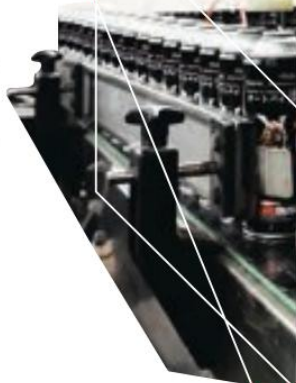




SAMURAI®
くろぶし 黒武士

*We Change Aerosol,
Aerosol Changes The World.*



2025

SUSTAINABILITY REPORT
SAMURAI2K AEROSOL LIMITED

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This sustainability report has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**").

This sustainability report has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this sustainability report, including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 83 Clemenceau Avenue, #10-01 UE Square, Singapore 239920, telephone (65) 6590 6881.

THE BOARD'S STATEMENT

Dear Valued Stakeholders,

At Samurai 2K Aerosol Limited ("**Samurai 2K**" or the "**Company**", and together with our subsidiaries, the "**Group**"), sustainability is a strategic priority and a core driver of long-term value creation. Our Board of Directors (the "**Board**") places strong emphasis on responsible governance, environmental stewardship, and social accountability to ensure resilient and future-ready operations.

Guided by the principles of the Global Reporting Initiative ("**GRI**") and the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"), the Board is actively engaged in shaping and overseeing the company's sustainability strategy. This includes the identification and management of material ESG factors, the integration of climate-related risks and opportunities into our business decisions, and the monitoring of key sustainability metrics and performance indicators.

The Board ensures that sustainability considerations are embedded in all levels of strategic planning, from the development of low-emission product innovations to the reduction of environmental impact across our value chain. To support this oversight, the Sustainability Committee—comprising senior management and department heads—has been established to provide focused governance and expert direction on the company's sustainability initiatives, disclosures, and performance.

Our approach reflects a commitment not only to regulatory compliance, but also to the proactive advancement of sustainable value creation for our customers, communities, investors, and employees.

On behalf of the Board, we extend our appreciation to all stakeholders who support and contribute to our sustainability journey. Together, we are building a business that is both environmentally responsible and commercially resilient.

Sincerely,
The Board of Directors

ABOUT THIS REPORT

Reporting Period & Scope

This sustainability report ("**Report**") presents the Group's sustainability performance for the financial year from 1 April 2024 to 31 March 2025 ("**FY2025**"). Where relevant, historical data has been included to enable year-on-year comparison. Unless otherwise indicated, the reporting scope covers all direct operations located in Johor, Malaysia. These operations encompass our main production facility, inventory storage warehouses, supplier collection point, and office premises housing research and development ("**R&D**"), finance, and management functions.

Our sustainability practices have undergone internal review by our internal audit team. While this Report has not been externally assured, we are progressively exploring the adoption of external assurance as part of our commitment to enhancing transparency and credibility in future sustainability reporting.

Reporting Framework

This Report has been prepared with reference to the Global Reporting Initiative Standards 2021 ("**GRI Standards**"), TCFD recommendations, Rules 711A and 711B of the Listing Manual Section B: Rules of the Catalist ("**Catalist Rules**") of the SGX-ST with reference to the Practice Note 7F of the Catalist Rules. We have opted to adopt the GRI Standards for its international recognition, universal applicability, and comprehensive guidelines.

Report Contact and Feedback

This Report is published digitally via the SGXNet portal. Physical copies of the Report will not be printed. We invite all stakeholders to provide us with feedback on this Report and our sustainability performance. Please address your suggestions, comments, and/or enquiries to ir@samurai2kaerosol.com or our headquarters at 6, Jalan Dato' Yunus 1, Taman Perindustrian Dato Yunus Sulaiman, Lima Kedai 81120 Skudai, Johor, Malaysia.

COMPANY PROFILE

Over the years, Samurai 2K has firmly established itself as a market leader in the automotive repainting and aftermarket sector. Our comprehensive product portfolio caters to both automotive restoration enthusiasts and custom paint professionals, offering solutions that restore vehicles to their original condition or transform them with unique finishes.

Our products are proudly manufactured in Johor, Malaysia, and distributed across a broad international footprint including Malaysia, Indonesia, Thailand, Philippines, Vietnam, Cambodia, United Kingdom, United States, Singapore, and India. Renowned for advanced spray paint formulations, Samurai 2K offers exceptional surface finishes complemented by a wide range of primers, putties, clear coats, and specialty coatings.

At the core of our innovation lie four proprietary technologies:

- **2K Technology – Professional-Grade Results Without an Air Compressor**
 - Our signature dual-component packaging system houses both resin and hardener in one can, separated by a breakable metal inner sleeve. This eliminates the need for a compressor, making professional-quality painting accessible for DIY users.
- **TINTATEK – Manual Colour Matching and Filling Without Machinery**
 - TINTATEK empowers users to manually match or blend millions of colours using a compact, user-friendly kit. Ideal for localised repairs, this solution allows seamless colour blending with surrounding surfaces—offering an economical and practical alternative to traditional colour-matching machines.
- **MIRROTEK – Mirror-Like Chrome Coating Technology**
 - MIRROTEK enables a brilliant mirror-chrome finish with:
 - High reflectivity pigments for stunning visual effects
 - Easy and uniform application across diverse materials
 - Quick drying for faster turnaround
 - A durable, scratch- and fade-resistant coating
 - Customisable tinting options for full design flexibility
- **WATERTEK – High-Gloss, Low-VOC Water-Based Paint**
 - Our WATERTEK line reflects our commitment to sustainability, featuring:
 - Compliance with environmental regulations
 - Low Volatile Organic Compound (VOC) emissions
 - A fast-drying, high-gloss professional finish
 - User-friendly application and easy clean-up

In response to the evolving preferences of our customer base, Samurai 2K launched a strategic Online-to-Offline ("O2O") initiative in FY2023. This approach bridges digital convenience with physical accessibility. Through the Samurai Paint Store (<https://samuraipaint.com/pages/samurai-service>), customers can browse and purchase products online, with the added convenience of accessing them at nearby retail touchpoints. This initiative reflects our ongoing commitment to innovation, customer engagement, and an enhanced, seamless purchasing experience.

For more information on our product and service offerings, please visit our official website at www.samurai2kaerosol.com.

Our Philosophy

Our sustainability strategy is rooted in our mission, vision, and core values, which serve as a consistent compass for our actions. We continuously evaluate our sustainability priorities to ensure they remain aligned with our broader business objectives. Our overarching goal is to create long-term value for our stakeholders while spearheading meaningful change across the aerosol manufacturing industry.

Our belief

- We change aerosol, aerosol changes the world

Our vision

- To be the world's most respected innovative aerosol system provider

Our mission

- To offer the most innovative aerosol systems with the best user enjoyment and to create more opportunities for all fans in the world

Core values

- Simply, focus, and continuous - we are professional at work
- Accountability - we take ownership of our words, actions, and results
- Mutual benefits - we benefit when our fans get benefits
- Unity - we unite to gain team strength and power
- Respect - we gain respect by achieving outstanding results
- Actions - we achieve goals with no excuses
- Innovation - we change for a better tomorrow

OUR SUSTAINABILITY APPROACH

Sustainability Governance and Principles

To effectively tackle the sustainability challenges our organisation faces, we recognise the importance of a top-down governance approach. At Samurai 2K, the Board holds ultimate responsibility for overseeing all material ESG matters and works in close coordination with the Sustainability Committee—comprising senior management and department heads—to identify, implement, and monitor sustainability initiatives across our operations. In alignment with SGX requirements, all Directors have also completed mandatory sustainability training to strengthen their oversight capabilities.

Our Sustainability Governance Structure is set out as follows:

The Board

Examines the Group's approaches, guidelines, and financial accomplishments, with sufficiency and effectiveness of internal controls and risk management.

Establishes values and principles of the Company (including ethical standards) and guarantees the fulfilment of responsibilities towards shareholders and other stakeholders.

Offers strategic direction for Samurai 2K's sustainability policies and identifies risks and opportunities related to sustainability during the development of our sustainability plan.

Sustainability Committee

Formulates and implements sustainability practices throughout various business divisions.

Oversees the Group's advancement and achievements in each significant ESG material topic, and regularly informs the Board about noteworthy advancements.

Stakeholder Engagement

Maintaining open and effective communication with key stakeholders is essential to ensuring the long-term success of the Group. Across our operations, we have identified a range of stakeholder groups that hold considerable influence and relevance to our business. We engage regularly with both internal and external stakeholders through a variety of channels, as outlined in the table below, to proactively gather their feedback and strengthen our approach to managing sustainability-related matters.

STAKEHOLDER GROUPS	ENGAGEMENT PLATFORMS	KEY CONCERNS	HOW WE ADDRESS THEIR CONCERNS
Customers/ End-users	<ul style="list-style-type: none"> • Customer service feedback forms • Social media channels • Workshops and exhibitions 	<ul style="list-style-type: none"> • Business continuity • Good services and product quality • After-sales services • Ethical purchasing practices 	We have implemented measures to guarantee that our products adhere to stringent quality standards, promote environmental sustainability, and ensure consumer safety.
Suppliers	<ul style="list-style-type: none"> • In-person meetings • Communication via our supplier management system • Supplier surveys 	<ul style="list-style-type: none"> • Maintain ethical standards by adhering to the terms and conditions of purchasing policies and procedures 	We frequently communicate with our suppliers on our code of conduct for procurement practices and our expectation for the timely delivery of high-quality supplies.
Employees	<ul style="list-style-type: none"> • Induction and orientation • Annual performance appraisals • Dialogue sessions with management 	<ul style="list-style-type: none"> • Safe work environment • Foreign workers' rights • Child workers' policy • Employees' rights and welfare • Personal development • Inclusive working environment 	We have a strict policy of completely rejecting forced labour practices and closely monitor the well-being and safety of our employees. Additionally, we are actively working on developing a talent management strategy to foster the professional growth and advancement of our staff.
Shareholders	<ul style="list-style-type: none"> • Annual general meeting • Annual reports • Circulars to shareholders 	<ul style="list-style-type: none"> • Profitability • Transparency • Timely reporting • Fair purchasing practices • Dividend pay-outs 	We establish annual growth objectives and offer prompt and transparent updates to shareholders regarding the Group's business progress.
Business Partners	<ul style="list-style-type: none"> • Regular meetings • Focus group discussions 	<ul style="list-style-type: none"> • Business opportunities 	We regularly engage with our business partners to explore potential avenues for collaboration.
Government & Regulators	<ul style="list-style-type: none"> • Discussions with and notices from government agencies and departments 	<ul style="list-style-type: none"> • Environmentally friendly business approach • Regulatory compliance • Timely reporting and resolution of issues 	We adhere rigorously to all applicable laws and regulations mandated by government agencies and departments.

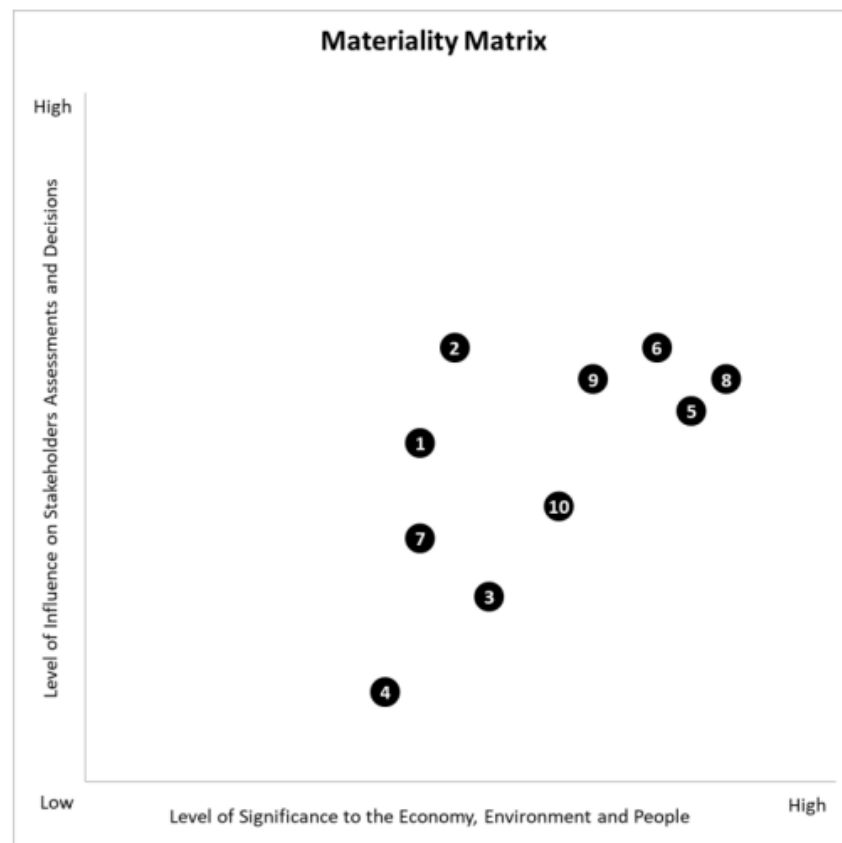
Sustainability In Our Value Chain

We understand the critical need to actively monitor, evaluate, and manage the sustainability impacts associated with our operations. Our enduring partnerships—some spanning over a decade—with suppliers, distributors, and wholesalers reflect our deep-rooted commitment to sustainability. Together, we uphold stringent standards for environmental protection, health, and safety, while working to reduce our collective environmental footprint. All suppliers undergo a rigorous pre-selection process to ensure product quality and alignment with our sustainability values. In line with our sustainable procurement approach, we also place ongoing emphasis on incorporating recycled materials in our packaging.

At Samurai 2K, our responsibility to sustainability extends across the entire product lifecycle—from sourcing raw materials to end-of-life disposal. We are committed to fostering meaningful collaborations with individuals, communities, ecosystems, and businesses worldwide to embed sustainable practices throughout every stage of our value chain.

Our Material ESG Topics

In FY2024, we carried out a materiality assessment to identify, prioritise, and validate the ESG issues most relevant to our business and stakeholders. This collaborative process involved evaluating the significance and potential impact of each ESG topic on both our operations and stakeholder interests. Our ongoing goal is to create long-term value by proactively managing the Group's sustainability-related risks, opportunities, and overall impact. We have reassessed our material topics and confirm their continued relevance in FY2025. A summary of the Group's material ESG topics is presented below.



Material Topics	Our Targets
Economic Performance	<ul style="list-style-type: none">To achieve higher sales while tightening cost controlsTo enhance online and offline marketing activities

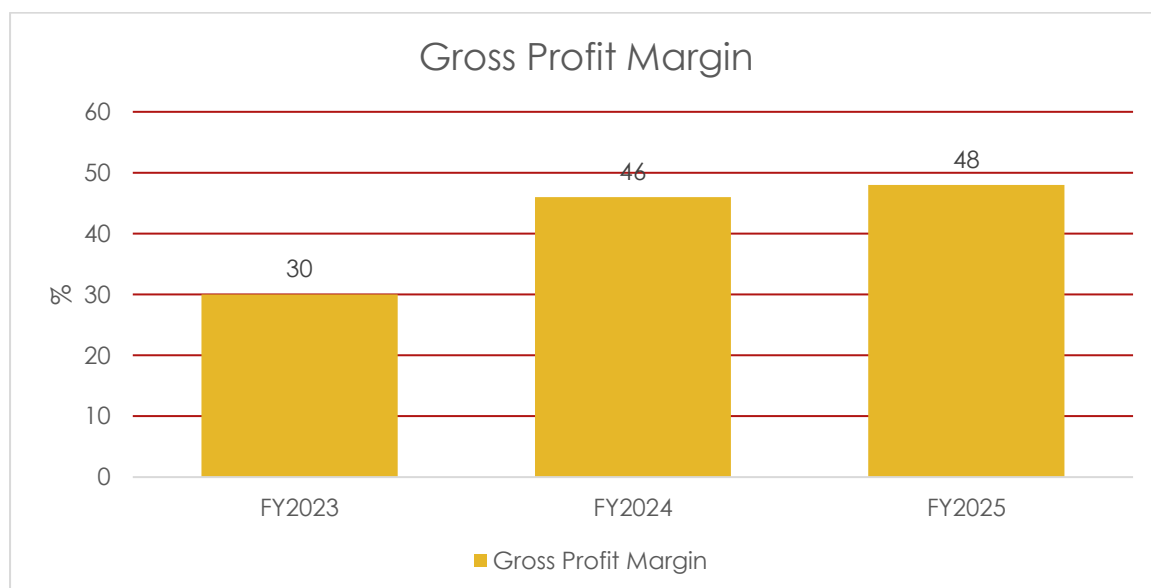
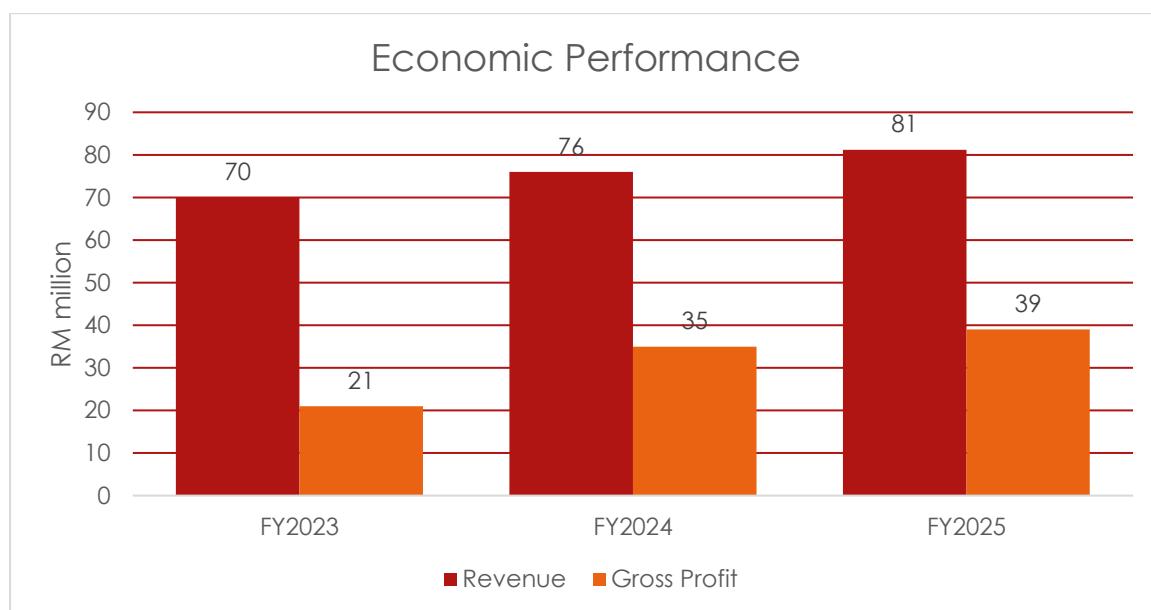
Material Topics	Our Targets
(GRI 201)	<ul style="list-style-type: none"> To develop innovative products and maintain our market competitiveness
Anti-Corruption (GRI 205)	<ul style="list-style-type: none"> To promote a corporate culture that emphasises transparency and accountability To maintain a zero record of non-compliance with laws and regulations
Water and Energy Management	<ul style="list-style-type: none"> To implement energy and water efficiency improvements that also bring cost savings
Climate Change	<ul style="list-style-type: none"> To maintain or reduce our total greenhouse gas emissions intensity in the financial year ended 31 March 2025 ("FY2025"), using 36.37 tons of carbon dioxide equivalent ("tCO2e") per million cans in FY2024 as the baseline.
Waste management	<ul style="list-style-type: none"> To ensure responsible waste disposal at the locations where we operate.
Training and education	<ul style="list-style-type: none"> To prepare our employees for the evolution of digital economy, we continue to upskill and reskill our workforce so that their knowledge remains relevant and applicable in the industry.
Diversity and equal opportunity	<ul style="list-style-type: none"> To maintain zero reported issues of discrimination and continue promoting a culture of unity
Occupational health and safety	<ul style="list-style-type: none"> To monitor all health and safety risks through effective risk mitigation management. To achieve zero incidents of non-compliance with occupational safety and health regulations.
Employee well-being	<ul style="list-style-type: none"> To maintain zero incidents of non-compliance with employment regulations.
Customer health and safety	<ul style="list-style-type: none"> To maintain zero incidents of non-compliance with regulations concerning the health and safety impacts of our products.

ECONOMIC PERFORMANCE

With one of our primary business objectives to ensure favourable returns for our stakeholders, we are dedicated to pursuing sustainable and consistent economic growth that will benefit not just the Group but the society as well.

The Group delivered positive financial performance in FY2025, recording revenue of RM81.21 million, a modest increase of 7.4% compared to the financial year ended 31 March 2024 ("FY2024"). Gross profit increased 11.8% to RM38.70 million and gross profit margin improved notably, rising from 46% in FY2024 to 48% in FY2025.

The Group remains optimistic and is actively working towards expanding its business in the international platform to meet the global aerosol market demands and ultimately become the world's best aerosol spray service provider. The FY2024 target to achieve higher sales and tightening cost control was met as we saw higher revenue, gross profit, and gross profit margin in FY2025 compared to FY2024.



Following the successful penetration of the USA and India markets through the establishment of local subsidiaries, efforts are now directed towards consolidating market presence via the

introduction of e-commerce platforms. This expansion has been complemented by the establishment of a digital presence across six key platforms: Shopify, TikTok, Lazada, Shopee, Flipcart, and Amazon.

The Group continues its effort to enhance online and offline marketing activities and to develop innovative product. Currently, the Group is in the final stage of improvising its product i.e. TINTATEK followed by other innovations i.e. WATERTEK and MIRRORTEK being finetuned concurrently for the launch in coming years. For end-users to enjoy the benefits of these products in a wholesome manner, the Group has introduced Samurai O2O Service in year 2022, that provides spray painting service for customers by merely making reservation through its user-friendly digital platform.

ANTI-CORRUPTION

At Samurai 2K, we are deeply committed to upholding a culture of integrity and ethical behaviour throughout our operations. All employees are expected to adhere to the Group's Code of Conduct, which strictly prohibits the acceptance of gifts, favours, or undue advantages from business partners, contractors, suppliers, customers, or any parties with business dealings with the Group.

We maintain a zero-tolerance stance toward corruption, fraud, bribery, and any form of unethical conduct. To reinforce this commitment, we have established comprehensive policies such as our Anti-Corruption Policy, which sets out clear guidelines for the prevention, detection, and management of potential misconduct. These efforts support our goal of maintaining the highest standards of corporate governance and social responsibility.

In addition, our Whistleblowing Policy provides a secure and confidential channel for employees to report suspected misconduct. Reports made in good faith are treated with strict confidentiality, and the identities of whistleblowers are protected to the fullest extent possible. Even if a report is later found to contain inaccuracies, the individual who raised the concern will be protected from any form of retaliation. Details of our whistleblowing framework can be found on pages 37 to 38 of the Annual Report.

To increase awareness, we regularly communicate our anti-corruption policies and whistleblowing procedures to employees. Employees are encouraged to report concerns via our official channels at whistleblowing@samuraipaint.jp and/or grievances@samuraipaint.jp.

FY2025 Performance

In FY2025, we successfully met our target of maintaining a clean compliance record, with no reported incidents of legal or regulatory breaches, corruption, bribery, fraudulent activities, or workplace misconduct.

To preserve this high standard, we continue to foster a culture of transparency and accountability. A dedicated legal officer has been appointed to oversee regulatory compliance across our operations, ensuring that Samurai 2K operates within the boundaries of all applicable laws and industry best practices.

ENVIRONMENTAL MANAGEMENT

Water and Energy Management

Since November 2018, our Johor, Malaysia production facility has actively regulated energy usage. Initiatives include installing motion sensor lighting in common areas that automatically switch off after five minutes of inactivity. Concurrently, we have cultivated energy-saving habits among employees through signboard reminders to switch off lighting and air-conditioning units across our factory and offices. Similar measures have been implemented for water management, with eye-catching reminders placed next to water taps throughout the facility to prompt conservation. These efforts are part of our ongoing commitment to efficient resource management, aiming to promote a culture of conservation.

Our operations are also certified under ISO14001: Environmental Management, which provides a robust framework for establishing, implementing, maintaining, and continually improving our environmental management practices. Adhering to ISO14001 enables us to identify, manage, and minimise our environmental impact while ensuring compliance with relevant environmental regulations. This yields several benefits, including a reduced environmental footprint, improved resource efficiency, and cost savings through reduced waste and energy use.

In FY2025, we successfully met our target by maintaining zero incidents of non-compliance with environmental laws and regulations. We constantly strive to contribute to environmental protection by consuming electricity and water as efficiently as possible, thereby minimising our overall environmental footprint.

FY2025 Performance

Resource	FY2023	FY2024	FY2025
Petrol consumption (kWh)	-	127,557	110,306
LPG consumption (kWh)	-	2,682	2,839
Electricity consumption (kWh)	661,592	701,306	720,485
Water consumption (litres)	6,579	3,812	3,662
Sales volume – cans (millions)	10.8	11.5	12.2
Resource Ratios			
Energy intensity ratio (kWh/can)	0.0613	0.0723	0.0683
Water intensity ratio (litres/can)	0.000609	0.000331	0.000300

For FY2025, the company's resource consumption and efficiency metrics overall decreased when compared to the previous fiscal year.

Regarding energy consumption, petrol use saw a commendable decrease of 13.52%, dropping to 110,306 kWh. Conversely, LPG consumption experienced a modest uptick of 5.85%, reaching 2,839 kWh, and electricity consumption also increased slightly by 2.73% to 720,485 kWh. The increase in electricity is likely due to renovation works after the fire incident that occurred in our facility in May 2024. These combined changes resulted in a 5.53% decrease in the energy intensity ratio.

In terms of water management, total water consumption decreased by 3.93% to 3,662 litres. with a similar trend of the water intensity ratio decreasing by 9.37%. The Group is committed to enhancing the efficiency of its daily electricity and water consumption. Environmental performance will continue to be closely monitored in the coming years. We remain dedicated to promoting eco-friendly, resource-saving practices throughout the organisation.

Climate change (TCFD report)

Governance

The Board of Directors champions the Group's sustainability agenda, which includes direct oversight of climate-related risks and opportunities. This involves actively shaping material ESG factors, monitoring related matters, and consistently reviewing sustainability risks, with a particular emphasis on climate change. The Sustainability Committee is instrumental in preparing the Group for climate-related challenges and leveraging associated opportunities. Through establishing clear objectives, evaluating and mitigating risks, and reporting progress to the Board, management, supported by the Sustainability Committee, effectively reduces climate exposure and capitalises on emerging climate-driven advantages.

Strategy

To ascertain the resilience of our climate strategy and business model, we undertook a scenario analysis. This involved evaluating identified physical and transition risks, alongside opportunities, against two distinct pathways: a 2°C warming scenario (Representative Concentration Pathway ("RCP") 2.6, aligned with limiting warming) and a 4°C warming scenario (RCP 8.5, representing a high-emissions trajectory). Our assessment of physical risks encompassed the operational impacts of acute and chronic hazards like extreme rainfall and heat. Transition risks considered factors such as evolving ESG reporting mandates, stakeholder concerns, and potential increases in energy and water costs, as well as supply chain and raw material availability challenges.

Based on our analysis, the Group's major climate-related risks, as well as its corresponding mitigation measures are as follows:

Risk type	Time horizon	Potential impacts	Risk level		Mitigation measures
			Below 2°C	Above 4°C	
Physical risks					
Extreme rainfall	Long term	Increase in extreme rainfall may result in operational delays, increased costs, customer dissatisfaction, and revenue losses, thereby affecting profitability.	Low	Low to moderate	<ul style="list-style-type: none">• Ensure business continuity plans, and extreme rainfall response plans are implemented.• Develop flood control measures, including rain gardens and permeable pavements to manage stormwater runoff where appropriate.
Extreme heat	Long-term	Hot days and extreme heat could become more common and/or severe, which could result in increase in cooling demand and higher electricity costs	Low	Low to moderate	<ul style="list-style-type: none">• Ongoing maintenance to ensure that air cooling systems and generators are in good working order and appropriate for both the local and changing climate conditions.• Implement health and safety initiatives to protect people

Risk type	Time horizon	Potential impacts	Risk level		Mitigation measures
			Below 2°C	Above 4°C	
					from extreme heat risk, including special work arrangements during peak temperature hours and provision of reminders of staying hydrated and consequences of dehydration for employees, as required.
Transition risks					
ESG reporting obligations	Short term	Increased demand from governments and regulators for ESG information disclosure by enterprises, requiring greater transparency and detailed data	Moderate to high	Moderate	<ul style="list-style-type: none"> Ensure ESG information are disclosed in accordance with the latest requirements and reporting guidelines.

Beyond risk evaluation, we actively explore climate-related opportunities. Recognising heightened client awareness of climate change, we are embedding sustainability elements into our core business. This includes pursuing energy efficiency and cost savings through advanced technologies, aligning with our ISO14001 certification. Furthermore, our commitment to sustainable procurement, including the use of recycled packaging and engaging environmentally conscious suppliers, enhances brand reputation and customer loyalty while reducing our carbon footprint. These integrated opportunities strengthen our market position, foster innovation, and unlock new revenue streams.

Risk Management

The Group has established robust processes for identifying and assessing climate-related risks, integrating these into its overarching Enterprise Risk Management (“**ERM**”) framework. This systematic approach, completed in FY2024, ensures that both physical and transition risks with potential financial, reputational, and long-term development impacts are acknowledged and managed. The Sustainability Committee plays a pivotal role in this, engaging stakeholders and reviewing a TCFD-guided climate risk register annually as part of the broader ERM review. Material financial implications are escalated through management channels to the Audit Committee and Board.

Our risk management also encompasses proactive measures for safety and operational risks related to energy, water, and raw material supply, enforced through strict internal protocols and continuous training. While a qualitative assessment approach is currently employed for climate risks, supplemented by ERM insights, the Group is committed to enhancing transparency and resilience by continuously following TCFD recommendations. Overall risk oversight resides with the Board, with rigorous internal controls regularly evaluated through independent audits. Climate risk considerations are embedded across all key business

operations, including planning and investments, ensuring a consistent and structured approach to managing potential climate impacts.

Metrics and Targets

Utilising Scope 1 (direct) and Scope 2 (indirect) GHG emissions, and intensity as key metrics, the Group evaluates climate-related risks and opportunities within its strategic and risk management processes. The Group is fully aware of its operational emissions and is committed to their reduction. Primary GHG emission sources stem from fuel consumption in vehicles and manufacturing processes (Scope 1) and purchased electricity (Scope 2).

The Group's direct (Scope 1) GHG emissions, indirect (Scope 2) GHG emissions, total GHG emissions and total GHG emissions intensity can be found below:

	FY2024	FY2025
Direct (Scope 1) GHG emissions (tCO₂e)¹	32.54	28.46
Indirect (Scope 2) GHG emissions (tCO₂e)²	542.81 ³	557.66
Total GHG emissions (tCO₂e)	575.35	586.12
GHG emissions intensity (tCO₂e/million cans sold)	0.0000500	0.0000479

We aim to maintain or reduce our total GHG emissions intensity in FY2025, with a baseline of 0.0000500 tCO₂e per million cans from FY2024. To achieve this, we have implemented efficient driving route planning for fuel optimisation and various energy-saving measures, further detailed in the 'Water and Energy Management' section.

¹ Emissions factors taken from Greenhouse Gas Protocol Cross-sector Emission Factors Worksheet V2.0

<https://ghgprotocol.org/calculation-tools-and-guidance>

² Emissions factors taken from <https://meih.st.gov.my/documents/10620/cdddb88f-aaa5-4e1a-9557-e5f4d779906b>

³ FY2024 scope 2 emissions have been restated to reflect updated emissions factor

Waste

Operating a manufacturing facility inevitably produces a substantial volume of waste, making effective waste management and disposal critical to minimising our environmental footprint across all areas of our business.

To address this, we have established the necessary infrastructure to ensure proper waste handling within our operations. In compliance with the Malaysia Environmental Quality Council's Environmental Quality (Prescribed Conveyance) (Scheduled Wastes) Order 2005, we have designated a specific waste area within our factory and arranged for an authorised waste collector to recycle and dispose of our waste biweekly.

Our manufacturing process, particularly in the R&D and production of aerosol paints and coatings, involves the use of hazardous materials such as resins, pigments, additives, solvents, and propellants. Following industry best practices, we have implemented stringent protocols to monitor the generation of hazardous by-products and to ensure their safe treatment and disposal.

To support this, we collaborate with Ranama Resources Sdn Bhd., a third-party specialist responsible for the proper disposal of hazardous waste and by-products, thereby reducing potential risks to both human health and the environment. Due to this partnership and the nature of waste handling, we do not currently report quantitative data on the volume of waste generated.

All employees undergo comprehensive training on correct waste handling procedures, complemented by external training sessions on waste management. We remain fully committed to adhering to all relevant environmental regulations concerning responsible waste disposal.

HUMAN CAPITAL

In FY2025, the Group's employment structure was categorised into permanent and contractual roles. Contractual employment was strategically introduced to mitigate labour costs and support business expansion, enabling the Group to secure specific skillsets and experience, particularly for departments like Digital Marketing, crucial for achieving its objectives. These contractual arrangements typically involve one-year terms, with employee performance rigorously measured through quarterly KPI reviews. Our comprehensive employee breakdown by gender and region, encompassing both permanent and contractual staff, is presented in the table below.

Our Workforce			
	By Gender		By region
	Male	Female	Malaysia
FY2023	69	52	121
FY2024	134	59	193
FY2025	131	45	176

Diversity and Equal Opportunity

At Samurai 2K, we view workforce diversity as a key strength that sets us apart. By valuing and embracing the unique talents of each employee, we enhance our ability to foster creativity and achieve our business goals. Throughout the Group, we are dedicated to cultivating a workplace culture rooted in unity and inclusion. Unfortunately, due to the fire incident that happened, the facility was unable to host events and activities like last year's Women's Day event.

In September 2023, we strengthened our commitment by implementing a Workplace Harassment Prevention Policy to reinforce our zero-tolerance stance against violence towards women. We are pleased to report that there were no incidents of gender discrimination in FY2025, reflecting the effectiveness of our policies and ongoing efforts to create an equitable and supportive work environment.

A detailed breakdown of our employee categories by age and gender can be found in the tables below:

Gender		Senior Management	Middle Management	Executives and Assistants
FY2023	Male	9	19	41
	Female	6	27	19
FY2024	Male	11	34	89
	Female	6	28	25
FY2025	Male	6	45	80
	Female	5	35	5

Age Groups		Senior Management	Middle Management	Executives and Assistants
FY2023	< 30 years old	0	25	34
	30 – 50 years old	7	21	24
	> 50 years old	8	0	2
FY2024	< 30 years old	0	30	77
	30 – 50 years old	9	31	36
	> 50 years old	8	1	1
FY2025	< 30 years old	0	28	68
	30 – 50 years old	6	27	39

Age Groups		Senior Management	Middle Management	Executives and Assistants
	> 50 years old	5	2	1

We are firmly committed to providing equal employment opportunities and have a zero-tolerance stance on any form of discrimination. Hiring and promotion decisions are based solely on merit and performance, without regard to race, age, gender, religion, or ethnicity. Our commitment to diversity and equal opportunity is clearly outlined in the policies and procedures included in our Employee Handbook. Although Samurai 2K operates within a traditionally male-dominated industry, we continue to actively promote equal gender representation at all levels by maintaining a gender-neutral compensation structure. Our commitment to fostering a respectful and inclusive workplace is reflected in our comprehensive Employee Handbook, which clearly outlines our strict policies against workplace harassment.

The policy prohibits any form of verbal or physical conduct that may cause physical or psychological harm to colleagues. Harassment based on gender, race, disability, age, pregnancy, marital status, family responsibility, religious or political belief, sexuality, or health status is strictly forbidden. We take all substantiated complaints seriously and enforce appropriate disciplinary actions, including termination where necessary.

Training and Education

As a Group, we are deeply invested in the personal and professional development of our employees, continuously providing learning and development opportunities to upskill and reskill them for the digital economy. This commitment to enhancing employee capabilities directly contributes to maintaining our market competitiveness.

We encourage open dialogue regarding professional development needs, allowing employees to discuss these with their supervisors throughout the year. Concurrently, every employee undergoes a mandatory annual performance appraisal. These reviews serve as an invaluable platform for identifying and assessing training and development needs, fostering meaningful conversations between supervisors and subordinates on how the Company can best support productivity gains.

To facilitate skills upgrading and keep our workforce abreast of industry trends, we regularly send employees to specialised workshops covering areas such as Operational Management, Social Media Marketing SEO, Google SEO Content Writing, and Forklift Safety Training. Additionally, relevant personnel from the Finance, HR, Legal, Logistics, and Safety & Health departments have participated in KAIZEN training, promoting continuous improvement through systematic analysis. These initiatives are integral to our strategic talent management policy.

A detailed breakdown of average training hours conducted for our employees, by management level and by gender, can be found in the tables below:

Category	Total training hours			Average training hours		
	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
By Gender						
Male	1,211.5	736.5	425.8	17.56	5.50	10.14
Female	1,356.0	922.0	1,408	26.08	15.63	17.60
By Employee Category						
Senior Management	452.0	24.0	70	30.13	1.41	10

Category	Total training hours			Average training hours		
	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
Middle Management	1,355.5	217.0	1,131.8	29.47	3.50	13.6
Executive and assistants	760.0	1,417.5	632	12.67	12.43	19.75

Overall, the average training hours decreased in FY2025 by 3.84 hours compared to FY2024. This is due to the fire incident that occurred in the facility, which led to a decrease in trainings conducted while the company focused on recovering operations.

A detailed breakdown of the number and percentage of employees under performance reviews and appraisals, by management level and by gender, can be found below:

Category	Employees given appraisal	Total headcount	%
By Gender			
Male	108	131	82.44%
Female	31	45	68.89%
By Employee Category			
Senior Management	9	11	81.82%
Middle Management	50	57	87.72%
Executive and assistants	80	108	74.07%

Overall, 78.98% (FY2024: 47.15%) of our employees received performance appraisals in FY2025. This increase is testament to our dedication to employee growth and development.

Employee suitability is determined by Heads of Departments upon probation completion, leading to employment confirmation. Subsequently, confirmed employees are automatically enrolled in the annual appraisal cycle. Notably, all contractual employees participated in and received appraisals during FY2025.

Employee well-being

To promote healthier lifestyles among our employees, we have formed the Samurai Sport Recreation Committee, which organises various sports activities and offers gym coaching opportunities for all staff. Smoking is strictly banned within the factory premises. Committed to employee well-being and safety, we continuously introduce new welfare programs. Additionally, health assessments have been integrated as a KPI for our workforce.

HEALTH AND SAFETY

Occupational Health and Safety

Samurai 2K places great emphasis on occupational health and safety ("**OH&S**") by cultivating a strong culture of safety and well-being across our operations. Our dedicated Health and Safety Committee ("**HSC**"), composed of safety experts and employee representatives, meets monthly to review safety protocols, identify hazards, and implement preventive measures to reduce risks throughout our manufacturing processes. To proactively manage OH&S risks, we have established a robust system for hazard identification, risk assessment, and control. Each department regularly monitors and reports OH&S risks to the HSC, which also conducts random safety inspections to enforce standards and enhance workplace safety, especially in areas handling hazardous materials.

Given the nature of our manufacturing, significant OH&S risks arise from the use of potentially hazardous, toxic, and flammable raw materials. Consequently, strict personal protective equipment ("**PPE**") requirements are mandatory for all personnel—including employees, visitors, contractors, and suppliers—entering the factory premises. We empower our workforce with the knowledge and skills to prioritise safety by investing in external training programs such as Forklift Safety Training and Operational Problem-Solving Series. Additionally, biennial on-the-job training aligned with our Management's Safe Operating Procedures ensures employees stay current with critical safety practices. New hires receive comprehensive training before independently operating complex machinery, with department heads and safety officers evaluating their competency to ensure compliance with internal safety standards.

Safety awareness is further reinforced through daily safety briefings involving supervisors, line leaders, quality control technicians, and operators, held every morning before shifts begin, alongside daily safety inspections. Employees are encouraged to promptly report any potential hazards directly to the HSC Chairman.

To prepare for emergencies, we conduct annual evacuation drills and maintain an in-house Emergency Rescue Team led by certified personnel trained by the Fire and Rescue Department of Malaysia. The Department of Occupational Safety and Health ("**DOSH**") regularly conducts inspections at our factory to ensure compliance with Malaysia's Occupational Safety and Health Act 1996 ("**OSHA**"). We are fully committed to meeting OSHA requirements to maintain a safe, compliant, and responsible working environment.

FY2025 Performance

In FY2025, there were no incidents of work-related injuries reported despite having a fire incident. Preventive measures include reviewing the Standard Operating Procedure for zinc cutting, emphasising PPE use, conducting regular equipment inspections, and ensuring prompt disposal of damaged equipment. To foster a strong safety culture, new employees receive induction training from the safety department, featuring visual presentations of potential hazards. Monthly safety audits are conducted to discuss incident prevention and promote a safe work environment. Regular briefings also reinforce the importance of hazard identification and elimination, serving as crucial risk minimisation reminders.

The Group will continue to monitor and implement effective control measures for all identified work-related hazards. By efficiently mitigating OH&S risks, we aim to minimise workplace accident rates and safeguard employee health and safety. We are pleased to report no DOSH penalty notices for non-compliance were received in FY2025.

Customer Health and Safety

Our business is founded on trust and integrity, with a commitment to delivering high-quality products, providing comprehensive after-sales support, and engaging in ethical procurement

practices. We strive to earn our customers' trust by attentively addressing their needs and ensuring their health and safety when using our products.

To guarantee product safety, our R&D team works closely with the product safety and regulatory affairs department from the earliest stages of product development. Together, they evaluate the health, environmental, and safety impacts of our products. We are dedicated to promptly addressing any identified concerns related to these impacts. Every R&D product undergoes thorough lab testing before manufacturing, and depending on its intended use, additional screening tests or modelling may be conducted. In some cases, customers are asked to complete safety evaluations and provide feedback before the product is launched in the market.

Our production facilities hold ISO 9001:2015 certification, and we conduct annual quality assessments to maintain our high standards. Integrated within our Enterprise Resource Planning System are controls ensuring all manufactured products are accompanied by an Official Safety Data Sheet issued by the Quality Assurance Department. We have also established precautionary protocols for employees to follow in the event of an urgent product recall or market removal.

Sales and marketing teams collaborate closely with research and regulatory departments to ensure all health and safety information communicated to customers is accurate and consistent with product documentation.

When customers have concerns regarding the health and safety of our products, we encourage open communication—either by reaching out to their assigned sales representatives or submitting formal complaints through the designated channels.

FY2025 Performance

We are pleased to report zero incidents of non-compliance with health and safety product regulations and voluntary codes during FY2025. Our commitment to robust safeguards is expected to uphold this standard moving forward.

Corporate events and corporate social responsibility

In FY2025, Samurai 2K demonstrated its continued commitment to social responsibility, resilience, and organisational compassion through a series of impactful CSR initiatives that addressed community needs, supported employee well-being, and cultivated a high-performing, future-ready workforce.

1. Flood Recovery Assistance – Terengganu & Kelantan (9 December 2024)

As part of its commitment to national resilience and social impact, Samurai 2K swiftly mobilised support for flood-stricken communities in Terengganu and Kelantan. Working closely with the Department of Social Welfare ("JKM"), the company contributed essential supplies to support immediate clean-up, hygiene needs, and post-flood recovery efforts. This initiative underscores Samurai's agile, community-first response to regional crises, especially in the context of increasing climate-driven challenges.



2. Empowering Future Talent – K-Youth Development Program (April 2024)

In partnership with the national K-Youth Development Programme, Samurai 2K provided hands-on training and mentorship to Malaysian youth in digital marketing and sales. Several high-potential candidates were later absorbed into the company to support ongoing digital transformation efforts. This collaboration reflects Samurai's long-term vision for youth empowerment, talent development, and organisational sustainability.



3. Read to Lead Zone – A Zero-Cost Learning Culture Initiative (April 2024)

Driven by internal feedback and a desire to cultivate continuous learning, the “Read to Lead Zone” was launched as a no-cost initiative to transform underutilised space into a dedicated knowledge hub. Stocked with donated literature relevant to industry and leadership, the zone fostered self-directed learning, idea exchange, and employee engagement—demonstrating how strategic vision and operational efficiency can create meaningful cultural value at zero cost.



4. Standing Together in Times of Loss (28 February 2025)

In February 2025, the Samurai family united in compassion following the loss of a valued team member due to illness. The company extended heartfelt support through funeral attendance and monetary aid to the bereaved family. This moment exemplified Samurai's core values of empathy, solidarity, and care beyond the workplace.



5. Leadership Luncheon – Celebrating Growth & Engagement (7 April 2024)

To honour recent staff promotions and foster internal engagement, Samurai hosted its annual Leadership Luncheon. Set in an inspiring atmosphere, the event brought together leaders and team members to celebrate achievements, reinforce shared goals, and cultivate connections—reinforcing Samurai's belief that strong leadership and employee recognition are the bedrock of sustained success.

6. Bound by Fire, United by Heart – Honouring Acts of Bravery (8 July 2025)

Following a fire incident, Samurai 2K hosted a Special Appreciation Ceremony to recognise employees who displayed exceptional courage and composure under pressure. These “Samurai Warriors” were honoured for their decisive action, which ensured safety, protected assets, and upheld operational integrity. The ceremony celebrated the unwavering spirit and unity that define the company's culture, especially in times of crisis.

These initiatives collectively illustrate Samurai's integrated CSR approach—one that bridges business continuity with human compassion, strategic partnerships with social value, and operational excellence with heartfelt community impact.

GRI CONTENT INDEX

Statement of use	Samurai 2K Aerosol Limited has reported the information cited in this GRI content index for the period from 1 April 2024 to 31 March 2025 with reference to the GRI Standards.
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TCFD CONTENT INDEX

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Governance		
Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the board's oversight of climate-related risks and opportunities.	16
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	16
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Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	16-17
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	16-17
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	16-17
Risk Management		
Disclose how the organisation identifies, assesses and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	17-18
	b. Describe the organisation's processes for managing climate-related risks	17-18
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	17-18
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	18
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	18
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	18