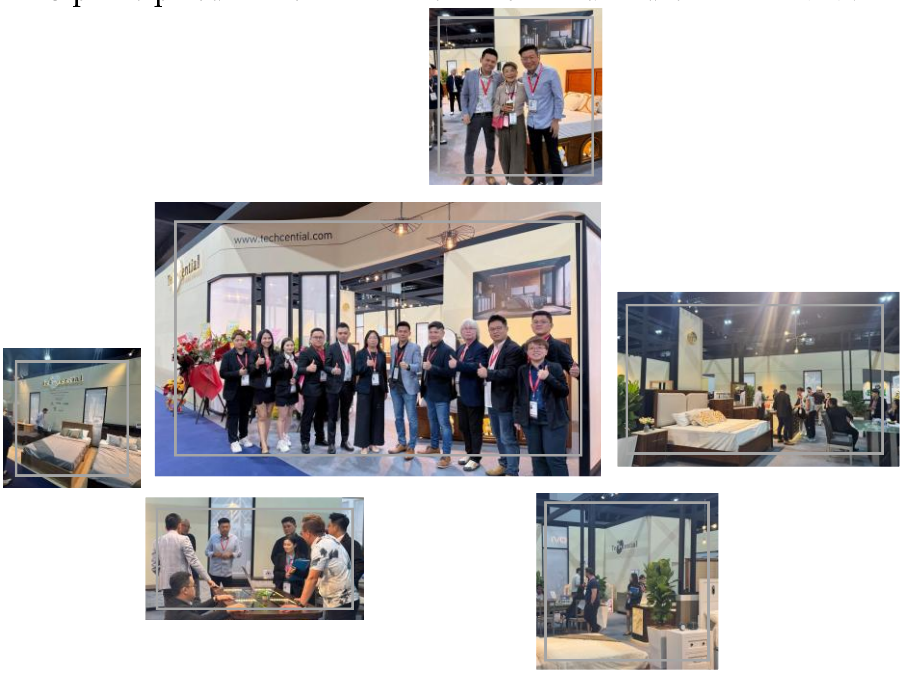


1.1.3 Company Milestones

Year	Accomplishment
2012	TC revenue over RM60 million.
2013	1. Establishment of TC Home Sdn. Bhd., mainly for the development of the market for furniture other than bedroom furniture through trade. 2. Group staff increased to 400. 3. TC introduced the WorkFlow ERP GP system.
2014	1. The group's revenue exceeded MYR 80 million, with an annual growth rate of approximately 30%. 2. TC built a second plant to expand production capacity.
2015	1. The group's revenue is approximately MYR100 million, with an annual growth rate of approximately 20%. 2. TCH launched its own brand, TC Home in High Point, North Carolina, USA, and has since operated its own brand of furniture business. 3. TCH became one of the world's largest furniture exhibition "High Point Furniture Market" exhibitors.
2016	1. TCH actively explored the US West market and joined the Las Vegas Furniture Market. 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.
2017	TC 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. TC 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 2nd 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. TC 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. TC participated in the MIFF International Furniture Fair in Kuala Lumpur, Malaysia, in March. 2. TC 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. TC 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	TC participated in the MIFF International Furniture Fair in Kuala Lumpur, Malaysia.
2026	1. TC participated in the MIFF International Furniture Fair in Kuala Lumpur, Malaysia. 2. TC participated in the IFF International Furniture Fair in Istanbul, Turkey.

TC participated in the MIFF International Furniture Fair in 2025:



1.1.4 Furniture supply Chain Stakeholders

Upstream Suppliers of raw materials	Midstream Furniture manufacturer	Downstream 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

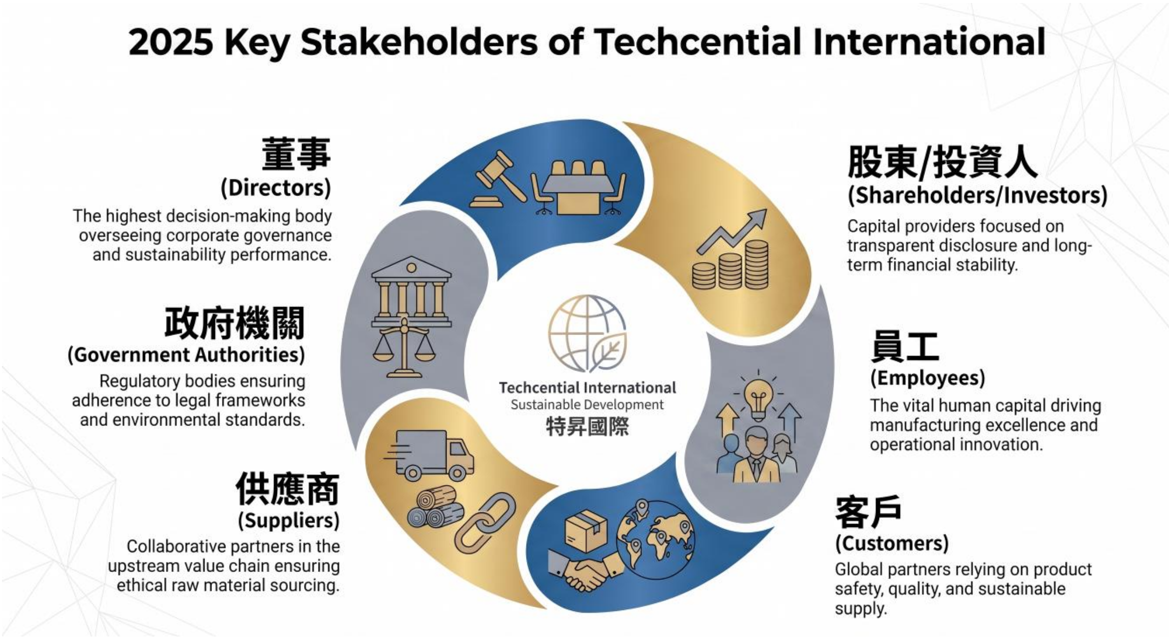
（GRI 2-29）

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 6 key stakeholder groups: (1)Board of director, (2) shareholders/investors, (3) employees, (4) customers, (5) suppliers, and (6) 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 2025, 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.



🙋 Communication with the main stakeholders:

Stakeholders	Relation ship	Issues of Concern	Communication Channels/ Frequency	Communication Practice Statistic	Department
Board of Director		• Corporate Governance and Ethical Business Practices • Business Performance • Regulatory Compliance • Risk Management	• Board meetings are convened quarterly, with communication conducted between the auditors and the management team. • At least once a year, independent directors hold a regular meeting with the auditors to ensure transparency in corporate governance. • At least once a year, on-site visits are conducted to gain an understanding of the company's operational status.	• In 2025, 6 Board of Directors Meeting was held per year. • Independent directors communicate with the auditors at least once per year. • All directors have completed the required continuing education hours for the relevant year.	

Stakeholders	Relation ship	Issues of Concern	Communication Channels/ Frequency	Communication Practice Statistic	Department
			• Regulatory updates and continuing education information are provided via email. Contact Person: Spokesperson Contact Email: investor@techcential.com		
Shareholders	Capital Providers	• Corporate Governance and Ethical Business Practices • Risk Management • Business Performance • Regulatory Compliance • Workplace Health and Safety • Workforce Diversity • Hazardous Substances Management	• Annual General Meeting (once a year) • Investor Briefing (at least once a year, online/in-person) • Financial Reports (including annual reports and quarterly financial statements) • Material Announcements (irregular updates on the company website) • Investor Relations Section (providing operational information) • Instant Messaging (some shareholders stay in touch with the company via Line) Contact Person: Spokesperson Contact Email: investor@techcential.com Line ID: til6616	• In 2025, one Annual General Meeting was held, and the company was invited to host one hysical and Online Investor Conferences. • In 2025, a total of 41 material announcements were made, and information in the Investor Relations section of the company website was regularly updated.	Corporate Governance

Stakeholders	Relation ship	Issues of Concern	Communication Channels/ Frequency	Communication Practice Statistic	Department
Employees	Key Operational Assets of the Company	• Corporate Governance and Ethical Business Practices • Labor-Management Relations • Information Security and Privacy Protection • Workplace Health and Safety • Workforce Diversity	• Monthly Meetings, Cross-Departmental Meetings, and Labor-Management Meetings • Internal Complaint Mailbox (for real-time feedback) • Training Programs (held irregularly) • Employee Social Events (to enhance team cohesion) Contact Department: Admin and HR Department Contact Email: admin@techcential.com	• In 2025, there were zero cases reported through the internal complaint mailbox. • A total of 20 employee training sessions were conducted in 2025, covering topics such as occupational safety and health, and workplace sexual harassment prevention. • Annual social events are held to enhance employee satisfaction.	Admin and HR
Customers	Product Users	• Corporate Governance and Ethical Business Practices • Risk Management • Business Performance • Workplace Health and Safety • Customer Relationship Management • Hazardous Substances Management	• Email, phone calls, and on-site audit discussions • Regularly scheduled factory visits • International furniture exhibitions • Dedicated account representatives Contact Person: TC Marketing Manager Contact Email: lance@ techcential.com	• Weekly production and quality control meetings are held to review and improve based on customer feedback. • Participated in the Kuala Lumpur International Furniture Fair to showcase new products and invite customers for visits. • Participated in the international furniture fairs in the United States, visiting existing and potential customers to gain insights into market trends.	Marketing

Stakeholders	Relation ship	Issues of Concern	Communication Channels/ Frequency	Communication Practice Statistic	Department
Suppliers	Supply Chain Partners	• Corporate Governance and Ethical Business Practices • Supply Chain Management	• Direct communication and email • Occasional supplier visits and meetings • Quality inspection and evaluation • Environmental, Health, and Quality assessments Contact Person: Purchasing Contact Email:purchasing@ techcential.com	• 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. • Reviewed suppliers' good/defective product data quarterly and provided timely feedback for improvement.	Purchasing
Goverment	Regulatory Compliance	• Corporate Governance and Ethical Business Practices • Regulatory Compliance Workplace Health and Safety • Hazardous Substances Management	• Comply with regular inspections and license renewals conducted by regulatory authorities • Participate in regulatory briefings organized by government agencies • Disclose and report information through the Market Observation Post System (MOPS) • Attend industry seminars on an irregular basis Contact Person: Corporate Governance Contact Email:investor@techcential.com	• In 2025, there were no incidents of fines or penalties incurred due to violations of socio-economic or environmental regulations. • Continued to maintain a good relationship with regulatory authorities to ensure compliance with all applicable laws and regulations.	Corporate Governance

1.3 Material Topic Identification

（GRI 3-1，GRI 3-2）

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 2025. 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:

Understanding the Organizational Context

- Through internal discussions across departments and based on topic collection guided by the GRI Standards and current international trends, the company ultimately identified a total of 16 sustainability topics—comprising 6 governance-related, 5 social-related, and 5 environmental-related issues.

Identifying Impacts

- Based on the list of sustainability topics identified in the previous step, the company's senior management from various departments further assessed each topic by scoring the likelihood and magnitude of both positive and negative impacts. The total scores were then summed and ranked, with topics scoring above 3.60 considered as the company's defined material topics.

Assessing Impact Significance

- The company conducted surveys among senior management from various departments to assess the level of impact related to sustainable operations and the degree of stakeholder concern for each topic. These results served as a reference for prioritizing material topics. A total of 104 questionnaires were collected this year, including 27 on impact level and 77 on level of concern.

Sustainability Topic Disclosure and Reporting

- After the results of the material topic analysis were finalized, the Sustainability Report Preparation Team held meetings to review and discuss the findings. Ultimately, 7 material topics were identified. The management approach for each topic is disclosed in the relevant chapters of this report, serving as a means of communication and response to stakeholders.

1.3.1 Results of Material Topic Identification

Techcential identifies material topics in accordance with GRI 3 Standards. For transparency, the following details explain adjustments made to the 2025 material topics compared to the previous year.

Comparison of Material Topic Changes (2024 vs. 2025)

Item	Subject	Reason / Remarks
Topics Upgraded to Material in 2025	1.Information Security & Privacy Protection 2.Labor-Management Relations	Rationale: The implementation of Malaysia's E-Invoicing policy and our ongoing digital transformation have significantly increased the potential impact of cybersecurity on operational continuity. Furthermore, results from a July 2025 employee survey indicated a rise in staff concern regarding institutional transparency and communication, prompting the company to prioritize labor-management relations as a core material topic
Topics Reclassified as Other for 2025	1.Hazardous Substance Management 2.Employee Training and Development 3.Risk Management	Rationale: Our ESG team assessed that these areas are already governed by mature and effective management frameworks, such as compliance with the Environmental Quality Act 1974. Consequently, their impact scores fell below the 2025 materiality threshold, and they will continue to be tracked under other topics

The Company has ultimately consolidated the seven material topics into seven corresponding management approaches for reporting purposes. The results of the materiality assessment are presented in the table below:

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

8. Supply Chain Management
9. 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
Information Security and Privacy Protection	Material Topics 2021 GRI 3	1.3 Material Topic Identification 2.5 Information Security Management	▲	●	●	●	▲	▲
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	●	●	●	▲	▲	▲
Business Performance	Economic Performance GRI 201	2.3 Operational Performance	●	●	●	●	▲	▲
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	▲	●	●	●	▲	▲
Workplace Health and Safety	Occupational Health and Safety GRI 403	3.5 Workplace Safety and Training	▲	●	●	▲	▲	●
Labor-Management Relations	Employment 2016 GRI 401	3.2 Diverse Employee Structure 3.3 Talent Cultivation and Care	▲	●	●	▲	▲	●

2、 Corporate Governance

2.1 Management Policies

（GRI 3-3）

📌 Information Security and Privacy Protection

Material Topics：Information Security and Privacy Protection	
Reason for Materiality	Information security and privacy are fundamental to maintaining operational stability and stakeholder trust. Following the implementation of Malaysia's e-invoicing policy and our digital transformation, ensuring system reliability and regulatory compliance has become essential for business continuity.
Impacts and Effects	Actual/Potential Positive Impact: ○ Economic Aspect: Robust mechanisms prevent financial losses resulting from cyberattacks or system interruptions. In 2025, the company continued investing in cybersecurity hardware and software maintenance to ensure digital operational resilience. ○ Social Aspect: Strengthening data protection fosters long-term trust with customers and employees. Addressing anxieties regarding new technology identified in the 2025 survey, cybersecurity training reduces risks from improper operation and enhances digital literacy. Actual/Potential Negative Impact: ○ Economic Aspect: Poor information security management may lead to data breaches, system interruptions, or cyberattacks, resulting in financial losses, fines, and operational risks. ○ Social Aspect: Incidents of personal data leakage or privacy violations can damage corporate image and stakeholder trust, reduce customer and stakeholder support, and may trigger legal and compliance risks.
Policies / Strategies	1. Established Control Procedures for Computerized Information Systems and Information Security Management Policies based on internal control systems to clearly define access control and data backup and recovery standards. 2. The Information Technology department oversees planning, while the Internal Audit office conducts regular cybersecurity audits to ensure the effective implementation of all protection measures. 3. Deployed enterprise-grade firewalls, anti-virus software, and web filtering systems to block external malicious attacks and internal improper connections.
Short-term and Medium-to-Long-term Goals	• Short-term goal: Complete access rights reviews for key systems; ensure 100% antivirus and patch updates for servers and critical endpoints. • Long-term goal: Conduct annual employee security awareness sessions; evaluate the adoption of ISO 27001 principles to enhance management processes.
Management Evaluation Mechanism	1. Risk Assessment: Conduct annual cybersecurity risk assessments to monitor system stability. The 2025 assessment classified the company as low risk. 2. Executive Oversight: IT leadership reports regularly to the General Manager and Board on performance and risk status to ensure management oversight and resource support. 3. Performance Tracking: Established tracking and improvement mechanisms for major incidents or violations, ensuring transparency through annual performance reviews.
Performance and Adjustment	1. Zero major cyberattacks or security incidents occurred; no complaints were received regarding customer privacy or data loss. 2. Maintained a low risk rating and successfully completed annual cybersecurity training and anti-phishing drills.
Preventive and Remedial Measures	1. Implemented off-site backups and regular data recovery drills to ensure rapid business restoration in emergencies. 2. Issued regular security alerts and provided technical support for operational challenges reported by employees.

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

📌 Corporate Governance and Ethical Business Practices

Material Topics：Corporate Governance and Ethical Business Practices	
Reason for Materiality	Sound corporate governance and ethical management are the cornerstones of Techcential's sustainable development. In June 2025, the company formally established an ESG Task Force chaired by the Chairman to coordinate sustainability strategies and report regularly to the Board, deepening decision-making transparency.
Impacts and Effects	Actual/Potential Positive Impact: ○ Economic Aspect: Our Corporate Governance Evaluation ranking rose to the 51%-65% bracket in 2025, significantly boosting capital market confidence and facilitating future fundraising and business expansion. ○ Social Aspect: We continue to enforce a zero-tolerance policy for unethical behavior, fostering a culture of integrity through mandatory compliance training for all new employees. Actual/Potential Negative Impact: ○ 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. ○ Social Aspect: ▪ 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. ▪ Inadequate information disclosure reduces corporate transparency and societal trust, which may negatively impact stakeholders' decision-making and level of support.
Policies / Strategies	1. Effectively perform the functions of the Board of Directors and ensure shareholders' rights and interests, actively addressing shareholder matters. 2. Regularly publish financial statements and operational reports to ensure the timeliness and transparency of information disclosure. 3. Establish communication channels with stakeholders to enhance engagement and communication with them. 4. Conduct annual performance evaluations of the Board of Directors and functional committees, and report the results to the Board.
Short-term and Medium-to-Long-term Goals	• Short-term Goal: Optimize the operations of the Board of Directors and its committees to enhance decision-making efficiency and supervisory capabilities. • Mid-term Goal: Ensure all directors complete at least 6 hours of professional development annually, with a focus on steadily increasing the proportion of ESG-related training. • Long-term Goal: Publish a sustainability report each year to disclose performance in corporate governance and ethical business practices.
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	1. Governance Efficiency: The Board held 6 meetings in 2025 with 100% attendance. The Board functioned effectively, providing substantive recommendations on operational risks, tax compliance, and sustainable transformation. 2. Evaluation Leap: The significant improvement in our governance ranking reflects the effectiveness of recent efforts to enhance Board functions and information disclosure, including the publication of the sustainability report. 3. Professional Development: Directors completed a total of 57 training hours in 2025, meeting all regulatory requirements. ESG-related courses accounted for 5.26% of these hours

Preventive and Remedial Measures	1. Communication Transparency: Independent directors held 1 communication meeting with external auditors during the year to ensure transparency. 2. System Refinement: We continue to implement the Ethical Corporate Management Procedures and Guidelines updated in November 2024, ensuring 100% of new hires receive training to prevent any form of unethical conduct.
Responsible Department / Grievance Mechanism	Contact Person: Spokesperson Contact Email: investor@techcential.com LINE ID: til6616

📌 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	Actual/Potential Positive Impact: ○ Economic Aspect: Driving digital transformation and e-commerce development to offer high-value services and increase market competitiveness. ○ Social Aspect: Fostering career progression through technical training in AI, ERP, and other advanced systems. Actual/Potential Negative Impact: ○ Economic Aspect: Risks include margin compression from global market shifts, such as US tariffs or housing market slumps, which may weaken investor confidence. ▪ Social Aspect: Potential for restructuring or layoffs during economic downturns, affecting employee stability and household welfare.
Policies / Strategies	1. Financial Monitoring: Conducting monthly executive management meetings and quarterly Board reporting to ensure rigorous budget oversight and resource efficiency. 2. Strategic Transformation: Utilizing digitalization as a growth engine to expand e-commerce and reach diverse international markets, reducing reliance on any single region. 3. Manufacturing Optimization: Investing in automation and CNC technology to improve raw material efficiency and adopting green manufacturing to lower costs and waste
Short-term and Medium-to-Long-term Goals	• Short-term: Improve operational performance and optimize costs to minimize financial losses. • Medium-term: Scale e-commerce capabilities and broaden the global footprint beyond the US market. • Long-term: Adopt 2025 as the base year for comprehensive low-carbon transitions and sustainability commitments.
Management Evaluation Mechanism	Management reviews performance monthly during executive meetings, with quarterly financial reports submitted to the Board and Audit Committee. Additionally, the Board reviews and approves the annual budget for the upcoming year each year-end.
Performance and Adjustment	Consolidated revenue for 2025 was NTD 1,027,775 thousand, an 11.73% decline from 2024 due to fluctuating market demand. Despite this, disciplined budget controls and process optimizations resulted in a significant 60.84% reduction in net loss after tax compared to the previous year.
Preventive and Remedial Measures	1. Board Oversight: Integrating performance metrics across departments under Board guidance to allow for timely strategic adjustments. 2. Digital Acceleration: Implementing systems like E-Invoicing and diversifying online sales channels to enhance business resilience. 3. Human Capital: Ensuring equitable compensation structures and providing training in AI and emerging technologies to improve productivity and staff retention
Responsible Department / Grievance Mechanism	Contact Person: Spokesperson Contact Email: investor@techcential.com LINE ID: til6616

📌 Regulatory Compliance

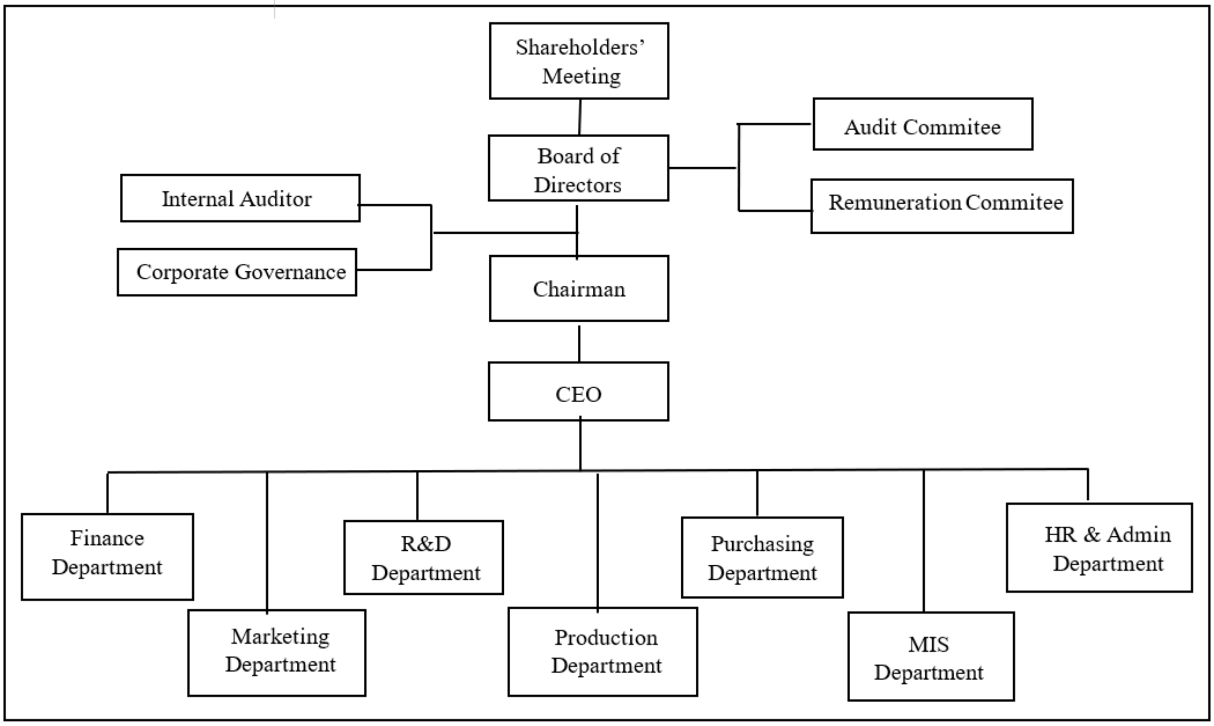
Material Topics：Regulatory Compliance	
Reason for Materiality	Compliance with regulations is the fundamental basis of our company's development and a non-negotiable bottom line. In fulfilling our corporate responsibilities, we actively monitor changes in social, economic, and environmental regulations. In particular, we strictly adhere to or exceed Malaysian legal standards in noise control to safeguard the local natural environment.
Impacts and Effects	Actual/Potential Positive Impact: ○ Economic Aspect: Completed the inaugural greenhouse gas (GHG) inventory and ESG report, enhancing market transparency to attract ESG-focused investors and green financing opportunities. ○ Social Aspect e: Implemented rigorous noise and dust monitoring to preserve the environment for communities near the Muar plant. Maintained 100% compliance with Malaysian labor laws to protect the legal rights of our diverse workforce. Actual/Potential Negative Impact: ○ 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. ○ 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.
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	• Short-term Goals: Strengthen internal compliance frameworks; improve the quality of sustainability disclosures by prioritizing carbon management; and enhance regulatory training for employees. • Mid-term Goal: Implement air and noise control standards that are stricter than local regulatory requirements. • Long-term Goal: Drive a corporate culture shift that integrates regulatory compliance into daily decision-making and business development for stable, sustainable growth.
Management Evaluation Mechanism	1. Oversight: Conduct annual internal audits and integrate quarterly ESG Task Force reports to ensure management transparency. 2. Adaptability: Proactively participate in government briefings, such as the 2024 E-Invoicing sessions, to update internal operational standards.
Performance and Adjustment	1. Compliance: All environmental monitoring results met required standards, with zero significant legal violations, fines, or litigation cases in 2025. 2. Disclosure: Formally published the inaugural sustainability report and completed the required filing process in accordance with regulatory rules. 3. Data Maturity: Successfully established a GHG inventory mechanism and completed the 2025 GHG inventory report.
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

2.2 Business Philosophy

（GRI 2-9 ~ GRI 2-20）

The Board of Directors is the strategic and governance hub of the company, responsible for overseeing operations and ensuring corporate responsibility while balancing the interests of shareholders and stakeholders. We maintain a robust governance framework focused on protecting rights and fostering environmental, social, and economic sustainability. Functional committees, specifically the Audit and Remuneration Committees, support the Board in financial supervision, risk management, and executive compensation. To further enhance this structure, CFO Tan Kok Bee was appointed as the Corporate Governance Officer in 2023 to coordinate and implement governance policies. These committees provide expert guidance on internal controls and sustainability strategies, strengthening transparency and independent oversight to ensure long-term stable 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 corporate governance and promote comprehensive decision-making, Techcential actively implements a Board Diversity Policy covering gender, age, professional expertise, and industry experience. Directors are selected through a transparent candidate nomination system supported by the corporate governance department and elected via Board and Shareholder meeting procedures. As of 2025, the Board comprises 7 directors, including 3 independent directors with financial or legal backgrounds, representing an independence ratio of 43%. Candidates are nominated based on their professional knowledge, skills, integrity, and ability to meet the company's diversification and developmental needs.

Independent directors maintain no specific conflicts of interest and serve on both the Audit and Remuneration Committees, providing neutral and objective professional advice to enhance governance quality. In 2025, the Board held a total of 6 meetings (2 sessions for the 4th term and 4 sessions for the 5th term) with a 100% attendance rate. No extraordinary Board meetings were recorded during this period.

Title	Name	Gender	Number of Actual Attendance	Rate of Actual Attendance (%)
5th Term of the Board members				
Chairman	Eng Synergy Management Sdn. Bhd. Representative: Eng Kai Pin	Male	6	100%
Director	Surging Success Sdn. Bhd. Representative：Poa Keng Ling	Female	4	100%
Director	Liao Wei Chuan	Male	6	100%
Director	Chang Ming Huang	Male	6	100%
Independent Director	Chou Chih Yuan	Male	6	100%
Independent	Huang Chi Jui	Male	6	100%
Director	Tay Puay Chuan	Male	6	100%
4th Term of the Board members				
Director	Surging Success Sdn. Bhd. Representative：Eng Kai Jie	Male	2	100%

Note： 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 2025 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

The Board holds ultimate accountability for corporate strategy, risk management, and the oversight and approval of sustainable development. Directors actively participate in defining sustainability policies, setting targets, and designing risk management frameworks, while regularly reviewing ESG performance to meet stakeholder expectations. To enhance governance efficiency, an ESG Task Force was established in June 2025 under Board authorization to coordinate strategies and report regularly to the Board. Furthermore, the company promotes professional development for directors through ESG-related training, strengthening their ability to ensure that corporate strategies remain aligned with global sustainability 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 2025, the total number of training hours completed by all directors amounted to 57 hours, of which training related to ESG accounted for 5.26 %. Details of each director's participation in training are provided in the attached table.

Title	Name	Training Date Start	Training Date End	Organizing agency	Training/Speech Title	Hours	Total Hours
Director	Eng Synergy Management Sdn. Bhd. Representative: Eng Kai Pin	19/12/2025	19/12/2025	社團法人中華公司治理協會	公司誠信經營與高階當責制度	3	6
		03/12/2025	03/12/2025	社團法人中華公司治理協會	全球趨勢分析-風險與機會	3	
Director	Surging Success Sdn. Bhd. Representative: Poa Keng Ling	05/11/2025	05/11/2025	中華民國內部稽核協會	股東會與公司法應注意事項	6	12
		21/10/2025	21/10/2025	中華民國內部稽核協會	生產循環實務與稽核重點	6	
Director	Liao Wei Chuan	05/12/2025	05/12/2025	社團法人中華公司治理協會	永續資訊揭露不實 (漂綠) 的法律責任分析	3	6
		25/11/2025	25/11/2025	社團法人中華公司治理協會	誠信經營與洗錢防制	3	
Director	Chang Ming Huang	17/07/2025	17/07/2025	中華民國會計師公會全國聯合會	會計師執業的法律責任	3	6
		24/03/2025	24/03/2025	中華民國會計師公會全國聯合會	洗錢防制新興金融犯罪趨勢、案例及防範因應	3	
Independent Director	Chou Chih Yuan	30/12/2025	30/12/2025	社團法人中華公司治理協會	公司治理與證券法規	3	15
		19/08/2025	19/08/2025	中華民國會計公會全國聯合會	「114 年度會計師職業職業道德暨紀律論壇」	3	
		31/07/2025	31/07/2025	中華民國會計公會全國聯合會	會計師執業的法律責任	3	
		20/06/2025	20/06/2025	中華民國會計公會全國聯合會	從司法實務看洗錢防制法	3	
		01/04/2025	01/04/2025	中華民國會計公會全國聯合會	洗錢防制新興金融犯罪趨勢、案例及防範因應	3	
Independent Director	Huang Chi Jui	09/09/2025	09/09/2025	社團法人台灣專案管理學會(TPMA)	數位轉型與最新資訊科技	3	6
		20/08/2025	20/08/2025	社團法人台灣專案管理學會(TPMA)	人工智慧趨勢解析與企業風險管理策略	3	
Independent Director	Tay Puay Chuan	09/09/2025	09/09/2025	社團法人台灣專案管理學會(TPMA)	董事會 VS 經營團隊	3	6
		20/08/2025	20/08/2025	社團法人台灣專案管理學會(TPMA)	人工智慧趨勢解析與企業風險管理策略	3	

2.2.1.3 Directors Performance Evaluation

In accordance with the Board Performance Evaluation Policy, the company conducts annual assessments of the Board as a whole, individual directors, and functional committees (Audit and Remuneration). These evaluations, performed via questionnaires and internal reviews, aim to continuously refine decision-making quality.

2025 Evaluation Focus:

- Board-wide: Operational involvement, decision quality, structure, and internal control oversight.
- Individual Level: Mastery of corporate objectives, awareness of duties, and professional development.
- Committees: Performance in financial oversight, remuneration management, and specialized duties.

2025 Performance Summary: Results confirmed that the Board and committees operated effectively and satisfied all criteria. Members maintained transparent communication and fulfilled their risk management and financial supervision responsibilities. Specifically, directors provided critical guidance in establishing the ESG Task Force and setting 2025 as the greenhouse gas (GHG) inventory base year, directly supporting the company’s transition efforts.

Remuneration Linkage: According to corporate articles, an average performance score of at least 80 is mandatory for the distribution of director remuneration. The 2025 evaluation results were utilized as a primary reference for determining individual compensation.

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 2025 is as follows:

Date	Name of Director	Content	Reason	Results
2025/03/14	Liao Wei Chuan Chang Ming Huang Chou Chih Yuan Huang Chi Jui Tay Puay Chuan	The Distribution of 2025 Employee and Director remuneration.	Due to personal interest	Except for the aforesaid directors, the chairman consulted the remaining attending directors and passed the case without objection.
2025/03/14	Eng Kai Pin Eng Kai Jie	Performance assessments and salary adjustment of Directors and managerial officers” for the year 2025.	Due to personal interest	Except for the aforesaid directors, the chairman consulted the remaining attending directors and passed the case without objection.
2026/03/12	Liao Wei Chuan Chang Ming Huang	The Distribution of 2025	Due to personal	Except for the aforesaid directors, the chairman consulted the

Date	Name of Director	Content	Reason	Results
	Chou Chih Yuan Huang Chi Jui Tay Puay Chuan	Employee and Directors' Remuneration from Earnings.	interest	remaining attending directors and passed the case without objection.
2026/03/12	Liao Wei Chuan Chang Ming Huang Chou Chih Yuan Huang Chi Jui Tay Puay Chuan	Allocation of 2025 Director's Remuneration.	Due to personal interest	Except for the aforesaid directors, the chairman consulted the remaining attending directors and passed the case without objection.
2025/03/14	Eng Kai Pin Poa Keng Ling	Performance assessments of managerial officers" for the year 2025.	Due to personal interest	Except for the aforesaid directors, the chairman consulted the remaining attending directors and passed the case without objection.

2.2.1.4 Remuneration Structure and Remuneration Decision Process of Board of Director

Director compensation is governed by the Remuneration Policy for Directors and Managers, with oversight provided by the Remuneration Committee and final approval by the Board. The package includes fixed pay, bonuses, and allowances, structured according to market levels and industry trends. In accordance with the Articles of Incorporation, up to 3% of annual profits may be allocated for director remuneration, provided all prior accumulated losses have been covered.

Compensation is directly linked to the results of annual board performance evaluations. Remuneration is only distributed if the evaluation score reaches a minimum of 80, with specific focus on operational involvement and internal control oversight to align pay with risk management outcomes. Following the formation of the ESG Task Force in June 2025, the company plans to evaluate the feasibility of integrating ESG KPIs—such as progress in greenhouse gas emissions reduction—into executive appraisals. Detailed 2025 director remuneration data is available on page 12 of the Annual Report.

Executive remuneration is recommended by the Remuneration Committee and approved by the Board. The structure includes fixed salaries, pensions, and performance bonuses tied to target achievement. To maintain institutional consistency and fairness, executive retirement plans follow the same guidelines as those for general employees. Comprehensive data regarding 2025 executive compensation levels is disclosed on page 13 of the Annual Report.

2.2.2 The structure and operations of the Functional Committees

2.2.2.1 Remuneration Committee

Remuneration Committee

Techcential has established a comprehensive remuneration system and a Remuneration Committee governed by the Remuneration Policy for Directors and Managers. The committee structures compensation with both fixed and variable elements, ensuring that incentives are aligned with the company's risk tolerance.

Composition and Expertise: Currently, the committee consists of three independent directors—Tay Puay Chuan, Chou Chih-Yuan, and Huang Chi-Rui—bringing expertise in law, finance, and business management. The committee regularly reviews individual and corporate performance relative to industry standards to determine appropriate pay levels. Detailed data regarding 2025 remuneration for directors and executives is available on pages 12 and 13 of the 2025 Annual Report.

Mandate and Performance: Acting with due diligence, the committee recommends target settings and policy adjustments to the Board. This includes defining long-term performance goals and evaluating achievements; in 2025, all director performance scores exceeded the 80-point threshold required for remuneration.

2025 Activities and ESG Alignment: The committee convened 3 times in 2025 with 100% attendance. Following the formation of the ESG Task Force in June 2025, the committee plans to study the inclusion of ESG key performance indicators (KPIs) in executive incentive structures to deepen the company's commitment to sustainable governance.

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

Audit Committee

The company established an Audit Committee to enhance the Board's oversight capabilities. The committee operates according to its charter and generally meets on a quarterly basis. It is comprised of three independent directors who possess extensive professional expertise in law, accounting, and business management.

2025 Activities: The committee convened 5 times during 2025, maintaining a 100% attendance rate for all members.

Title	Name	Number of Actual Attendance	Number of Delegate Attendance	Rate of Actual Attendance (%)
Independent Director	Chou Chih Yuan	5	0	100%
Independent Director	Huang Chi Jui	5	0	100%
Independent Director	Tay Puay Chuan	5	0	100%

2025 Key Work Priorities

- Financial Report Review: Reviewed the 2025 consolidated financial statements audited by KPMG partners Chao Min-Ju and Chang Chun-Yi, as well as business reports and earnings distribution proposals, to ensure transparency and accuracy.

- Internal Control Evaluation: Examined the annual Statement of Internal Control, with oversight extending to finance, operations, risk management, cybersecurity, regulatory compliance, and the management of ESG information.
- External Auditor Assessment: Regularly evaluated the independence and professional suitability of the external auditors.
- Communication Mechanisms:
  - With External Auditors: Held four dedicated meetings in 2025 to discuss audit planning, updated accounting standards, and compliance advice regarding digital transformation initiatives like E-Invoicing.
  - With Internal Audit: Reviewed the annual audit plan, monitored monthly audit reports, and supervised the remediation of audit findings to ensure robust governance.
- Ethical Management Oversight: Reviewed the Ethical Corporate Management Procedures and Guidelines (revised between late 2024 and 2025) and monitored the operation of the integrity culture and whistleblowing systems.

For further details regarding the professional backgrounds of committee members and communication summaries, please visit the corporate governance section of the official company website.

2.2.3 ESG Task Force

Techcential integrates Environmental, Social, and Governance (ESG) criteria into core decision-making to address economic shifts, climate risks, and green opportunities. To strengthen sustainable governance, the Board authorized the formal establishment of an ESG Task Force in June 2025. Chaired by the Chairman, the task force comprises cross-departmental heads from production, occupational safety, corporate governance, and administration/HR.

Responsibilities and Operations: As the dedicated unit for sustainability, the task force is responsible for formulating policies, conducting materiality assessments, and preparing sustainability reports. It reports regularly to the Board, assisting directors in fulfilling their ultimate oversight responsibilities. Previously supervised by the General Manager, ESG matters are now institutionalized to ensure deep integration with strategic and operational processes.

2025 Key Achievements:

1. Carbon Management Foundation: Led cross-departmental collaboration to complete the 2025 greenhouse gas (GHG) inventory, officially designating 2025 as the company's base year.
2. Disclosure Excellence: Successfully published the inaugural sustainability report in line with regulatory timelines and achieved a significant leap in the annual Corporate Governance Evaluation.

2.3 Operational Performance

（GRI 201-1， GRI 201-3，GRI 201-4）

The financial information of the Company is as follows:

Units：NTD Thousands

Items/Year	2023	2024	2025
Operating Revenue	1,009,798	1,164,364	1,027,775
Operating Costs	909,434	1,027,517	911,142
Gross Profit	100,364	136,847	116,633
Operating Profit (Loss)	(25,640)	5,284	(12,267)
Non-operating Income and Expenses	(7,597)	(52,966)	(9,027)
Profit Before Tax	(33,237)	(47,682)	(21,294)
Net Profit After Tax for the Period	(26,193)	(54,910)	(21,500)
Total Comprehensive Income for the Period	(51,068)	(6,228)	6,167
Earnings Per Share (NTD)	(0.78)	(1.39)	(0.61)
Dividends	-	-	-
Employee Salaries and Benefits	187,878	199,460	194,242
Payments to Government	12,752	6,424	2,811
Receive government financial subsidies	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；%

Year / Products	2024		2025	
	Amount	%	Amount	%
Wooden Furniture	1,070,708	91.96	935,791	91.05
Others	93,656	8.04	91,984	8.95
Total	1,164,364	100.00	1,027,775	100.00

Main Product Sales Regions

Units：NTD Thousands；%

Year / Regions	2024		2025	
	Revenue	%	Revenue	%
Domestic Sales	104,304	8.96	100,445	9.77
Overseas Sales	1,060,060	91.04	927,330	90.23
Total	1,164,364	100.00	1,027,775	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.

<table>
<tr><th colspan="3">Scope of Risk Management</th></tr>
<tr><th>Type</th><th>Potential Risks</th><th>Countermeasures</th></tr>
<tr><td rowspan="3">R&D Plans and Budget Expenses</td><td>Technical bottlenecks or incorrect design direction leading to R&D outcomes falling short of expectations</td><td>▪ Flexibly adjust R&D directions and objectives</td></tr>
<tr><td>Departure of key technical personnel affecting project continuity</td><td>▪ Establish a backup talent pool for R&D
▪ Provide retention incentive programs for R&D personnel</td></tr>
<tr><td>Insufficient cost estimation during the development process, and increased expenses due to changes in requirements</td><td>▪ Reserve a certain proportion of flexible funds when preparing the annual R&D budget to cover potential additional costs arising during the project process.</td></tr>
<tr><td>Currancy Rate</td><td>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 90% of total revenue in the past 3 years.</td><td>▪ Assess future exchange rate trends and maintain sufficient foreign currency holdings to meet the operational needs of the group companies.
▪ 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.</td></tr>
<tr><td>Purchase concentration</td><td>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.</td><td>▪ Maintain two or more suppliers for major raw material procurement.
▪ Regularly assess suppliers' financial and operational status.
▪ Diversify suppliers across different geographical regions.
▪ Stockpile critical raw materials.
▪ Establish contingency plans and logistics backup solutions.</td></tr>
<tr><td>Sales concentration</td><td>Reliance on a single customer may pose operational risks.</td><td>▪ Actively strive to secure orders from downstream customers
▪ Develop new markets and expand international market presence
▪ Diversify product lines and application areas to spread out the customer base</td></tr>
</table>

Market Size	Subject to changes due to the real estate market conditions and global economic systemic risks.	▪ Regularly review and anticipate possible situations while strictly managing controllable costs ▪ Expand market scope horizontally and enhance product range vertically
Labor Health and Safety	On-site operations in the manufacturing industry carry a certain level of occupational risks.	▪ Implement Chemical Health Risk Assessment (CHRA) ▪ Strengthen safety operation training ▪ Establish accident reporting and improvement mechanisms, and conduct regular internal audits ▪ Inspect the provision of Personal Protective Equipment (PPE)
Information Security Management	• Theft of company confidential information • Computer viruses, destructive software, or ransomware	▪ Establish an IT department and formulate information security policies. ▪ Regularly review the company's information security status according to security policies, with reports submitted by the IT department head to the general manager. ▪ Arrange occasional information security briefings. ▪ Implement multiple cybersecurity measures, including firewalls and antivirus software. ▪ Set up barriers to restrict employees from accessing unknown or malicious websites when browsing external web pages using the company network. ▪ Plan, design, and upgrade appropriate software and hardware based on risk levels.

2.5 Information Security Management

（GRI 2-23， GRI 2-24）

The company has established an information security risk management framework coordinated by the IT department and audited regularly by the Internal Audit office. IT leadership reports performance and risk status to the General Manager and the Board to ensure management oversight and resource support.

1. Policies: Under the internal control system, the company implemented the Control Procedures for Computerized Information Systems and the Information Security Management Policy. These govern access control, system development, and data backup standards to ensure the confidentiality, integrity, and availability of information assets.
2. Management Measures: Network Security: Multilayered defenses, including enterprise-grade firewalls, antivirus software, and web filtering, block external attacks and improper internal connections. System Resilience: Implemented off-site backups and regular data recovery drills, with hardware upgrades planned based on risk levels.

Continuous Monitoring: Regular vulnerability assessments and login monitoring ensure risks remain manageable.

3. Resources and Training: Manpower and Budget: Continued investment in cybersecurity maintenance and professional IT staffing. Training: Regular security bulletins and awareness sessions enhance employee digital literacy and defense against social engineering.

2025 Performance Summary: The information security risk is classified as low. Throughout 2025, no major cyberattacks or security incidents occurred, and no events had a significant adverse effect on operations. Furthermore, the company was not involved in any cybersecurity-related litigation or regulatory investigations, maintaining robust system integrity with zero material losses.

2.6 Integrity in Business Operations

（GRI 2-26， GRI 2-27，GRI 205-1，GRI 205-2，GRI 205-3，GRI 206-1，GRI 407-1）

2.6.1 Internal Control System

Techcential and its subsidiaries have established internal control systems in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies. The framework integrates five core elements: control environment, risk assessment, control activities, information and communication, and monitoring. Individual units perform regular self-assessments to safeguard operational efficiency, financial reporting reliability, and regulatory compliance.

2025 Performance and Compliance Statement

- On March 12, 2026, the Board of Directors reviewed and approved the 2025 internal control effectiveness assessment. The subsequent Statement of Internal Control System confirms that both the design and execution of these controls are effective.
- Sustainability Information Management
- To comply with regulatory standards, the company has formally incorporated its sustainability report preparation procedures into the internal control system. This integration ensures the accuracy and rigor of ESG data collection and disclosure workflows.
- Optimization and Oversight
- The internal control self-monitoring mechanism identifies operational gaps and initiates corrective procedures as needed. In 2025, the company maintained robust operations and regulatory compliance, with no significant deficiencies identified.

2.6.2 Internal Audit Mechanism

The Internal Audit department is an independent unit reporting directly to the Board of Directors. The appointment or dismissal of the Chief Internal Auditor requires approval from a majority of the Board. To maintain the effectiveness of internal controls, dedicated auditors execute an annual audit plan approved by the Board, focusing on operational cycles and subsidiary supervision while reviewing self-assessment results from various units.

2025 Performance and Results

- Plan Execution: The 2025 audit plan was approved by the Board on November 11, 2024. Throughout the year, audits were conducted monthly with rigorous follow-up on identified deficiencies.
- Communication: Audit reports are submitted monthly to independent directors for review. In 2025, the Chief Internal Auditor delivered five formal reports to the Audit Committee and the Board, maintaining effective communication channels.
- Sustainability Integration: The company has officially incorporated sustainability report preparation into its internal control system. Internal audit procedures were applied to the 2025 Sustainability Report to verify the accuracy, reliability, and timeliness of disclosed information.

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 2025, 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 2025, 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

（GRI 2-28， GRI 2-30）

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

（GRI 204-1， GRI 408-1， GRI 414-1， GRI 414-2）

2.8.1 Production Material Sourcing

Major Raw Material	Major Supplier	Supply Situation
Board	Robin Resources、Allgreen Timber、Hua Joo Success Industry、Metro Particle	Good
Wood	Magic Wood、Goodwood Hectares	Good
Paint	Nikkolac、Lycora	Good
Packaging	Southern Legend、 Pine Packaging	Good

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

Category	Procurement Region	2023		2024		2025	
		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	46	22.43%	47	26.52%	47	26.52%
	Overseas	3	0.76%	3	0.82%	3	0.90%
Board	Domestic	15	15.08%	14	14.72%	14	18.41%
	Overseas	12	8.46%	14	6.36%	14	7.63%
Packaging	Domestic	29	14.96%	24	13.91%	24	13.29%
	Overseas	2	0.91%	1	1.27%	1	0.88%
Paint	Domestic	11	12.26%	9	8.98%	9	7.63%
	Overseas	1	0.41%	0	0.00%	0	0.00%
Hardware	Domestic	37	4.44%	38	5.77%	38	6.77%
	Overseas	13	6.86%	15	6.78%	15	5.23%
Other	Domestic	27	12.49%	26	13.40%	26	10.92%
	Overseas	6	0.94%	6	1.47%	6	2.09%
Total		202	100.00%	197	100.00%	197	100.00%

2.8.2 Supplier Performance Evaluation System and Results

To ensure supply chain stability and product quality, the Company has implemented a structured supplier performance evaluation system, with annual assessments conducted for key suppliers by the procurement department. Supplier performance is quantitatively evaluated across six weighted dimensions based on operational impact: on-time delivery (2.5), overall product/material quality (2.5), price competitiveness (2.0), competitiveness of terms and conditions (1.0), service quality (1.0), and documentation accuracy (1.0). This framework enables effective performance monitoring and supports proactive risk management across the supply chain.

The 2025 evaluation covered key suppliers of boards, wood, coatings, and other raw materials. Results indicate a stable supply chain, with most suppliers scoring between 7.1 and 8.9 (out of 10), demonstrating strong reliability in quality and delivery. Lycora Sdn Bhd (coatings) achieved the highest score of 8.9, excelling in delivery, quality, and service, while Woodgress Sdn Bhd (wood) scored 8.4, reflecting solid competitiveness in quality and pricing. Metro Particle and Allgreen Timber Products each recorded consistent scores of 8.0, supporting stable supply of key board materials. For a limited number of lower-performing suppliers (approximately 6.3), the Company has implemented targeted improvement measures, focusing on delivery performance, cost control, and documentation management to further enhance overall supply chain efficiency and long-term competitiveness.

The supplier performance evaluation system covers several key indicators to ensure smooth supply chain operations and improved product quality. These indicators include:

Evaluation indicators	Content
Delivery Timeliness	Assess on-time delivery performance and analyze the causes of any delays.
Overall Product/ Material Quality	Assess the overall quality of products and materials supplied.
Price Competitiveness	Assess the reasonableness and competitiveness of pricing and price adjustments.
Competitiveness of Terms and Conditions	Assess the competitiveness and suitability of commercial terms and conditions.
Service Quality	Assess responsiveness, complaint handling efficiency, and communication effectiveness.
Accuracy of Documentation and Records	Assess the completeness, accuracy, and timeliness of quotations, delivery orders, invoices, and related documents.

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). The Company's largest supplier accounted for 8.34% and 4.01% of total purchases in 2025 and 2024, 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

（GRI 3-3）

📌 Customer Relationship Management

Material Topics：Customer Relationship Management	
Reason for Materiality	Customers are essential partners in Techcential's sustainable journey. Through robust management and advanced R&D, we ensure all products comply with rigorous international safety standards, including CARB ATCM 93120, US TSCA Title VI regarding formaldehyde emissions, and the US STURDY Act (S.3232), which mandates stability testing for storage furniture to prevent child injuries from tipping
Impacts and Effects	Actual/Potential Positive Impact: ○ Economic Aspects:High-standard quality certifications facilitate orders from high-end global chains (e.g., Ashley). The use of "After-Sales Service Record Tables" improves complaint handling efficiency and reduces compensation for product defects ○ Social Aspect:Rigorous emission controls safeguard consumer health. Furthermore, rapid R&D cycles and digitalization requirements inspire innovative thinking and enhance the digital literacy of our design and marketing teams internal professional capabilities and fostering a culture of continuous learning. Actual/Potential Negative Impact: ○ Economic Aspects:US tariff policy shifts may compress profit margins. Ineffective customer service management could increase processing costs and harm financial performance. ○ Social Aspec:High demand for innovation and rapid development cycles may lead to long working hours and a high-pressure environment for R&D teams.
Policies / Strategies	The Quality Assurance (QA) department implements strict inspection principles using random sampling for each batch. We maintain various international certifications to ensure our products meet global safety requirements
Short-term and Medium-to-Long-term Goals	• Short-to-Medium Term**:** Reduce the frequency of complaints and enhance resolution efficiency; accelerate e-commerce expansion in markets like Malaysia, Singapore, and the US to diversify sales channels and mitigate market-specific risks. • Long-Term Goal: Drive brand differentiation by integrating "sustainability and environmental protection" into product design and obtaining certifications such as SMETA to enter high-threshold markets..
Management Evaluation Mechanism	Marketing and QA departments hold weekly production and sales meetings to review customer feedback (including insights from Buyer QC during factory inspections) and adjust manufacturing processes in real-time
Performance and Adjustment	Techcential actively participated in the 2025 Malaysian International Furniture Fair (MIFF) to enhance brand visibility and market engagement,. To ensure operational responsiveness, the marketing and quality assurance departments held weekly production and sales coordination meetings, enabling real-time adjustments to manufacturing processes based on direct customer feedback and on-site inspection insights,.
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: lance@techcential.com

📌 Workplace Health and Safety

Material Topics：Workplace Health and Safety	
Reason for Materiality	Occupational health and safety (OHS) represents a fundamental commitment to our employees. Techcential strictly complies with the regulations of the Malaysian Department of Occupational Safety and Health (JKKP/DOSH) and has established a dedicated Workplace Safety Task Force to coordinate and implement safety measures, aiming to minimize occupational accident risks
Impacts and Effects	Actual/Potential Positive Impact: ○ Economic Aspect: Proactive safety management mitigates production downtime, regulatory fines, and medical compensation expenses. During 2025, the implementation of 5S management optimized manufacturing processes, enhancing both space utilization and operational safety. ○ Social Aspect: Prioritizing employee well-being fosters a safety-first corporate culture. In 2025, hearing assessments for 60 employees yielded 100% normal results, ensuring the long-term auditory health of staff in high-decibel environments. Actual/Potential Negative Impact: ○ Economic Aspect: Ineffective execution of occupational health and safety policies poses risks of legal litigation, financial penalties, and escalating insurance premiums, which may ultimately damage corporate reputation. ○ Social Aspect: Lack of rigorous protection protocols may result in occupational injuries or chronic illnesses. With 121 AP-2 grade chemicals identified in 2025, a lack of adequate training significantly increases operational risks for personnel.
Policies / Strategies	1. The company has established a comprehensive Workplace Safety and Health Policy to maintain high standards of site integrity. 2. Operational focus remains on the continuous optimization of Local Exhaust Ventilation (LEV) and fire suppression systems, complemented by a 100% mandate for Personal Protective Equipment (PPE). 3. Techcential partners with external specialist agencies to integrate advanced safety standards and management techniques, such as annual hearing conservation programs and chemical hazard training.
Short-term and Medium-to-Long-term Goals	• Short-Term Goal: Promote safety education and ensure 100% of employees receive annual safety training. • Mid-Term Goal: Gradually achieve the goal of "zero workplace injuries and zero occupational diseases," reducing the incident rate to below industry standards. • Long-Term Goal: Establish a collaborative workplace safety mechanism and work with industry peers to promote a higher standard of safety culture.
Management Evaluation Mechanism	Hazard Identification and Engineering Controls: In compliance with Malaysian regulatory requirements, Techcential conducts regular Noise Risk Assessments (NRA), with the current assessment valid through 2027, and comprehensive Chemical Health Risk Assessments (CHRA). Engineering controls are reinforced by periodic fire alarm system inspections and a rigorous 5S onsite audit mechanism designed to identify and rectify operational deficiencies.
Performance and Adjustment	The company demonstrated an increased commitment to employee safety in 2025 by conducting 20 safety training sessions—a 54% increase compared to the previous year—covering essential topics such as fire drills, ergonomics, and forklift safety. These proactive efforts resulted in zero major occupational accidents during the reporting period, while all minor injuries were documented and reviewed to drive continuous safety improvements.
Preventive and Remedial Measures	• Techcential strictly enforces an authorization policy for high-risk roles, including heavy machinery and forklift operation, where only trained and certified personnel are permitted to operate equipment. Furthermore, the company facilitates real-time reporting of safety hazards through anonymous suggestion boxes and dedicated human resources channels, ensuring that employee feedback is addressed promptly to maintain a secure working environment
Responsible Department / Grievance Mechanism	Contact Point: Admin and HR Department Contact Email: admin@techcential.com

Labor-Management Relations

Material Topics：Labor-Management Relations	
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	Actual/Potential Positive Impact: ○ Economic Aspect: Enhancing production efficiency and digital competitiveness through technical upskilling in areas like PLC and 3D design to minimize manufacturing errors and resource waste. ○ Social Aspect: Establishing equitable career development frameworks through training that empowers employee growth, enhances job satisfaction, and fosters workplace diversity and inclusion. Actual/Potential Negative Impact: ○ Economic Aspect: ▪ Cost Burden: Training requires financial and resource investment, which may place pressure on the budgets of small and medium-sized enterprises. ▪ Long Return on Investment Period: High employee turnover can make it difficult to recoup the capital invested in long-term training programs. ○ Social Aspect: ▪ Time Pressure: Intensive or inflexible training schedules may increase employee stress or interfere with work-life balance. ▪ Unequal Training Opportunities: A lack of fair systems or transparent selection processes may lead to internal dissatisfaction or perceptions of workplace inequality.
Policies / Strategies	1. HRD Corp Compliance: The company allocates a 1% statutory levy to fund comprehensive internal and external training programs, ensuring that human capital development remains strategically aligned with evolving industry benchmarks and trends. 2. Digital Literacy Integration: Specialized training modules focusing on AI applications, such as ChatGPT, and electronic invoicing (E-Invoicing) systems are implemented for both management and general staff to facilitate technical upskilling and support organizational digitalization goals.
Short-term and Medium-to-Long-term Goals	• Short-Term Goal: Achieve 100% employee completion of annual safety and integrity training an establish a digital training roadmap to facilitate the adoption of new systems • Mid- to Long-Term Goal: Develop a multi-skilling framework to empower employees with cross departmental capabilities, enhancing organizational agility and supporting diverse career progression.
Management Evaluation Mechanism	Conduct semi-annual performance reviews to evaluate the application and impact of training on workplace outcomes. Regularly monitor employee satisfaction to identify learning needs and inform the subsequent year's curriculum planning.
Performance and Adjustment	The average training duration in 2025 reached 2.42 hours per employee. The company has established a formal feedback mechanism, featuring anonymous reporting, to ensure that training initiatives remain aligned with employee and organizational requirements.
Preventive and Remedial Measures	• Ensure that training content aligns with both employee and company development needs. • Regularly review training content to ensure it keeps pace with market and technological developments.
Responsible Department / Grievance Mechanism	Contact Point: Admin and HR Department Contact Email: admin@techcential.com

3.2 Diverse Employee Structure

（GRI 2-7， GRI 2-8， GRI 2-21， GRI 401-1， GRI 405-1， GRI 405-2， GRI 406-1， GRI 409-1）

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 2025 the total number of employees was 654. 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 2025:

Overview of Employees				
		Reporting Period		
Employee Type				Total
Full-Time	Management Personnel	13	18	30
	General Staff	42	34	64
	Production Workers	18	610	560
	Total	77	669	654
Temporary		0	0	0
Non-Permanent		0	0	0
Full-Time		77	669	654
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.

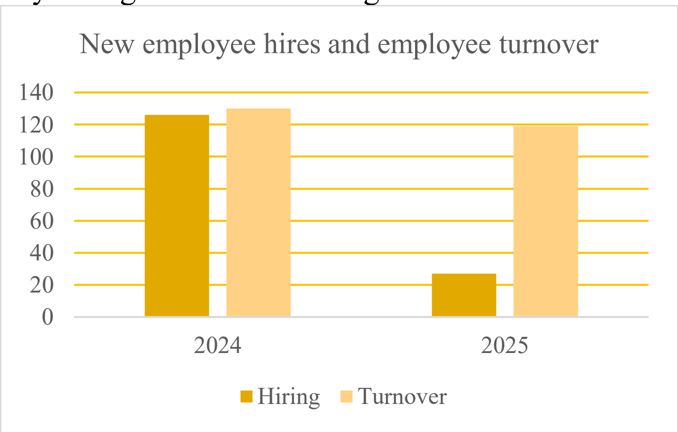
Overview of Non-Employees		
Type	Contractual Relationship with the Company	Total
Security Guard	Contracted	11
Intern	None	0

B) Employee Educational Background Distribution:

Type \ Year		2024	2025
Education (%)	Doctoral	-	-
	Master	0.27	0.31
	University & College	7.51	9.48
	High School	7.64	7.19
	Below High School	84.58	83.03

3.2.1 New employee hires and employee turnover

In 2025, both the Company's number of new hires and hiring rate declined compared to the previous year, while resignations and the turnover rate also decreased. Key drivers of employee turnover included challenges in work–life adaptation, shifts in career planning, marital changes, residential relocation, and returning to hometowns, all of which influenced overall workforce mobility. During the year, total resignations were 119 and new hires were 27. Compared to 2024 (130 resignations and 126 new hires), both the turnover and hiring rates trended downward, indicating a gradual stabilization of workforce mobility and improving retention outcomes. In response to rising employee awareness of rights and expectations, the Company will continue to enhance employee care and welfare programs, optimize the work environment, and strengthen career development support. These initiatives aim to further reduce turnover, enhance organizational cohesion, and build a stable, competitive talent pool to support the Company's long-term 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 Laws and International Labor Standards

- The Company fully complies with Malaysian labor laws and adheres to the fundamental labor rights promoted by the International Labour Organization (ILO). It strictly prohibits the use of child labor and any form of forced labor, and ensures that recruitment, employment conditions, remuneration and benefits, training, performance evaluation, and promotion are all based on fairness and merit.

2. Establishment of a Friendly and Respectful Work Environment

- The Company provides a workplace free from discrimination, harassment, and violence, respects employees' religious beliefs and freedom of association, and establishes grievance and protection mechanisms to ensure employees can work in a safe and dignified environment.

3. Promotion of Diversity and Inclusion in the Workplace

- The company proactively advances employment and career development for diverse demographics, including women, mature-age workers, migrant labor, and persons with disabilities. We cultivate an inclusive culture and are committed to improving gender parity and diversity across management levels. In the July 2025 employee satisfaction survey, the category evaluating team inclusion and respect for multiculturalism, gender, and generational diversity received a high score of 4.31. This reflects a robust culture of integration where employees maintain deep respect and recognition for colleagues of all backgrounds.

4. Fair Remuneration and Talent Development System

- Techcential maintains a gender-neutral remuneration policy to ensure fairness across all levels of the organization. In 2025, the total remuneration ratio for female general staff was 81.66% compared to male staff. This disparity is attributed to a higher proportion of male employees in roles requiring specific technical allowances or higher overtime hours, leading to higher average total compensation. The company remains committed to the principle of equal pay for equal work and will continue to monitor the equity of its reward structures to ensure transparent and unbiased compensation for all employees.

5. Occupational Safety and Health Management

- The Company provides a safe, hygienic, and compliant working environment, equips necessary health and first-aid facilities, and continuously identifies and mitigates risks to prevent occupational injuries and safeguard employees' physical and mental well-being.

6. Training and Awareness Enhancement

- The Company regularly conducts training programs on human rights, workplace ethics, anti-discrimination, and occupational health and safety. These initiatives enhance employees' awareness of human rights issues and workplace conduct standards, thereby strengthening the Company's overall culture and compliance awareness.

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 2025 are as follows:

Category		Male Percentage %	Female Percentage %	Total %
Nationality / Ethnicity	Malaysian - Chinese	4.28	4.28	8.56
	Malaysian - Malay	4.74	6.12	10.86
	Malaysian - Indian	0.46	0.15	0.61
	Malaysian - Subtotal	9.48	10.55	20.03
	Bangladeshi	48.93	0.00	48.93
	Nepalese	22.63	0.00	22.63
	Burmese	8.41	0.00	8.41
	Foreigner - Subtotal	79.97	0.00	79.97
	Total	89.45	10.55	100.00
Position / Job Title	Directors	0.92	0.15*	1.07
	Management Personnel	2.91	1.68	4.59
	General Staff	85.32	9.02	94.34
	Total	89.15	10.85	100.00
Age	Below 45 Years Old	83.64	7.95	91.59
	46-55 Years Old	4.89	1.68	6.57
	Above 55 Years Old	0.92	0.92	1.84
	Total	89.45	10.55	100.00

**Note: At the end of 2025, the Board of Directors held 7 seats, with 1 female director representing 14.29%.*

1. Youthful Workforce Trend: Techcential's workforce is characterized by a young demographic, with 91.59% of employees aged under 45. This segment, including a high proportion of skilled general and migrant labor, is the primary driver of production and digital transformation initiatives.
2. Distribution of Senior Talent: Staff aged 46 to 55 account for 6.57% of the workforce, primarily serving as technical experts or mid-level managers. Employees over age 55 represent 1.84% of total personnel.
3. Structural Analysis: While lean management practices led to a reduction in total headcount to 654, over 90% of the workforce remains concentrated in younger age brackets. This structure provides the vitality and technical adaptability necessary to address future market volatility and organizational transitions.

3.2.3 Annual Total Compensation Ratio

Year	Annual Total Compensation Ratio (%)	Annual Total Compensation Change Ratio (%)
2025	8.39	1.83
2024	7.59	-0.50

※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 2025, the annual total remuneration ratio rose to 8.39, with a total remuneration change ratio of 1.83. These figures reflect the impact of lean management practices implemented during operational challenges. Rigorous cost controls and adjustments to overtime hours at the factory level led to stagnant growth in median employee compensation. Meanwhile, the highest-paid individual assumed broader management responsibilities, specifically in digital transformation and ESG governance, resulting in a higher salary increment compared to the average staff. Techcential is currently expanding its e-commerce operations to enhance stability and remains committed to monitoring the internal equity and long-term sustainability of its compensation framework.

Note: As a primary listed company (KY company), the disclosure regulations for salary statistics of full-time employees not in management positions on the Market Observation Post System (MOPS) are not applicable to the company. Therefore, an index for this data is not provided in this report.

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 2025are as follows:

Remuneration Ratio by Job Category	Number of Employees		Average Total Compensation (in thousands)		Compensation Ratio (Female/Male)
	Female	Male	Female	Male	Female / Male
Management	12	19	752	972	77.40%
General	59	40	222	272	81.66%

※ *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 remuneration for female management personnel was 77.40% of that for their male counterparts. This discrepancy primarily reflects differences in job grades, seniority, and the current higher proportion of males in senior leadership positions. Techcential remains committed to refining internal systems and advancing female leadership development and talent reserve programs to improve gender balance across management levels
- General Staff: The average total remuneration for female general staff was 81.66% compared to males. This ratio is attributed to a higher concentration of male employees in roles involving technical allowances or high overtime requirements. We are dedicated to the principle of equal pay for equal work and will continue monitoring our reward structures to ensure transparent and equitable compensation free from gender bias.

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

The company implements a merit-based performance management framework, utilizing professional output as the exclusive evaluation criterion to ensure objectivity and eliminate non-performance-related bias. This bi-annual, goal-oriented mechanism facilitates immediate feedback and the dynamic adjustment of work objectives. Furthermore, assessment results serve as the primary foundation for annual salary reviews and incentive allocations, effectively aligning individual career progression with the company's commitment to sustainable business operations.

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3.3 Talent Cultivation and Care

（GRI 401-2， GRI 401-3， GRI 402-1， GRI 404-1， GRI 404-2， GRI 404-3）

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 2024 and 2025:

Category/Item	Year	2024	2025
Total number of training participants	Female	161	122
	Male	266	445
Total Training Hours	Hours	1032.50	1341.70
Average Training Hours	Hours/person	2.42	2.37

3.3.3 Employee Retirement System and Implementation Status

To safeguard employees' post-retirement quality of life and financial security, the Company strictly complies with relevant labor laws and retirement regulations in Malaysia, and maintains a comprehensive retirement and benefits management system. The Company has also established clear retirement and bereavement policies and benefit standards to ensure employees receive appropriate protection and support after retirement, reflecting its commitment to employee well-being and sustainable care.

- Mandatory retirement age: Employees reaching age 60 within a calendar year are deemed to have met the statutory retirement age, with 31 December designated as the official retirement date. Written notice of employment termination will be provided in advance.
- Extension arrangement: High-performing employees may be retained beyond retirement age based on operational needs and mutual agreement, through contract renewal or fixed-term engagement. Retirement benefits will be settled upon final separation based on total years of service.
- Retirement benefit structure: A one-time retirement payment will be granted based on actual years of service, with benefit tiers 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

3.3.5 Minimum notice periods regarding operational changes

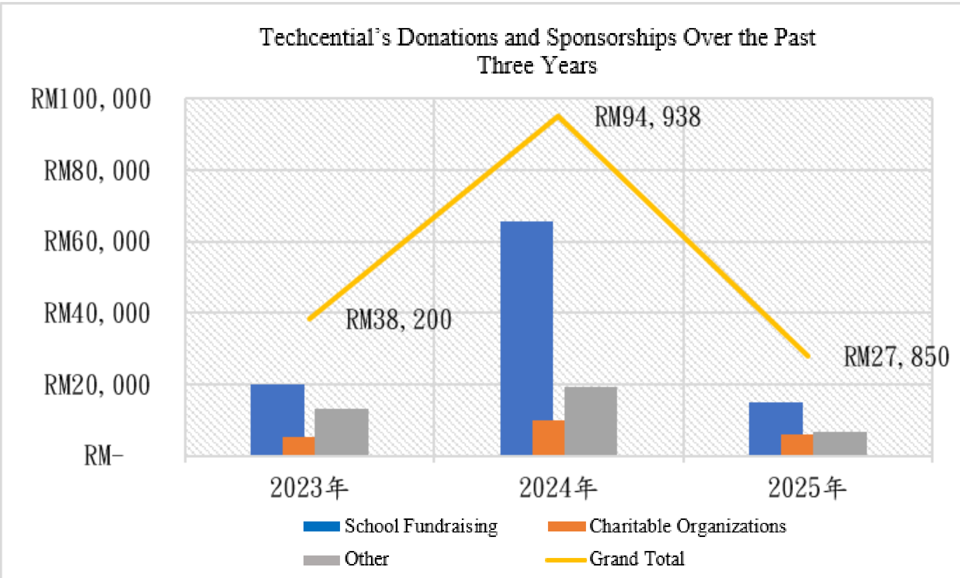
In the event of major operational changes (such as production line adjustments, relocation of business sites, or layoffs), the Company complies with the requirements of Malaysian labor laws by, in principle, providing written notice at least 30 days in advance and paying severance compensation based 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

（GRI 201-1）

Techcential recognizes the fundamental importance of co-prosperity with the local communities where it operates. Throughout 2025, despite external economic headwinds and disciplined internal cost management, the Group maintained its commitment to corporate social responsibility by allocating RM 27,850 toward local donations and sponsorships.

Guided by our principle of supporting local heritage and education, resources were primarily directed toward school fundraising to foster the long-term development of educational institutions. The Group also provided essential support to various charitable organizations and community initiatives. These actions underscore our dedication to social contribution even during operational transitions, and we remain committed to progressively expanding our community engagement efforts as business conditions stabilize.



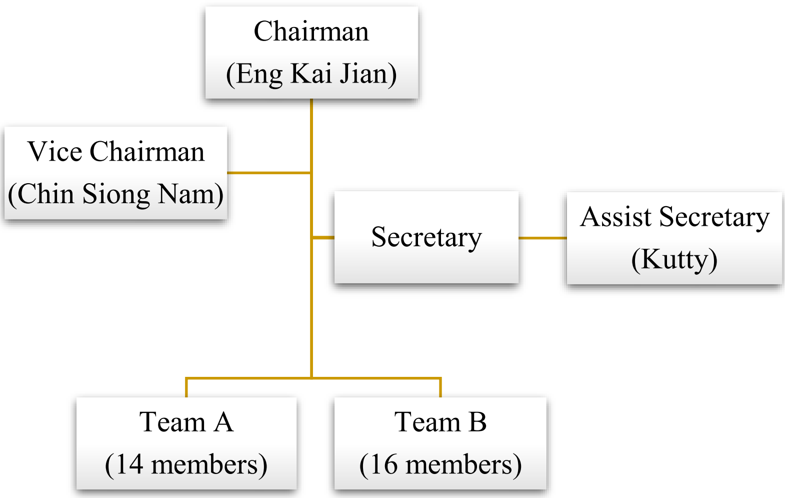
3.5 Workplace Safety and Training

（GRI 403-1 ~ GRI 403-10）

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 2025, a total of 16 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:

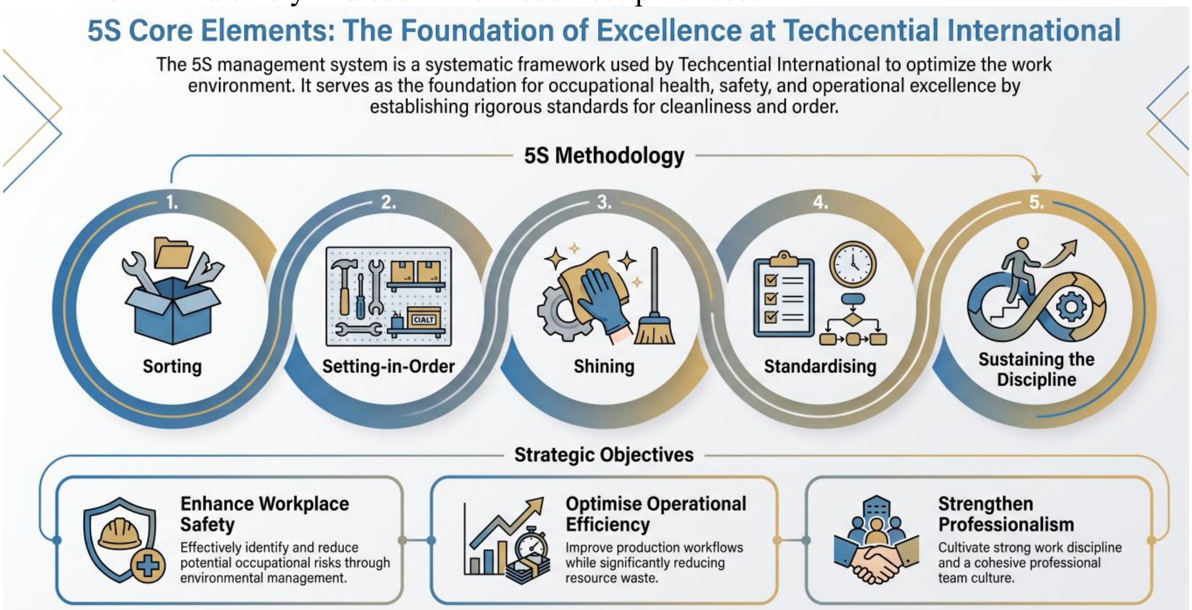


Safety and Health Education Training:

- 5S Workplace Management Method

The Company adopts the 5S workplace management system as a core element of occupational safety and operational management. Through a systematic approach, it continuously improves workplace cleanliness, safety, and operational efficiency. The implementation of 5S not only enhances process efficiency and reduces resource waste, but also helps identify and mitigate occupational safety risks, thereby promoting a safe, healthy, and efficient working environment.

In addition, the Company enhances employees' awareness of occupational safety, health, and standardized operating procedures through regular training, on-site audits, and continuous improvement initiatives. These efforts foster strong work discipline and a safety-oriented culture, underscoring the Company's commitment to occupational health and safety and sustainable business practices.



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 2025, 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 2025			
Hostel's Fire Equipment + Fire Drill Training	Hostel's	02/02/2025	Internal
Forklift driver training	5 persons	10/01/2025 05/02/2025 27/02/2025 14/04/2025	Internal
Restriction working at walkway to avoid emergency cases	16 persons	10/02/2025	Internal
Fire Alarm System Training	2 persons	18/02/2025	External

PPE Training	21 persons	02/04/2025	Internal
Empty Chemical Drum (Forklift Use) Storage/Handling Training	1 persons	30/04/2025	External
HIRARC, SOP, Training Plan	29 persons	07/08/2025	Internal
SOP/Machine Training	99 persons	15/05/2025	Internal
SOP/Machine Training	15 persons	16/07/2025	Internal
Scheduled Waste Handling Training	5 persons	20/08/2025	Internal
Ergonomics & Manual Handling Preventing Workers Injuries at Workplace	32 persons	27/09/2025	External
Safety & Health Officer	1 persons	13/9~23/11/2025	External
Annual Hearing Conservation Program	16 persons	01/12/2025	External
Free Talk: Workplace Emergency Response Procedures (Section 15(2)(f))	2 persons	13/03/2025	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



Hostel's Fire Equipment + Fire Drill Training

Fire Alarm System Inspection Training

Safety Awareness and Emergency Standard Operating Procedure (SOP) Training



👉 Scheduled Waste Handling Training



3.6 Noise Management

（GRI 403-2，GRI 403-3，GRI 403-6，GRI 403-7）

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.

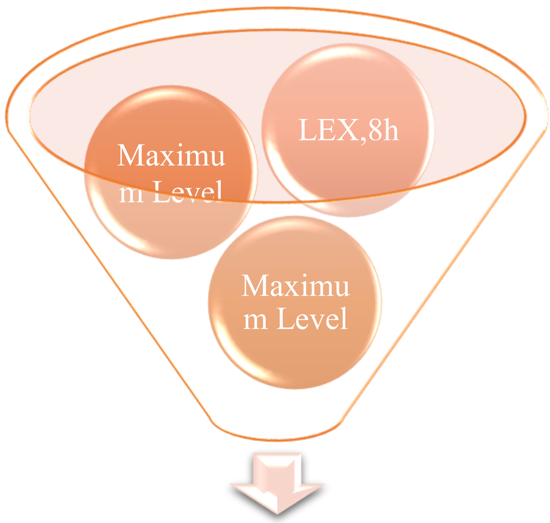
3.6.2 Noise Monitoring and Management

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. The validity period of the assessment report is 3 years (from 2024 to 2027), and it is currently still within its valid period. 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) 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 dB(A)（Daily Noise Exposure Limit）
  - Maximum Level：
  - Peak Level：> 140 dB(C)
- The monitoring level data in the above table are sourced from the background noise generated by departmental operations and their production processes.
- The validity period of the assessment report is 3 years (from 2024 to 2027), and it is currently still within its valid period.

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 October 15, 2025. 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, all 60 employees tested have normal hearing. 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.

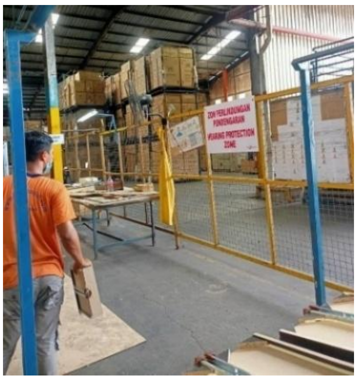
Noise Monitoring Status

👉 Mobile Soundproof Testing Room


👉 Audiometric Test



👉 Noise Hazard Area Warning Signs


3.7 Customer Relationship Management

（GRI 416-1， GRI 416-2， GRI 418-1）

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 2025, 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 2025, 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:

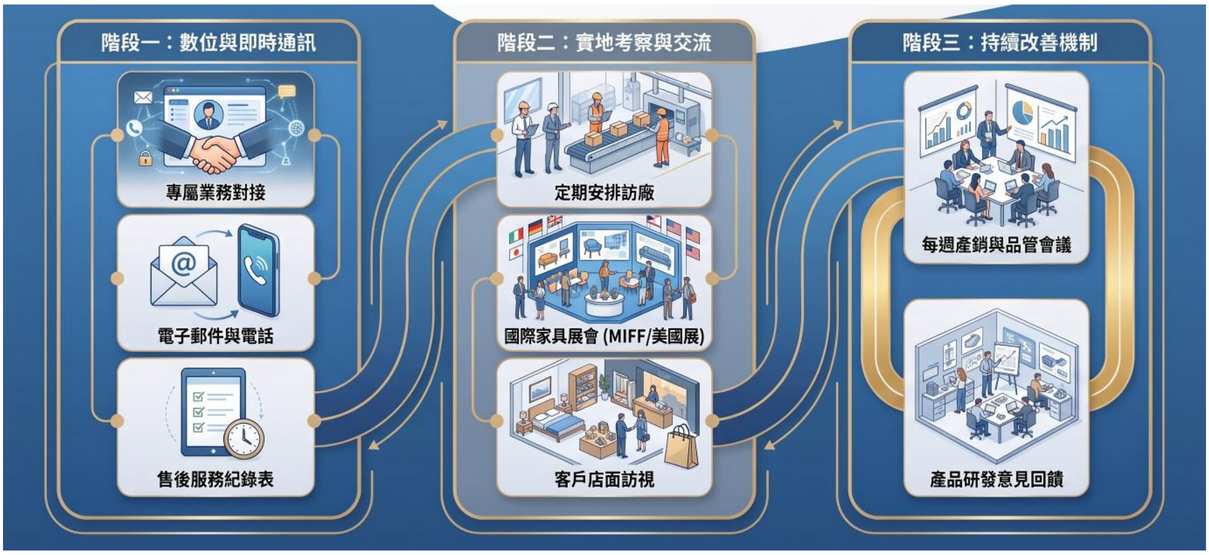
External certificates	Certificate
Formaldehyde Emission Certification International Certificate Testing Technology（ICTT）	
Board Certification Certificate Service International, LLC （Particle Board 9mm – 40mm）	
Board Certification Certificate Service International, LLC （MDF 8mm – 30mm）	
Board Certification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

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 2025, 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.

Customer Complaint Handling Process

3.7.5 Product R&D and Innovation

Techcential views sustainability as a core driver of corporate growth, focusing on innovative R&D to design furniture that balances quality, aesthetics, and environmental stewardship. By optimizing manufacturing, adopting low-carbon materials, and applying circular design principles, we minimize environmental impact while enhancing product lifecycle value and market competitiveness.

1. Innovation and Technological Upgrades: To boost production efficiency and reduce energy intensity, we actively implement advanced technologies and automation. Our R&D team explores sustainable manufacturing solutions, such as low-VOC coatings and eco-friendly materials, ensuring products meet international safety standards while providing a healthier user experience
2. Consumer-Driven R&D: Our development process is guided by market trends and consumer feedback. We integrate functionality, human-centric design, and aesthetics into innovative furniture that meets the needs of modern households, continuously elevating brand value and quality of life.
3. Compliance and Safety Certification: We prioritize regulatory compliance to ensure every product meets global safety and environmental standards. For instance, our furniture adheres to US CARB requirements for formaldehyde emissions and EU REACH protocols for chemical management, guaranteeing safety for consumers worldwide

4、 Sustainable Environment

4.1 Energy Management

（GRI 302-1，GRI 302-3，GRI 302-4）

Techcential has established a systematic management framework overseen by the Board-authorized ESG Task Force to enhance energy efficiency. The task force monitors primary energy sources, including purchased electricity and vehicle fuel, while developing long-term reduction strategies to embed decarbonization into core business operations

Energy Efficiency Initiatives

Focusing on primary production facilities in Muar, Malaysia, the company implements several key measures:

- Equipment and Lighting: Continuous upgrading of high-consumption machinery and full transition to LED lighting systems.
- Renewable Energy: Adoption of solar-powered floodlights and CCTV systems for plant perimeters to reduce grid reliance.
- Low-Carbon Transport: Replacing vehicles older than 15 years with hybrid models to minimize fuel intensity.
- Digital Transformation: Transitioning to the Online e-Leave system to reduce administrative energy and paper waste.
- Operational Controls: Maintaining office air conditioning at 24°C and enforcing energy-saving workplace protocols.

Performance and Base Year

The company has designated 2025 as the base year for its energy inventory, with 100% data integrity derived from verified monthly records. These initiatives reflect Techcential's commitment to optimizing energy intensity while maintaining operational productivity.

2025 Energy Consumption Overview (Base Year)

Energy Source	2025 Usage	Energy Consumption (GJ)	Conversion Factor
Purchased Electricity	3,008,449 kWh	10,830.4164	0.0036 GJ/kWh
Diesel	166,954 Liters	5,871.7722	0.03517 GJ/ Liters
Petrol	21,928 Liters	716.1685	0.03266 GJ/ Liters
Total	-	17,418.3571	-

Note 1: Calculations are based on heating value conversion factors published by the Ministry of Environment, using the standard coefficient 1 kcal = 4.1868 x 10^-6 GJ. Note 2: Purchased electricity represented 62.18% of total energy consumption for the 2025 fiscal year. Note 3: As 2025 marks the inaugural year for systematic energy inventory, current data serves as the baseline for evaluating future reduction performance

4.1.2 Energy Consumption Overview

Techcential is committed to improving energy management and has designated 2025 as the base year for energy reporting. Data for this period was consolidated with 100% integrity from monthly utility statements and fuel records. Total energy consumption for 2025 reached 17,418.36 GJ, with an energy intensity of 16.95 GJ per million NTD of revenue. The primary energy sources consist of purchased electricity and fuel utilized for the corporate fleet and forklifts.

Regarding the energy mix, purchased electricity accounts for 62.18% of total consumption. To mitigate reliance on traditional energy sources, the company has incrementally replaced conventional lighting with solar-powered floodlights and CCTV systems across its facilities, representing a proactive integration of renewable energy. Moving forward, Techcential will continue to optimize process energy efficiency through smart management and equipment upgrades, such as the introduction of automated CNC machinery, aiming to increase production capacity while minimizing environmental impact.

Energy Consumption Analysis

Energy Category	2025 (Base Year)	2024	2023
Petrol (Liters)	21,928	(Note 4)	(Note 4)
Diesel (Liters)	166,954	(Note 4)	(Note 4)
Purchased Electricity (kWh)	3,008,449	3,077,581 (Note 5)	3,134,286 (Note 5)
Renewable Energy (Solar)	Self-consumption (Note 6)	-	-
Total Energy Consumption (GJ)	17,418.36	-	-
Energy Intensity (GJ)	16.95 (Note 3)	-	-

Note 1: Heating value coefficients are derived from the Taiwan Ministry of Environment guidelines: Petrol (0.03266 GJ/L), Diesel (0.03517 GJ/L), and Purchased Electricity (0.0036 GJ/kWh).
Note 2: The group utilized no significant quantities of natural gas, LPG, or acetylene during the 2025 reporting period.
Note 3: Energy intensity is calculated as total energy consumption (GJ) divided by consolidated revenue (NTD 1,027.775 million).
Note 4: As 2025 marks the inaugural year of systematic energy inventory, comprehensive fuel statistics for 2024 and prior are unavailable.
Note 5: Electricity data for 2023 and 2024 specifically reflects the consumption of the primary subsidiary, Techcential Sdn. Bhd..
Note 6: Small-scale off-grid solar systems are utilized for perimeter lighting and security; these are excluded from the current GJ total.

Energy Consumption Outside the Organization (Scope 3 Preliminary Assessment)

The group is currently in the evaluation phase for Scope 3 data collection. Initial assessments have identified upstream and downstream transportation, alongside product end-of-life disposal, as the primary sources of external energy consumption. Quantitative disclosures will be provided in future reports once the inventory mechanism has matured

4.2 Climate Change

（GRI 201-2）

1.Climate Oversight and Governance Structure

The Board of Directors holds ultimate responsibility for the oversight and approval of climate-related issues. To institutionalise climate governance, an ESG Task Force was formally established in June 2025, chaired by the Chairman and comprising heads of production, workplace safety, corporate governance, and human resources. This task force coordinates sustainability strategies and provides quarterly reports to the Board on the status of greenhouse gas inventories and verification, ensuring that climate risks and opportunities are integrated into operational decision-making. Since 2024, the Corporate Governance Officer has been responsible for monitoring the progress of environmental indicators to proactively address stakeholder expectations for a low-carbon transition.

2. Climate-Related Risk and Opportunity Identification and Assessment Process

Following the TCFD (Task Force on Climate-related Financial Disclosures) framework, the company identifies and manages the potential impacts of climate change on its operations, strategy, and finances. While the direct financial impact of climate issues is currently not significant, these effects are expected to increase over the medium to long term.

The identification process includes gathering baseline energy consumption data since 2024 to establish an inventory framework. Risks are identified specifically for the primary production sites in Muar (TC1-TC6), covering both physical and transition risks. These identified risks are integrated into the enterprise risk management (ERM) system to inform the planning of energy-saving and decarbonization measures.

3. Scenario Analysis

Techcential is currently in the foundational stage of its climate management infrastructure. Although formal scenario analyses, such as SSP (Shared Socioeconomic Pathways), were not yet implemented in 2025 to evaluate resilience, the company has identified climate factors relevant to the short, medium, and long term.

Climate Change Risk Identification Summary

Rank	Risk Category	Risk Factor	Time Horizon
1	Physical Risk (Acute)	Extreme rainfall, floods, and heatwaves	Short-term (1-3 years)
2	Transition Risk (Policy and Legal)	Stricter carbon taxes, fees, and emission standards	Medium-term (3-10 years)
3	Physical Risk (Chronic)	Impact of climate change on raw material supply chain stability	Long-term (10+ years)

Climate Change Opportunity Identification Summary

Rank	Opportunity Category	Opportunity Factor	Time Horizon
1	Resource Efficiency	Adoption of automation, energy-saving equipment, and digital processes	Short-term
2	Products and Services	Development of green/low-carbon furniture (e.g., using FSC-certified timber)	Long-term
3	Markets	Enhancing sustainability certifications (e.g., SMETA) to capture premium orders	Long-term

4. Climate Change Risk and Opportunity Management Strategies
   Physical Risk Identification: Extreme Weather Events
   - The increasing frequency of extreme precipitation and heatwaves in Malaysia poses risks such as raw material delivery delays, facility damage, and reduced productivity due to employee heat stress. These events impact the organization through operational disruption costs, repair expenses, and occupational health risks. Mitigation strategies focus on reinforcing flood defenses and warehouse infrastructure, performing regular ventilation audits, and diversifying the supply chain to enhance resilience.

   Opportunity Identification: Resource Efficiency and Product Transformation
   - Growing global demand for sustainable furniture presents an opportunity to enhance brand equity and attract sustainability-conscious customers through the use of FSC-certified materials and low-carbon manufacturing processes. This shift supports market expansion and potential price premiums in the low-carbon segment. Strategic actions include the 2025 launch of the Group's greenhouse gas inventory, the incremental adoption of eco-friendly coatings and recycled materials, and ongoing investment in smart manufacturing technologies like CNC to minimize waste.
5. Metrics and Targets
   Techcential has established a clear decarbonization roadmap to track climate performance:
   - Climate Change Metrics:
     - Formal Scope 1 and Scope 2 inventories for the primary subsidiary, Techcential Sdn. Bhd., commenced in 2025 to establish base year emissions.
     - Total electricity consumption for the 2025 fiscal year was recorded at 3,008,449 kWh.

- Climate-Related Targets: The Group aims to complete its inaugural comprehensive inventory by 2026, subsequently defining carbon reduction targets and action plans. Furthermore, third-party assurance for consolidated greenhouse gas data is scheduled for completion by 2029.

6. Internal Carbon Pricing

The Group has not yet formally implemented an internal carbon pricing mechanism. Future adoption and pricing frameworks will be evaluated following the completion of comprehensive emission inventories and with reference to international benchmarks, such as regulatory trends and carbon tax levels. Currently, resources are prioritized toward achieving substantive carbon reductions at the source through equipment upgrades, including the transition to hybrid vehicles and solar lighting, alongside the digitalization of administrative workflows.

4.3 Greenhouse Gas Management

4.3.1 GHG Management Strategy, Methodology, and Targets

1. Greenhouse Gas Management and Reduction Targets

Techcential International Ltd. is dedicated to promoting effective greenhouse gas (GHG) management and has designated 2025 as the base year for its GHG inventory. This year was selected because it marks the Company's first systematic inventory conducted in accordance with the international GHG Protocol standards. The baseline emissions established will serve as the critical foundation for future reduction strategies and climate risk assessments.

Summary of 2025 Base Year Inventory Results:

- Scope 1 (Direct Emissions): 503.8101 tonnes .
- Scope 2 (Energy Indirect Emissions): 2,226.2523 tonnes .
- Total Emissions (Scope 1 + Scope 2): 2,730.0624 tonnes .
- GHG Emission Intensity: Approximately 2.656 tonnes per million NTD of revenue (calculated based on 2025 consolidated revenue of NTD 1,027,775 thousand).

The Company plans to complete its first comprehensive inventory in 2026, after which it will define specific annual carbon reduction ratios and set decarbonization targets for 2030 to fulfill its commitment to low-carbon manufacturing.

2. GHG Strategy and Concrete Action Plans

Techcential aligns its operations with the principles of Malaysia’s National Climate Change Action Plan. Our strategy focuses on energy efficiency, digitalization, and renewable energy application:

- Enhancing Energy Efficiency: Continuously replacing high-energy-consumption equipment, transitioning to LED energy-saving lighting, and strictly maintaining office air conditioning at 24°C to minimize waste.
- Digital Process Optimization: Fully implementing the Online e-Leave system to reduce paper usage and administrative environmental footprints at the source.
- Introduction of Renewable Energy: Installing solar-powered floodlights and CCTV systems around factory perimeters to reduce reliance on the traditional power grid while enhancing security.
- Transportation Transition: Phasing out work vehicles older than 15 years and prioritizing hybrid models to reduce fuel intensity and carbon emissions.

3. Calculation Methodology and Target Achievement Status

The Company utilizes the GHG Protocol and the principles of ISO 14064-1:2018 as its inventory methodology. Activity data is obtained through direct measurement (e.g., fuel records and utility bills), and calculations follow the emission factor method:

- Formula: Activity Data × Emission Factor × Global Warming Potential (GWP) = Carbon Dioxide Equivalent ().
- Parameter Sources: Factors are based on the "Malaysian Grid Emission Factors" and fuel heating value tables; GWP values are adopted from the IPCC Sixth Assessment Report (AR6).

2025 Achievement Status: The inventory for the parent company and the primary subsidiary, Techcential Sdn Bhd, has been successfully completed. This coverage includes six factory sites (TC1-TC6) in Muar, Malaysia, representing 100% of the surveyed workforce. The report has passed internal verification, and the Company plans to seek third-party external assurance by 2029 to enhance information reliability and transparency.

4.3.2 Greenhouse Gas Emissions Volume

Techcential International Ltd. (TIL) follows the ISO 14064-1:2018 standard and the Greenhouse Gas Protocol (GHG Protocol) to define its organizational boundaries using the operational control approach, with 2025 designated as the base year. The Company is committed to improving energy efficiency and implementing low-carbon manufacturing by establishing systematic data collection and verification mechanisms, which serve as the foundation for its long-term carbon reduction roadmap.

2025 Inventory Results: For the 2025 fiscal year, the Company's Scope 1 (direct GHG emissions) totaled 503.81 tonnes , and Scope 2 (energy indirect GHG emissions, location-based) totaled 2,226.25 tonnes . Scope 3 (other indirect emissions) is currently in the data collection and evaluation phase and will be incrementally integrated into disclosures as inventory mechanisms mature. The GHG emission intensity for 2025 was

2.656 tonnes per million NTD of revenue (based on consolidated revenue of NTD 1,027.775 million). Data for this period has completed internal verification procedures, and the Company plans to seek third-party external assurance in the future.

GHG Emissions and Intensity Analysis Table

Item	2025 (Base Year)	2024	2023
Scope 1 (tCO_2e)	503.81	(Note 4)	(Note 4)
Scope 2 (tCO_2e)	2,226.25	(Note 4)	(Note 4)
Scope 3 (tCO_2e)	Under Evaluation	(Note 4)	(Note 4)
Total Emissions (tCO_2e)	2,730.06	-	-
Emission Intensity (tCO_2e/Million NTD)	2.656	-	-

- *Note 1: Scope 1 emission sources include petrol and diesel used by the corporate fleet, recorded via actual refueling logs; Scope 2 sources consist of purchased electricity, recorded via utility billing statements.*
- *Note 2: GHG Emissions = Activity Data × Emission Factor × GWP. Emission factors are based on "Malaysian Grid Emission Factors" and fuel heating value tables; GWP values are adopted from the IPCC Sixth Assessment Report (AR6).*
- *Note 3: Calculated GHGs include , HFCs, PFCs, , and .*
- *Note 4: As 2025 marks the inaugural year for systematic GHG inventory, comprehensive comparative data for Scope 1 and Scope 2 prior to 2024 is unavailable.*
- *Note 5: The operational control boundary encompasses the parent company and the six primary production facilities in Malaysia (TC1-TC6)*

Scope 3 Inventory Assessment Status

The primary focus of TIL's 2025 GHG inventory is on Scope 1 (direct) and Scope 2 (energy indirect) emissions. Regarding Scope 3 (other indirect emissions), the Company has conducted an initial qualitative identification of major sources. The current assessment indicates that their impact on overall emissions is relatively limited, and the cost and human resources required for full quantification at this stage are not commensurate with the expected benefits; therefore, a quantitative Scope 3 inventory has not been implemented for 2025. The Company will re-evaluate the expansion of its inventory scope in the future based on regulatory requirements and available resources

4.4 Hazardous Substances Management

（GRI 403-2，GRI 403-9，GRI 403-10）

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. The validity period of the assessment report is 5 years, and it is currently still within its valid period. 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.

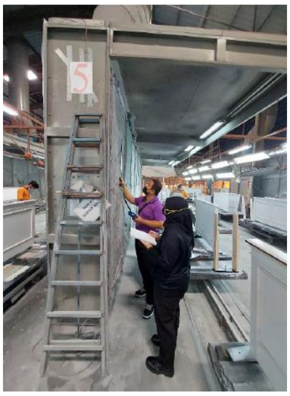
B) Waste Management: Reducing Pollution Risks and Fulfilling Environmental Responsibilities

- 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.

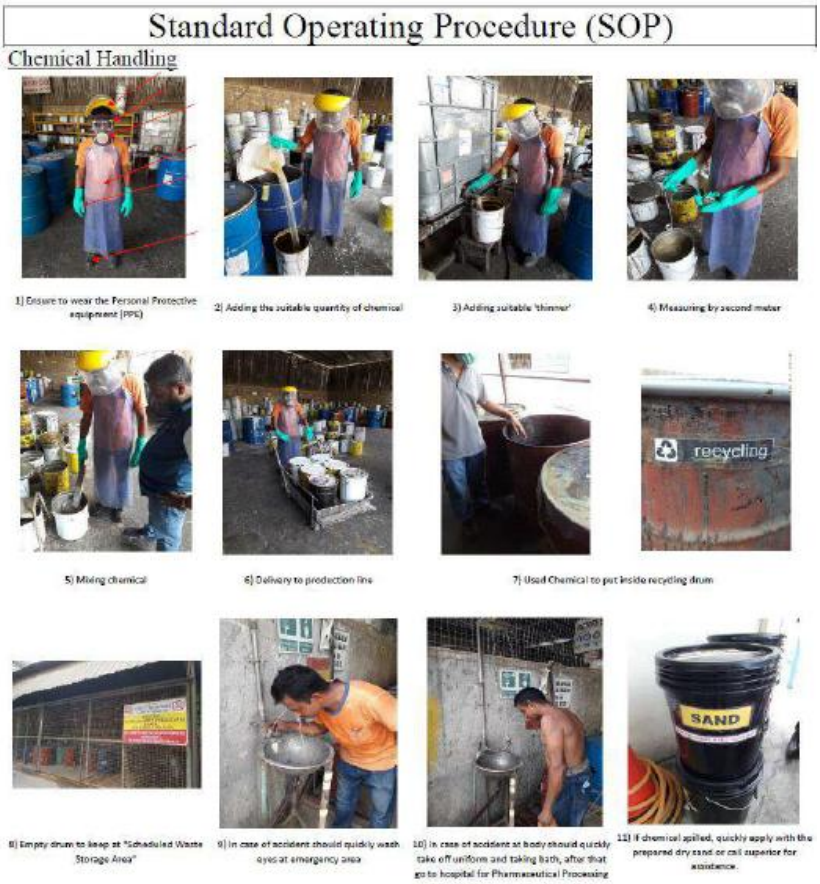
Hazardous Substance Control Status

Chemical Health Risk Assessment (CHRA) Awareness and Chemical Handling



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
1. The organization and its reporting practices				
GRI 2：General Disclosures 2021	2-1	Organizational details	1.1 About Techcential	6
	2-2	Entities included in the organization's sustainability reporting	About this Report	3
	2-3	Reporting period, frequency and contact point	About this Report	3
	2-4	Restatements of information	About this Report	4
	2-5	External assurance	About this Report	4
2. Activities and workers				
GRI 2：General Disclosures 2021	2-6	Activities, value chain and other business relationships	1.1 About Techcential	8
	2-7	Employees	3.2 Diverse Employee Structure	43
	2-8	Workers who are not employees	3.2 Diverse Employee Structure	43
3. Governance				
GRI 2：General Disclosures 2021	2-9	Governance structure and composition	2.2 Business Philosophy	24
	2-10	Nomination and selection of the highest governance body	2.2 Business Philosophy	24
	2-11	Chair of the highest governance body	2.2 Business Philosophy	24
	2-12	Role of the highest governance body in overseeing the management of impacts	2.2 Business Philosophy	24
	2-13	Delegation of responsibility for managing impacts	2.2 Business Philosophy	25
	2-14	Role of the highest governance body in sustainability reporting	2.2 Business Philosophy	30
	2-15	Conflicts of interest	2.2 Business Philosophy	27
	2-16	Communication of critical concerns	2.2 Business Philosophy	30
	2-17	Collective knowledge of the highest governance body	2.2 Business Philosophy	26
	2-18	Evaluation of the performance of the highest governance body	2.2 Business Philosophy	26
	2-19	Remuneration policies	2.2 Business Philosophy	28
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	2-21	Annual total compensation ratio	3.2 Diverse Employee Structure	46
4. Strategy, policies and practices				
	2-22	Statement on sustainable development strategy	Letter From the Chairman	2

GRI Standards Categories/ Topics	Disclosure items	Disclosure Title	Chapter / Note	Page
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			2.5 Information Security Management	33
	2-24	Embedding policy commitments	Management Policy	18,41, 68
			2.5 Information Security Management	33
	2-25	Processes to remediate negative impacts	Management Policy	18,41, 68
	2-26	Mechanisms for seeking advice and raising concerns	2.6 Integrity in Business Operations	35
	2-27	Compliance with laws and regulations	2.6 Integrity in Business Operations	35
	2-28	Membership associations	2.7 Participation in Various Associations and Organizations	37
5. Stakeholder engagement				
GRI 2：General Disclosures 2021	2-29	Approach to stakeholder engagement	1.2 Stakeholder Engagement	10
	2-30	Collective bargaining agreements	2.7 Participation in Various Associations and Organizations	37
Material Topics				
GRI 3：Material Topics 2021	3-1	Process to determine material topics	1.3 Material Topic Identification	15
	3-2	List of material topics	1.3 Material Topic Identification	15
	3-3	Management of material topics	1.3 Material Topic Identification	15
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			3.4 Social Welfare	53
	201-2	Financial implications and other risks and opportunities due to climate change	4.2 Climate Change	70
	201-3	Defined benefit plan obligations and other retirement plans	2.3 Operational Performance	31
	201-4	Financial assistance received from government	2.3 Operational Performance	31
GRI 204：Procurement Practices 2016	204-1	Proportion of spending on local suppliers	2.8 Supply Chain Management	38
GRI 205：Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	2.6 Integrity in Business Operations	36
	205-2	Communication and training about anti-corruption policies and procedures	2.6 Integrity in Business Operations	36

GRI Standards Categories/ Topics	Disclosure items	Disclosure Title	Chapter / Note	Page
	205-3	Confirmed incidents of corruption and actions taken	2.6 Integrity in Business Operations	36
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	36
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Topic-specific Standards: GRI 400 Series (Social Topics)				
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GRI 403：Occupational Health and Safety 2018	403-1	Occupational health and safety management system	3.5 Workplace Safety and Training	54
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	403-4	Worker participation, consultation, and communication on occupational health and safety	3.5 Workplace Safety and Training	54
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5.2 Appendix 2、Material Topic Disclosures

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GRI No	Topic	Sector Standards No	Disclosure items	Disclosure Title	Chapter / Note	Page
				retirement plans		
		-	201-4	Financial assistance received from government	2.3 Operational Performance	31
Material Topics：Regulatory Compliance						
GRI 3：Material Topics 2021	Regulatory Compliance Management Policy	-	3-3	Management of material topics	2.1 Management Policy	23
GRI 2：2021	General Disclosures 2021	-	2-27	Compliance with laws and regulations	2.6 Integrity in Business Operations	34
Material Topics：Customer Relationship Management						
GRI 3：Material Topics 2021	Customer Relationship Management Policy	-	3-3	Management of material topics	3.1 Management Policy	40
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	64
			416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.7 Customer Relationship Management	64
Material Topics：Workplace Health and Safety						
GRI 3：Material Topics 2021	Workplace Health and Safety Management Policy	-	3-3	Management of material topics	3.1 Management Policy	41
GRI 403	Occupational Health and Safety disclosure 2018	-	403-1	Occupational health and safety management system	3.5 Workplace Safety and Training	55
		-	403-2	Hazard identification, risk assessment, and incident investigation	3.5 Workplace Safety and Training 3.6 Noise Management 4.3 Hazardous Substances Management	56, 60, 75
		-	403-3	Occupational health services	3.5 Workplace Safety and Training 3.6 Noise Management	55, 60
		-	403-4	Worker participation, consultation, and communication on occupational health and	3.5 Workplace Safety and Training	55

GRI No	Topic	Sector Standards No	Disclosure items	Disclosure Title	Chapter / Note	Page
				safety		
		-	403-5	Worker training on occupational health and safety	3.5 Workplace Safety and Training	56
		-	403-6	Promotion of worker health	3.5 Workplace Safety and Training 3.6 Noise Management	56, 60
		-	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.5 Workplace Safety and Training 3.6 Noise Management	56, 60
		-	403-8	Workers covered by an occupational health and safety management system	3.5 Workplace Safety and Training	56
		-	403-9	Work-related injuries	3.6 Noise Management 4.3 Hazardous Substances Management	60, 75
		-	403-10	Work-related ill health		
Material Topics：Labor-Management Relations						
GRI 3：Material Topics 2021	Risk Management Policy	-	3-3	Management of material topics	3.1 Management Policy	42
GRI 401	Employment 2016	-	401-1	New employee hires and employee turnover	3.2 Diverse Employee Structure	44
		-	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.3 Talent Cultivation and Care	51
		-	401-3	Parental leave	3.3 Talent Cultivation and Care	51

5.3 Appendix 3、Climate-Related Information

No	Content	Chapter/ Remark	Page
1	Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	The Board holds ultimate oversight responsibility, with the ESG Task Force (established June 2025) led by the Chairman managing sustainability strategies and reporting to the Board quarterly	70
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.	The Group has identified short-term physical risks such as extreme rainfall and floods alongside medium-term transition risks like carbon taxes, assessing their impacts on operating costs and supply chain stability	71
3	Describe the financial impacts of extreme weather events and transition activities.	Extreme weather pose risks of business interruption and repair costs, while transition efforts focus on investments in energy-efficient equipment and the development of green products	71
4	Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management framework.	Climate risks are integrated into the Enterprise Risk Management (ERM) framework, with specific risk identification for the Muar production sites (TC1-TC6) to inform mitigation planning	71
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.	Formal SSP scenario evaluations were not conducted in 2025; the company is currently in the foundational stage of identifying baseline climate factors	71
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.	Strategies prioritize equipment upgrades like CNC machinery, solar energy applications, and the transition to hybrid vehicles, with quantitative transition metrics pending further development	71
7	If internal carbon pricing is used as a planning tool, disclose the basis for determining the price.	An internal carbon pricing mechanism was not formally implemented during the 2025 reporting period	71
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 Group intends to complete its first comprehensive inventory in 2026 to establish definitive carbon reduction targets for 2030	72
9-1-1	Greenhouse gas (GHG) inventory information for the most recent two years.	For the 2025 base year, Scope 1 emissions were 503.81 tCO_2e and Scope 2 were 2,226.25 tCO_2e, totaling 2,730.06 tCO_2e, with an intensity of 2.656 tCO_2e per million NTD of revenue	72
9-1-2	Greenhouse gas (GHG) assurance information for the most recent two years.	2025 data underwent internal verification, and third-party external assurance for the consolidated Group is scheduled for completion by 2029	74
9-2	Greenhouse gas (GHG) reduction targets, strategies, and specific action plans.	Greenhouse gas reduction strategies include plant-wide LED lighting transitions, administrative digitalization through the Online e-Leave system, solar energy deployment for security and lighting, and transitioning the corporate fleet to hybrid models	72

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