SUSTAINABILITY STATEMENT

About AYS Group Sustainability Report 2024

In the FY2024, we proudly commemorate the seventh anniversary of releasing our Sustainability Statement. AYS's Group Sustainability Statement is an annual disclosure that provides a comprehensive overview of our sustainability performance, forward-looking commitments, initiatives and strategies pertinent to the business and our stakeholders.

At AYS, sustainability is not just a priority; it is a steadfast commitment. We persistently endeavour to elevate our sustainability performance to foster enduring value for all stakeholders while ensuring a positive legacy for future generations.

Our approach goes beyond mere compliance, striving to achieve financial prosperity, environmental stewardship, and societal well-being, with a judicious balance between economic success and environmental and social responsibility. Thus, this statement reaffirms our unwavering dedication to integrating the four sustainability themes: Economic, Environmental, Social and Governance ("EESG") considerations into our fundamental business practices.

It is essential to read this statement in conjunction with other sections of this Annual Report, including the Management Discussion & Analysis, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control.

Reporting Scope and Boundary

The sustainability information and data presented in this statement pertain to our key subsidiaries, as listed below:

- Ann Yak Siong Hardware Sdn Bhd ("AYSH")
- AYS Marketing Sdn Bhd ("AYSM")
- CH Yodoform Sdn Bhd ("CHY")
- AYS (FZ) Sdn Bhd ("AYSFZ")
- Steelaris Pte Ltd ("SPL")

The publication of this annual Sustainability Statement covers information for the period from 1 April 2023 to 31 March 2024, along with any material events occurring thereafter up to the statement's publication date.

The scope of this statement extends beyond financial reporting and includes non-financial performance metrics, risks, opportunities and outcomes pertaining to or associated with our key stakeholders.

SUSTAINABILITY STATEMENT
(CONT'D)

Sustainability Highlight

Good Health and Well-being

33 employees participated in Blood Donation Campaign, contributing a total of **28 pints** of blood

Complimentary Fresh Fruits provided weekly to all employees throughout the course of one month

A cumulative of **4,756 KM** walked during the Step Into Wellness Campaign

Affordable and Clean Energy

Generated a total of **173,370 KWh** of solar energy in FY2024

Successful installation of **roof panel** to avoid diesel wastage

Decent Work and Economic Growth

542 training hours were provided to our employees

Registered a revenue of more than **RM1 billion** for the 3rd consecutive year

Gender Equality

33% of our Board of Directors in FY2024 were women

43% of our employees in FY2024 were female

Industry, Innovation and Infrastructure

Invested **RM440,623** on Digitalisation Initiatives

Climate Action

131.41 tonnes of $CO^{2}e$ emission avoided in FY2024

Supported Wildlife Conservation - **Zoo Negara Malaysia** via CSR programs

Reduce Inequalities

Contributed **RM88,195** in cash and in-kind on various CSR programmes

Peace, Justice and Strong Institutions

Zero reported cases of bribery and corruption

Zero reported cases on fair labour misconduct

Responsible Consumption and Production

Collected **3,040 kg** of recyclable waste in our bi-weekly recycling exercise

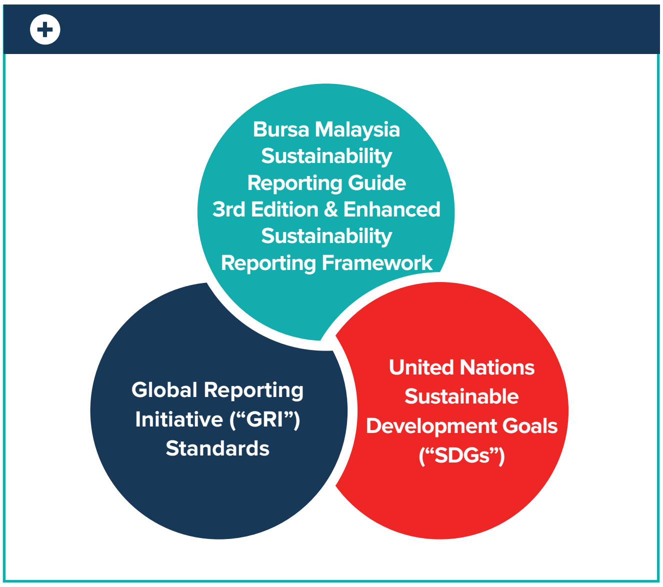
Detected and fixed water pipe leaking and raised the awareness of water conservation resulted in **lower** water consumption

SUSTAINABILITY STATEMENT
(CONT'D)

Reporting Framework and Guidelines

AYS Group's Sustainability Statement has been prepared in compliance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements. In addition, we have ensured that our statement conforms to the following reporting guidelines and frameworks. Throughout our commitment to excellence, we have developed this statement in accordance with industry best practices, thereby furnishing stakeholders with insightful disclosures to facilitate informed decision-making.

We continue to incorporate the Integrated Reporting ("IR") Six Capitals (i.e. Financial, Manufactured, Intellectual, Human, Social & Relationship and Natural) as prescribed by the International Integrated Reporting Council framework of Integrated Reporting into this statement as adopted in prior year.



OUR COMMITMENT TO SUSTAINABILITY

Our sustainability approach is centered on balancing economic consideration and environmental, social and governance factors. Our sustainability commitment and approach are reviewed periodically to ensure that our strategy remains relevant to current trends, thereby mitigating risks and identify opportunities.

According to our Environmental, Social and Governance Policy, we affirm our commitment to sustainability by stating:

- Our business conducted in a manner sensitive to environment, striving for energy efficient and making its best efforts to achieve continuous improvements for better carbon footprint;
- Values credible inputs and feedback from both internal and external stakeholders on various aspects of AYS's business and operations;
- Focusing on compliance and policies, while enhancing the integrity of the Group's subsidiaries, shareholders, Board of Directors and employees.

SUSTAINABILITY STATEMENT
(CONT'D)

SDG

OUR CONTRIBUTION TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("UNSDGs")

AYS remains steadfast in its commitment to advancing the UNSDGs by actively pursuing goals and targets that harmonise with our business purpose and strategies. We supported and prioritised nine UNSDGs integral to our business operations, meticulously mapping our contributions to each identified material matter.

Sustainability Governance

The Board of Directors ("BOD") of AYS serves as the paramount authority and is accountable for ensuring effective management of sustainability matters within the Group.

The Sustainability Steering Committee ("SSC") is responsible for driving the implementation of strategic management of sustainability matters. Chaired by the Chief Executive Officer, the committee includes Deputy Group Managing Director and Chief Financial Officer, fostering a holistic approach to sustainable practices.

The SSC is supported by Sustainability Working Committee ("SWC"), which acts as the operational arm responsible for executing the Group's sustainability initiatives.

Roles and Responsibility of Sustainability Governance Group

Role	Responsibility
BOD Responsible for the Oversight of Sustainability Matters	• Assumes full responsibility for establishing the Group's sustainability strategy directions and goals; • Provides final approval for sustainability-related matters; • Approves the Group's annual sustainability statement.
SSC Strategic Management of Sustainability Matters	• Advises the BOD on sustainability strategic goals; • Reports overall sustainability progress to the BOD; • Seeks approval from the BOD for sustainability initiatives recommended by the SWC; • Oversees and monitors sustainability initiatives and progress implemented by the SWC.
SWC Execution of Sustainability Initiatives	• Identifies material sustainability matters relevant to the Group; • Champions the sustainability initiatives at the operational level; • Reports to the SSC on the overall progress of sustainability initiatives and highlights any challenges or limitations.

SUSTAINABILITY STATEMENT
(CONT'D)

Economic (Financial Capital)

1. Sustainable Returns

Why it is important?

Sustainable returns serves as the cornerstone of long-term business performance, crucial for ensuring resilience, fostering innovation and building stakeholders' confidence. As a result, our financial success holds strategic significance for the expansion and longevity of our company.

By placing a high priority on our financial performance, we not only secure our own survival but also the continuation of our sustainability efforts, translating our goals into observable outcomes that benefit our stakeholders, our business, and society at large.

Our Response

Strategic Leadership Retreat

AYS has organised a strategic leadership retreat outside the workplace, gathering key senior management, departmental heads and functional leaders. This exclusive gathering aims to facilitate a comprehensive roundtable discussion on the Group's performance review, future planning and strategies to achieve common goals and objectives. Our Group's pursuit of sustainable return is underpinned by our unwavering commitment to our Vision, Mission and Core Values namely Alliance, Yield and Sustainability.

ESG Evolve 2023

ESG is continuing to evolve and is gaining increasing significance as businesses strive to embrace sustainable practices. AYS's Sustainability Committee has joined ESG Evolve 2023 to explore cutting-edge strategies for re-engineering business activities, driving innovative and establishing competitive advantages through sustainability.

Supporting the Carbon-Neutral pathway

In our endeavour to bolster the carbon-neutral economy and building a sustainable steel supply chain in the region, we cooperate with various steel mills to distribute CO^2-reduced steel in the region where we operate.

SUSTAINABILITY STATEMENT
(CONT'D)

Our Performance

Direct Economic Values Generated

Revenue
RM1.289 billion

Value Distribution

To shareholders

RM6.277 million will be distributed to shareholders as dividend income (subject to approval by shareholders at the forthcoming Annual General Meeting)

To Government:

RM6.117 million in income taxes was provided to the government

To Employees:

RM45.734 million was allocated towards employee wages and benefits

To Banks:

RM24.085 million was paid in interest expenses to banks

To Communities:

RM88,195 was paid for donations, sponsorships and CSR programmes

SUSTAINABILITY STATEMENT
(CONT'D)

Economic (Intellectual Capital)

2. Digitalisation and Innovation

Why it is important?

In the dynamic and competitive business environment of today, staying robust, flexible, and ahead of the competition requires embracing innovation and digital technology. Prudence's strategic investment in state-of-the-art technology not only enhances operational efficiencies but also establishes a solid foundation for sustained growth and expansion.

Our Response

We recognise the importance of staying ahead of the constantly changing demands of the competitive market and the rapidly evolving global technology landscape. By implementing various on-demand platforms internally and transforming our intranet website, we aim to significantly enhance our overall operational efficiency.

Our Performance

The following deliverables were implemented in FY2024:

SAP Software

Implemented SAP in CHY, AYSFZ and AYS Capital Sdn Bhd ("AYSC") to establish a centralised system for consolidating data, enabling efficient and accurate reporting.

Electronic Invoices

Implemented email electronic invoices to replace traditional paper-based invoices, supporting environmental sustainability initiatives.

Cloud-Powered Productivity Platform

Migrated existing on-premise email server to Microsoft 365 Outlook Online cloud services, enhancing productivity and streamline workflows.

Chatbot Services

Implemented chatbot services for WhatsApp and WeChat inquiries, revolutionising our customer interaction methods.

CountThings

Implemented CountThings to automatically count items from photos on mobile devices or Windows computers.

E-Invoice

We have upgraded our SAP System to comply with LHDN's E-Invoice implementation.

Economic (Social Capital)

3. Procurement and Supply Chain Management

Why it is important?

In a world that values social responsibility, maintaining an ethical and strategic supply chains are essential. We actively seek suppliers who uphold the same values of sustainability practices, diversity approach, fair labour practices and ethical standards. Through this approach, our strategy not only strengthens our company but also improves the social and economic well-being of the local communities.

Our Response

To establish a strong, dependable and sustainable supply chain, we have integrated sustainability policies and established a cascade of sustainable practices into our procurement strategy. We ensure fair and equal opportunities for all our suppliers and vendors, while also upholding Anti-Bribery and Corruption compliance across all of our third-party network including vendors and suppliers.

Our goal is to source responsibly and ethically, prioritising local and small to medium-sized enterprises ("SMEs"). Our supplier network includes large multinationals and SMEs from the Middle East, Europe, and APAC region. We are determined to play a part in encouraging environmentally friendly practices among our suppliers and prioritising local partners in our operating regions.

Our Performance

29.5%
Spending on Local Suppliers

Implemented Electronic Invoices in
AYSH, CHY, AYSM, SPL

100%
of Suppliers Assessed under the Supplier Performance Evaluation

Co.	FY 2024		FY 2023		FY 2022	
	L	F	L	F	L	F
	%	%	%	%	%	%
AYSFZ	100	-	100	-	100	-
AYSM	100	-	100	-	100	-
CHY	75	25	57	43	44	56
AYSH	8	92	6	94	4	96
SPL	37	63	23	77	26	74

L = Local Suppliers *F = Foreign Suppliers*

SUSTAINABILITY STATEMENT
(CONT'D)

Economic (Social Capital)

4. Quality Assurance and Customer Satisfaction

Why it is important?

Customer satisfaction is crucial for maintaining our company's good reputation in the marketplace and creating long-term value. We attentively evaluate customers' feedback and ensure that all our products and services meet stringent quality standards. Delivering consistently high-quality products and services fosters customer loyalty, establishes trust and produces long-term value in a competitive market, potentially boosting sales and profitability. Our dedication to excellence, which distinguishes us as one of the market leaders in the industry, attracts clients who value exceptional products and services.

Our Response

Our commitment extends beyond conventional connections. We regularly participate in trade fairs and exhibitions, both domestically and internationally, to engage with customers and to stay abreast of the latest business best practices to serve our customers better. We have also put a strong emphasis on internal quality control procedures and maintaining ISO Certification to ensure our products and services meet high-quality standards.

Our Performance

Customer Satisfaction Rate

We received 270 customers survey forms, achieving a feedback rate of 84%.

AYSH	AYSM	CHY	SPL
86% Satisfaction Rate	**93%** Satisfaction Rate	**86%** Satisfaction Rate	**91%** Satisfaction Rate

Overall Satisfaction Rate

89%

Certification

Our business management systems has been audited and are accredited by Standards Malaysia and United Kingdom Accreditation Services (UKAS) and certified by Bureau Veritas Certification (Malaysia) Sdn Bhd as follows:

Ann Yak Siong Hardware Sdn Bhd	AYS Marketing Sdn Bhd	CH Yodoform Sdn Bhd

CERTIFIED
ISO 9001:2015
ISO 14001:2015
ISO 45001:2018

BUREAU VERITAS 1828

STANDARDS MALAYSIA ACCREDITED CERTIFICATION BODY ACB 010

CERTIFIED
ISO 9001:2015
ISO 14001:2015

BUREAU VERITAS 1828

UKAS MANAGEMENT SYSTEMS 0008

SUSTAINABILITY STATEMENT
(CONT'D)

Steelaris Pte Ltd

ISO 9001:2015 | ISO 14001:2015 | ISO 45001:2015

Member of Associations

We actively participate in several associations to receive feedback, enhance our performance as a whole and contribute value to the community at large.

	Membership of Industry Trade Associations	Level	Role
MALAYSIA	Malaysia Steel & Metal Distributors' Association	National	Committee
MALAYSIA	Malaysia Iron and Steel Industry Federation	National	Member
MALAYSIA	Building Materials Distributors Association of Malaysia	National	Member
MALAYSIA	Master Builders Association Malaysia	National	Member
MALAYSIA	Klang Chinese Chamber of Commerce and Industry	National	Member
SINGAPORE	Singapore Business Federation	National	Member
SINGAPORE	Singapore Manufacturing Federation	National	Member
SINGAPORE	Singapore Metal & Machinery Association	National	Member
SINGAPORE	Singapore Iron Works Merchant Association	National	Member
SINGAPORE	Singapore Green Building Council	National	Member

SUSTAINABILITY STATEMENT
(CONT'D)

Environmental (Natural Capital)

5. Environmental & Climate Change Management

Why it is important?

Malaysia has embraced the Paris Agreement in response to the concerns regarding global warming and has committed to reducing the greenhouse gas emissions "(GHG") intensity across the economy by 45% by 2030, aiming for net zero GHG by 2050. Therefore, comprehending the environmental impact of our operations and addressing associated concerns are essential for our sustained success. Failing to take proactive measures to mitigate climate risks could have severe consequences to our stakeholders.

Our Response

We are guided by our Sustainability Policy which provides direction and ensures our business operations promote sustainable development with consideration on Economic, Environmental, Social and Governance factors. In addition, we seek to reassure our stakeholders by setting targets and implementing initiatives and action plans as a testament to our dedication to creating a sustainable and responsible future.

Our Performance

Our Decarbonisation Initiatives

Solar

Increasing solar energy generation within our operations is our main priority as we recognise the pivotal role renewable energy plays in reducing both the Group's and the nation's carbon emissions.

173,370 kWh of renewable energy generated

3R Practices

The key to our waste management strategy is minimising GHG emissions from landfill operations. We actively support a low-carbon environment by reducing unnecessary waste and diverting waste away from landfills.

3,040kg of recyclable waste recycled

Diesel

Minimising diesel wastage through evaporation.

Installation of roofing to shade the diesel tank

Waste Management

The Environmental Quality (Scheduled Waste) Regulations 2005 govern the responsible disposal of scheduled waste from our production processes, aiming to minimise risks to our people, the environment, and nearby communities. Every six months or when it reaches a specific volume, scheduled waste is appropriately labelled, stored and disposed of. We exclusively appoint licensed contractors by the DOE to collect and transport the scheduled waste for treatment before its final disposal.

		Scheduled Waste (KG)		
Code	Name of Waste	FY 2024	FY 2023	FY 2022
SW 409	Contaminated paint containers	1,070	1,676	927
SW 410	Contaminated gloves & rags	28	46	32
SW 417	Waste of paints	3,129	3,332	2,248
SW 306	Spent of hydraulic oil	4	20	910

Air Quality Emission Evaluation by external consultant:

FY2024	FY2023	FY2022
Satisfactory	Satisfactory	Satisfactory

SUSTAINABILITY STATEMENT
(CONT'D)

Environmental (Natural Capital)

6. Responsible Consumption

Why it is important?

The practice of utilising resources sustainably and conscientiously to meet present needs without compromising the ability of future generations to meet their own needs. By placing a high priority on responsible consumption on natural resources, we can strengthen our ability to handle problems like material scarcity and supply chain disruptions.

Our Response

While abiding by the rules and regulations pertaining to environmental protection, we are dedicated to doing our part to maintain a culture of responsible resource management. By implementing monitoring systems to track the usage of essential resources such as electricity and water across our operations, we can proactively manage resources efficiently.

Our Performance

Electricity Management

The goal of the Group's electricity management strategy is to reduce costs while gradually decrease our carbon footprint. To achieve this, we use energy-efficient machinery and LED bulbs, educate our employees about energy conservation and incorporate energy-saving designs into our facilities. We monitor our consumption data to optimise our electricity management strategies.

Location	Electricity Consumption (kWh)		
	FY2024	FY2023	FY2022
Lot 6488	215,907	303,013	304,967
Bukit Raja	59,084	48,064	48,882
Lot 3846	327,324	464,830	220,610
Lot 3845	39,330	41,150	39,700
PKFZ	N/A *	N/A *	N/A *
Singapore	35,561	33,537	10,355
Total	677,206	890,594	624,514

The reduction in energy consumption at Lot 6488 which houses our corporate headquarter and warehouse was mainly attributed to the higher usage of renewable energy generated from our 125 kWp solar photovoltaic system. Coupled with various energy conservation initiatives undertaken throughout the year, this led to a decrease in overall energy consumption in FY2024.

Water Management

Maintaining a focus on effective water management and responsible water usage to reduce our environmental impact, in addition to keeping an eye on and recording the inventory of water consumption.

Location	Water Consumption (M^3)		
	FY2024	FY2023	FY2022
Lot 6488	4,579	8,846	29,584
Bukit Raja	1,197	1,027	1,301
Lot 3846	6,591	6,557	7,564
Lot 3845	4,066	5,519	3,255
PKFZ	N/A *	N/A *	N/A *
Singapore	496	458	#
Total	16,929	22,407	41,704

The decrease in water consumption was attributed to the detection and replacement of a burst pipe as well as on-going water conservation initiatives.

* PKFZ – Warehouse has been rented to a non-related party during the financial year.
# Water consumption was included in the rental paid to landlord.

SUSTAINABILITY STATEMENT
(CONT'D)

Social (Human Capital)

7. Occupational Safety and Health ("OSH")

Why it is important?

Ensuring the safety of our employees and the security of our business operations is crucial for our business success. A comprehensive OSH management allows our employees to work in a safe and comfortable environment. Cultivating a culture of responsibility and care in the workplace helps prevent accidents and injuries. It is not only legally required to prioritise OSH but also an ethical obligation to the people who work hard and contribute to company success.

Our Response

The formation of the Safety, Health, and Environmental Committee ("SHEC") reflects the Group's commitment to conducting business responsibly and providing a safe and healthy workplace for our employees.

Additionally, we have formed an Emergency Response Team ("ERT") that includes a chemical spill response team, firefighters and first responders. This ERT serves as a platform for employers and employees to address health and safety-related issues. The ERT is tasked with developing strategies to mitigate accidents and occupational health problems, ensuring the Group complies with legal obligations, and raising awareness of OSH risks and hazards within the Group.

Key Safety Initiatives in 2024

Ergonomic Risk Assessment

Ergonomic risk assessment for all activities involving manual handling in our Manufacturing division

Forklift Training

Forklift safety training to enhance knowledge and safety standards to prevent injury and safeguard company's assets

Quarterly Safety Bulletin

Showcase aspects of OSH performance and initiatives

Introduction of Safety Pass

Issue safety pass to vendors who attended our safety briefing to ensure awareness of rules and regulations

Local Exhaust Ventilation (LEV) Monitoring

Periodic test our LEV system to ensure it is functioning properly

Noise Awareness Training

Information about the impact of noise on productivity, health and well-being

Scheduled Waste Management

Provide employees with a clear understanding of how to handle chemicals and manage waste

First Aid Training

Equip employees with the ability to assess emergency scenes and provide appropriate care and basic life-saving aid

Annual Audiometric Testing

Annual audiometric testing for employees exposed to production noise during their work

SUSTAINABILITY STATEMENT
(CONT'D)

Additional Safety Signage

Identify and place safety signage to reduce potential hazards

Stack Emission Monitoring

Monitor chemical emissions to ensure they do not exceed the air pollution index

Fire & Evacuation Drill

Conduct fire and evacuation drills annually

Key Healthy Initiatives in 2024

Joyful Fruit Month

All staff are provided with a selection of fresh fruits every Wednesday throughout June 2023. The assortment includes oranges, apples, bananas and coconuts.

Step into Wellness

"Step into Wellness" was organised to initiate the fitness journey and promote a healthy lifestyle among all staff. The programme spans over 4 months.

Our Performance

We recorded 2,816 hours of loss time injuries ("LTI") and zero major injuries, reflecting our efforts to provide a safe work environment. This year, our Lost Time Injury Frequency Rate ("LTIFR") stood at 3,720 hours. Following these incidents, we have identified and implemented actions to address the incidents and prevent recurrence.

In testament to our commitment to OSH, AYS consistently achieved our goal of zero fatality cases this financial year. To further safeguard the public and our employees from any health and safety hazards associated with our activities, we are doubling our efforts to decrease both LTI and LTIFR as part of our ongoing safety improvement initiatives and engagement programs.

	FY2024	FY2023	FY2022
LTI	2,816	616	408
LTIFR	3,720	1,093	719

Zero Fatality Case

79 employees attended on 8 OSH-related training and programmes in FY2024.

SUSTAINABILITY STATEMENT
(CONT'D)

Social (Human Capital)

8. Fair Labour Practices

Why it is important?

It is utmost importance to us to uphold fair labour practices. It is crucial for developing a culture of trust, diversity, and ethical business practices in addition to being a moral obligation. This dedication extends beyond mere compliance with the laws; it also entails actively cultivating an atmosphere within the organisation where each individual is valued and respected.

Our Response

Competitive Remuneration and Employees Benefits

We provide all our employees with competitive remuneration and benefits packages that are fair and commensurate with their abilities, experience and level of responsibility assumed within the Group. This aligns with our goal of fostering talent acquisition and retention.

Turnover Rate	FY2024	FY2023	FY2022
	14%	18%	19%

We believe that offering perks to our valued employees enhances their quality of life and overall well-being. These benefits prioritise the wellbeing of our employees, include everything from flexible work arrangements and professional development opportunities to healthcare and insurance coverage.

Employee Benefits

Leave Entitlement:

- Annual
- Medical
- Hospitalisation
- Marriage
- Maternity & Paternity
- Bereavement, calamity
- Prolonged illness
- Examination and study
- Vaccination

Insurance:

- Medical
- Group Personal Accident
- Hospital & Surgical

Incentives:

- Monthly Full Attendance Allowance
- Shift and Meal Allowance
- Annual Bonus

Others:

- Company Mobile Phone & Handphone subsidy
- Travel Allowance
- Membership Subscriptions to Professional Associations
- Festival Gifts
- Company Vehicles for Directors

Parental Leave

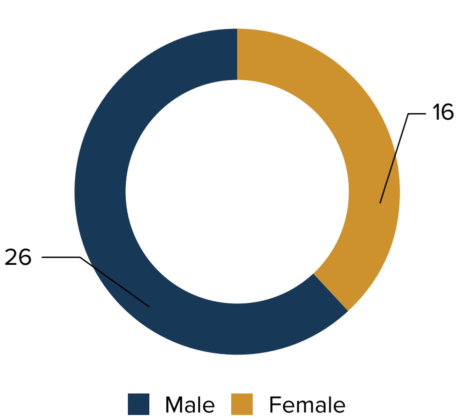
After taking parental leave in FY2024, 100% of employees resume full-time work, as reported by the Group. Twelve months following those who return from parental leave in FY2023, 83% of female and 100% of male employees remained employed.

SUSTAINABILITY STATEMENT
(CONT'D)

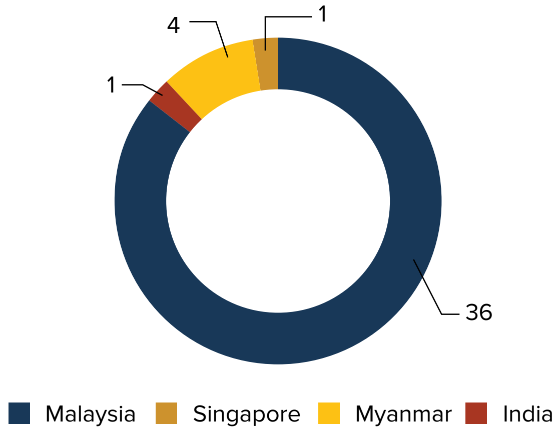
	Men	Women
No. of employees who took parental leave	6	5
No. of employees who returned to work after parental leave	6	5
Percentage of employees who returned to work after parental leave and were still employed 12 months after their return to work	100%	83%

New Hires

AYS believes in the cability of local talents to deliver excellent service and performance for the Group. We continue to prioritise locals for employment and participated in several recruitment drives at local universities and recruitment fairs. However, due to the nature of our business in the trading and manufacturing sectors, most of our employees at operational sites are foreign workers.



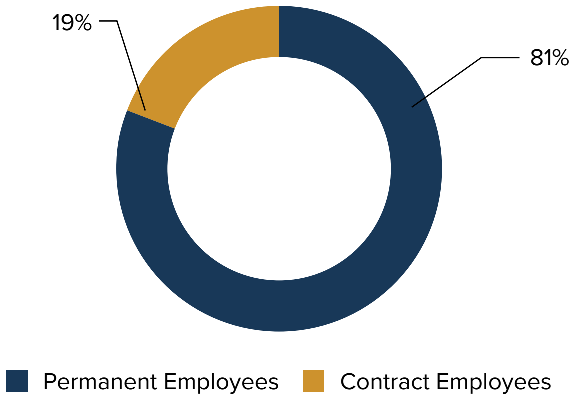
New Hire in Gender Diversity



New Hire By Nationality

Our Performance

ZERO non-compliance with labour standard recorded in FY2024



SUSTAINABILITY STATEMENT
(CONT'D)

Social (Human Capital)

9. Talent Management

Why it is important?

Employees are the most valuable asset of any company and the key to its success. The company's ability to achieve excellence and progress relies on its ability to attract, nurture, retain and utilise the right personnel, who bring exceptional skills, expertise, and innovative thinking. The dynamics of a company heavily depend on fostering a work environment that promotes inclusion and diversity. A strong commitment to diversity, equity, and inclusion fosters harmony and cooperation, in turn, enhances business performance.

Our Response

We empower our talented workforce to drive sustainable growth by prioritising diverse growth strategies. We ensure our employees have the necessary skills and capabilities to fulfil their aspirations while meeting stakeholder needs and adapting to the dynamic business landscape.

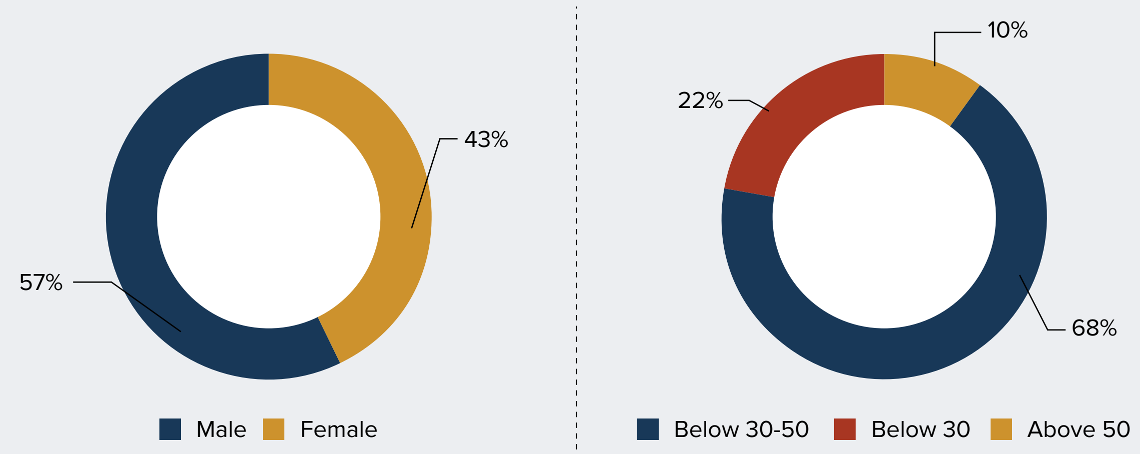
In order to meet the evolving needs of future employee generations, our organisation has developed comprehensive human capital strategies. Our focus is on innovation and digitalisation efforts aimed at establishing efficient and effective systems, processes and organisational capacity. Our talent management strategy which guided by diversity, equality and inclusion policy is primarily focused on succession planning, performance management, leadership development and employee competency building. This strategy is implemented across all organisational levels to support our business priorities and growth objectives.

Our Performance

Employee Distribution

AYS employed 310 staff members as of the end of FY2024, 57% of whom were men and 43% of whom were women. The predominance of men in operational roles involving labour-intensive manual tasks skews the gender distribution. However, we actively support our female employees in pursuing professional roles and responsibilities, provided they obtain the necessary training and credentials.

Through strong human capital strategies, including efficient recruitment and training programmes, we maintain a diverse workforce that spans various age groups, genders and nationalities. A balanced demographic distribution not only fosters an environment conducive to talent retention but also facilitates succession planning. The proportion of women in our workforce climbed from 40% in 2023 to 43% in 2024, demonstrating our dedication to gender diversity.



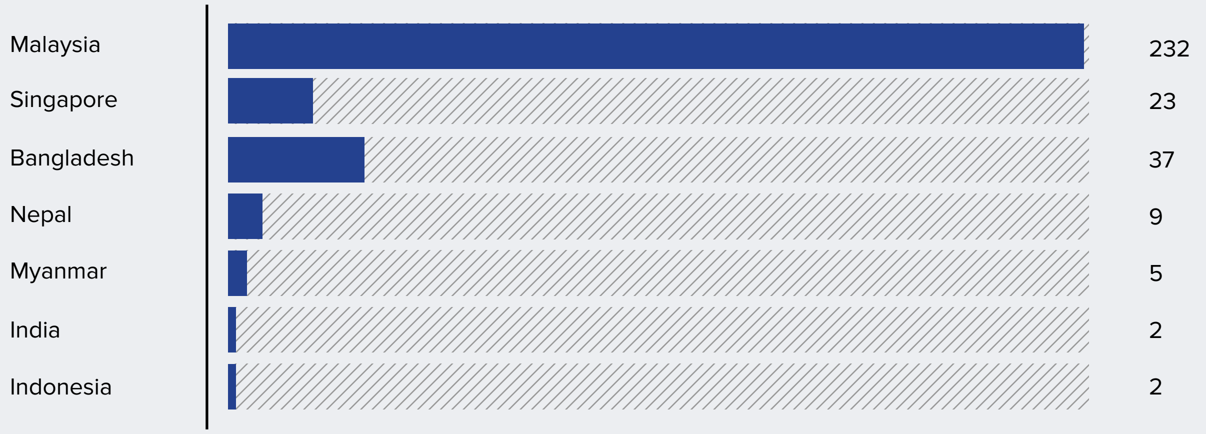
Percentage of employee by gender

Workforce by age group

SUSTAINABILITY STATEMENT
(CONT'D)

WORKFORCE BY EMPLOYMENT CATEGORY

WORKFORCE BY NATIONALITY



Women in Leadership

We are dedicated to empowering women within our workforce and acknowledge that gender diversity enhances team performance as well as corporate performance. Consequently, we have surpassed the Malaysian Code on Corporate Governance's ("MCCG") requirement of having 30% women Directors on our Board.

33% Female Board Representation

47% Women in Management Position

56% Promotions Awarded to Female Employees

SUSTAINABILITY STATEMENT
(CONT'D)

Social (Human Capital)

9. Talent Management (Cont'd)

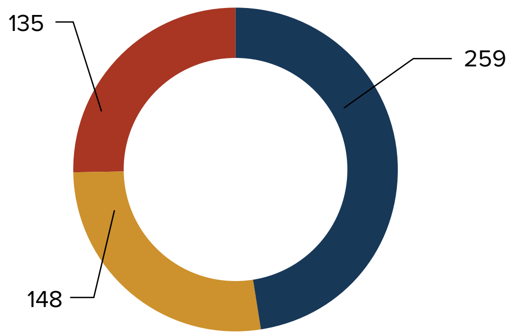
Our Performance (Cont'd)

Training & Development

We are dedicated to elevating the competency level of our employees by providing comprehensive training courses. Our programmes are accessible both in-person and through virtual platforms. Recognising the importance of a diverse skill set, we include both hard and soft skills in our curriculum. This approach ensures our employees are well-equipped for future career growth and advancement within the company.

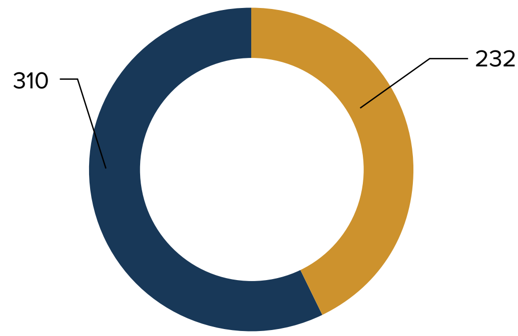
RM166,166
Total Investment in Training & Development

RM536
Average Investment in Training & Development per Employee



Training Hours By Employment Category

Management | Executive | Non-Executive



Training Hours By Gender

Male | Female

Workforce Engagement and Well-Being

To underscore our commitment to delivering value, we have conducted career management engagement sessions to provide clarity on career progression, career conversations, performance management and leadership competencies.

The annual interactions afford our employees the opportunity to voice their perspectives and foster an environment that is both welcoming and inclusive. We actively engage our employees in corporate culture transformation initiatives and encourage their inputs through forums such as town halls, briefings, and leadership development workshops.

In FY2024, **100%** of employees underwent performance and career development reviews conducted by their managers with support from our HR Department. Rewards such as salary increments, promotions and bonuses are allocated based on individual performance and merit, contingent upon AYS' financial performance.

Employee Engagement Held in FY2024

Colleagues & Family Movie Night Outing


Festive Celebrations

SUSTAINABILITY STATEMENT
(CONT'D)

FRIM Sky Walk & Nature Trekking

Street Food Festival

Treasure Hunt

Festival Dinner

Flexibility and Agility

The COVID-19 pandemic has prompted the emergence of numerous new standards, and our working practices are no exception. In today's labour market, many employees seek a flexible work schedule and a conducive working environment.

To enhance the overall well-being of our employees, we offer workplace flexibility including Flexi Time, Flexi Place and Flexi Load. Additionally, qualifying working parents can now avail themselves of Childcare Leave, a special leave option offered to allow time off from work to care for their young children.

Celebrating Employees' Milestones

AYS take pride in its employees who stay through thick and thin with the group to achieve goals together. In recognition of their contributions and years of service, AYS organises a Triennial Company cum Employees' Appreciation Dinner. The various award categories include:

Long Service Awards

For 10, 20, 30 and 40 years of service

SUSTAINABILITY STATEMENT
(CONT'D)

Social (Social Capital)

10. Community Management

Why it is important?

Corporate social responsibility ("CSR") encompasses a commitment to social impact and community well-being, essential to building sustainable operations. Social impact initiatives addressing societal issues and improve communities include charitable endeavours and sustainable practices, are integral components of CSR.

A company's responsibility to improve the communities it serves is emphasised by community enrichment and well-being. In addition to promoting sustainable growth, investments in infrastructure, healthcare and education also build strong bonds with stakeholders and show a sincere dedication to community development.

Our Response

At AYS, we prioritise social responsibility and recognising the significance of nurturing and reinforcing community bonds. Our community investments aim to make a positive difference, empowering and enriching the lives of those in our immediate vicinity and beyond.

We undertake CSR initiatives with an emphasis on education, community development, healthcare and the environment stewardship, utilising internally generated funds and the voluntary efforts of our staff.

HEALTHCARE

This year marked our fourth consecutive year of organising blood donation drive in collaboration with Hospital Tengku Ampuan Rahimah Klang ("HTAR"). AYS remains committed to raising awareness of civic responsibility, by fostering a caring community and emphasising that donating blood is a selfless act that life-saving potential. We were pleased to have 33 donors participated, resulting in the successful collection of 28 pints of blood. The donated blood will be utilised for clinical transfusion for patients in HTAR. According to the Community Blood Center, each pint of blood has the potential to save up to three lives.

ANIMALS

Our love and caring heart extend to the lovely furry animals, where we contributed 30 bags of dry dog food totaling 450 kg to Puppy's Loving Home – Persatuan Haiwan Gembira Setia Selangor. Puppy's Loving Home is an animal shelter dedicated to rescuing stray dogs, currently providing shelter for nearly 600 strays within their compound.

Their dedication and passion in helping stray dogs exemplify the spirit of kindness that AYS deeply values and appreciates.

SUSTAINABILITY STATEMENT
(CONT'D)

ANIMALS

During the month of Merdeka, AYS deployed 30 volunteers to participate in the CSR initiative organised by Zoo Negara Malaysia, a Non-Government Organisation ("NGO"). Their role was to assist zookeepers in administering daily care tasks, including husbandry, exhibit cleaning, food preparation and animal behavioural enrichment activities for the wildlife housed in Zoo Negara.

EDUCATION

AYS has backed the initiative led by the Parent-Teacher Association ("PIBG") and Board of Director of SJK (C) Pin Hwa to modernise and equip the school with cutting-edge technology, in line with 21st-century teaching methodologies. AYS has provided support by outfitting one classroom with a digital smart learning system including a smart learning TV, internet access, cabling and all requisite accessories.

ENVIRONMENT

AYS has organised a cloth recycling initiative in conjunction with Chinese New Year 2024, with the aim of reducing the environmental impact of textile waste and raising our employee awareness regarding the potential for recycling or donating unwanted textiles to those in need. We successfully collected 1,300 kg of recyclable clothing, which has been donated to the less fortunate, repurposed or upcycled into new goods and recycled for various purposes.

UNDERPRIVILEDGED

AYS has contributed essential items, including adult diapers, dry foods and sanitary items to underprivileged folks from Kelantan. Among them is an individual who suffered a stroke and was being taken care by her 11-year-old grandson.

Our Performance

Contributed
RM88,195
in cash and in various CSR programmes

SUSTAINABILITY STATEMENT
(CONT'D)

Governance (Intellectual Capital)

11. Information Security & Privacy

Why it is important?

AYS Group places a high priority on safeguarding our systems and data due to the critical nature of cybersecurity and data privacy in sustaining our company's operations and fostering stakeholder trust. We are committed to excelling in an environment where information confidentiality and integrity are critical, hence our firm belief in implementing strong data security measures.

Our Response

We acknowledge the importance of protecting our digital infrastructure against evolving cyber threats. In achieve this, we have strengthened our systems and prevent unauthorised access through strong cybersecurity protocols.

We are aware the significance of protecting our digital infrastructure from emerging cyber threats. Accordingly, we have implemented stringent cybersecurity measures to prevent unauthorised access and strengthen our systems. Regular assessments, updates and monitoring protocols are integral aspects of our strategy to identify and mitigate vulnerabilities and uphold the integrity of our systems.

Our Performance

Preventive Measures Initiative FY2024

Training

Conducted regular training sessions focusing on cybersecurity best practices, including how to recognise phishing attempts, create strong passwords and safeguard sensitive information.

Phishing Tests

Regular phishing tests were conducted to determine the awareness levels of our staff. Through these simulations, potential vulnerabilities are identified and our staff are better equipped to detect phishing attempts and respond effectively.

IT Security Updates

Implemented stringent access controls and multi-factor authentication (MFA) mechanisms to limit access to sensitive data and systems exclusively to authorised users.

- **Zero** breaches in data privacy and security
- AYS adheres to **Personal Data Protection Act 2010** ("PDPA")

SUSTAINABILITY STATEMENT
(CONT'D)

Governance (Social Capital)

12. Corporate Governance

Why it is important?

Transparency, accountability, and adherence to legal requirements are all dependent on effective corporate governance and anti-corruption measures. These initiatives foster trust and confidence among stakeholders, enhance the company's reputation and promote long-term success.

Our Response

Our dedication to ethical business practices is unwavering. In addition to adhering to regulatory standards, we proactively monitor and refine our policies and frameworks to guarantee continued applicability in building resilience and long-term confidence in our business operations.

Our Performance

Board Diversity

The Board recognises that a truly diverse and inclusive composition will take advantage of diversity in thought, viewpoint, expertise, talents and industry experiences in order to maintain the Company's competitive edge. It is acknowledged by the Board that inclusivity and diversity are important factors in increasing its effectiveness in decision-making, strengthen corporate governance and reflect the diversity of stakeholders served by the organisation

33% Independent Directors on Board

33% Women Directors on Board

Board Composition

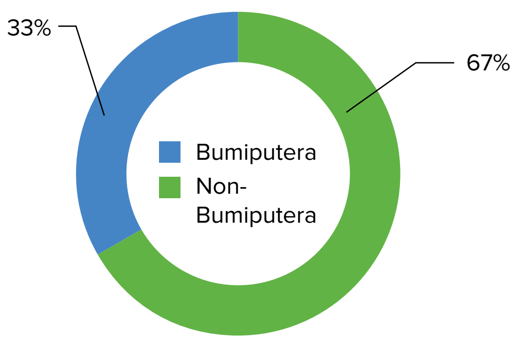
- 2 Independent Non-Executive Directors
- 1 Non-Independent Non-Executive Director
- 3 Executive Directors

Board Gender Diversity

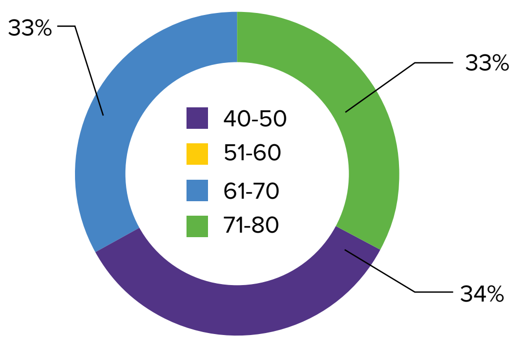
4 Male

2 Female

Board Nationality



Board Age Diversity



SUSTAINABILITY STATEMENT
(CONT'D)

Governance (Social Capital)

12. Corporate Governance (Cont'd)

Anti-Bribery and Corruption ("ABC") Policy and Whistleblowing Policy

AYS's ABC Policy establishes general principles, guidelines and procedures and are aligned with the Malaysian Anti-Corruption Commission Act 2018. This policy aims to minimise and eliminate the Group's exposure to the risk of illegal conduct related to bribery and corruption, thereby upholding the highest ethical standards throughout our workplace.

Our Whistleblowing Policy provides a secure channel for reporting misconduct without fear of reprisals. Employees are encouraged to report any misconduct directly to the Audit Committee or Head of Internal Audit.

Both the ABC policy and the Whistleblowing Policy have been reviewed and approved by our Board of Director.

89 EMPLOYEES

attended annual ABC refresher session conducted by MACC

ZERO

ABC cases reported

ZERO

Whistleblowing cases received

SUSTAINABILITY STATEMENT
(CONT'D)

Sustainability Performance Report

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	28.00
Executive	Percentage	55.00
Non-executive	Percentage	17.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	88,195.00 *
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	13
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	2.00
Management Between 30-50	Percentage	76.00
Management Above 50	Percentage	22.00
Executive Under 30	Percentage	36.00
Executive Between 30-50	Percentage	60.00
Executive Above 50	Percentage	4.00
Non-executive Under 30	Percentage	24.00
Non-executive Between 30-50	Percentage	68.00
Non-executive Above 50	Percentage	8.00
Gender Group by Employee Category		
Management Male	Percentage	53.00
Management Female	Percentage	47.00
Executive Male	Percentage	31.00
Executive Female	Percentage	69.00
Non-executive Male	Percentage	81.00
Non-executive Female	Percentage	19.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	67.00
Female	Percentage	33.00
Under 30	Percentage	0.00
Between 30-50	Percentage	33.00 *
Above 50	Percentage	67.00 *
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	677.21
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	3,720.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	79
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	259
Executive	Hours	148
Non-executive	Hours	135 *
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	19.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	9
Executive	Number	18
Non-executive	Number	19
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	29.55
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	16.929000 *

Internal assurance | External assurance | No assurance | (*)Restated