Chairman **Statement**

KOO BON HAK

Non-Independent Non-Executive Chairman

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors, allow me to extend our heartfelt appreciation to all stakeholders for your continued trust and support as CUCKOO International (MAL) Berhad ("**CUCKOO Malaysia**" or the "**Group**") embarks on its first chapter as a publicly listed company.

FYE2025 will be etched in our history as the defining chapter in our journey, a year in which we navigated numerous challenges and uncertainties, yet emerged stronger as we transitioned from a private household name to a public entity, following our successful debut on the Main Market of Bursa Malaysia on 24 June 2025. This milestone is not merely a financial achievement; it is a testament to the trust that Malaysian families have placed in us. The RM154.7 million raised through our IPO has already begun to fortify our vision: To go beyond just appliances and become the leading Healthy Home Creator for all.

Despite a challenging macroeconomic environment characterised by global uncertainty, inflationary pressures, and cautious consumer sentiment, CUCKOO Malaysia remained focused on delivering sustainable growth and operational discipline.

OUTLOOK AND PROSPECTS

The global economy in 2025 was defined by its unpredictability. In Malaysia, we navigated a landscape of subsidy rationalisation and shifting consumer spending power. While these macroeconomic shifts led to a temporary "wait-and-see" approach among some consumers, CUCKOO Malaysia's core business model proved its mettle.

Looking ahead, the Malaysian economy is expected to remain resilient despite ongoing global uncertainties with its solid domestic fundamentals provide a supportive environment for business growth. The Bank Negara Malaysia projects gross domestic product (GDP) growth of between 4.0 - 5.0% in 2026, following a moderate and resilient 5.2% expansion in 2025, driven by sustained domestic investment, structural economic reforms, and improving labour market condition.

Chairman **Statement**

(Cont'd)

For CUCKOO Malaysia, this outlook underpins sustained demand for our rental solutions for home appliances and household goods, allowing us to capitalise on emerging market opportunities and continue delivering value to our stakeholders. Increasing urbanisation, rising health and wellness awareness, and evolving consumer lifestyles continue to drive demand for high-quality home appliances and household goods. Consumers are increasingly favouring flexible ownership models that balance affordability, convenience and service assurance. For value conscious households, lower upfront costs remain a key driver, while higher income groups appreciate the convenience and peace-of-mind offered through the bundled aftersales maintenance services. The adoption of digital commerce platforms and growth of the middle-income segment further support this trend.

The Group is well-positioned to capitalise on these opportunities through our strong brand recognition, diversified omni-channel distribution network, recurring revenue rental model, and growing wellness ecosystem encompassing home appliances and household goods, skincare and nutritional food products and home care services. In addition to robust household demand, we are also seeing encouraging uptake from corporate customers, particularly businesses seeking hassle free, service-backed appliance rental solutions. Industry projections also suggest that the Malaysian consumer appliances market will grow steadily at a compound annual growth rate of approximately 9.9% between 2024 and 2029, supported by rising disposable income, technological innovation, and increasing demand for smart and energy-efficient appliances.

Nevertheless, we remain mindful of industry challenges.

Elevated living costs may affect discretionary spending, while competition from buy-now-pay-later (BNPL) platforms and aggressive promotions could influence purchasing behaviour. Credit risk and repayment monitoring, along with logistics and marketing costs, require careful management to safeguard margins.

RESILIENCE AMIDST CHALLENGING MARKET CONDITIONS

For our FYE2025, our revenue reached RM1.1 billion, yielding a Profit After Tax (PAT) of RM105.2 million. What these numbers represent is the sheer resilience of our rental business model despite operating in an uncertain climate.

Despite credit tightening, rising cost of living, and slower repayment patterns, our rental model ensures consistent revenue streams over the lifecycle of customer contracts. This approach enhances earnings visibility while aligning with evolving consumer preferences for flexible ownership and rental options, confirming that our long-term fundamentals remain firmly intact. More importantly, it underscores our disciplined approach to sustainable growth and our unwavering commitment to creating long-term value for our shareholders.

EXPANDING OUR INTEGRATED HEALTHY HOME ECOSYSTEM

A key theme of our strategy this year has been ecosystem expansion and multi-product ownership. As at 31 December 2025, 66.3% of CUCKOO Malaysia customers own only one product, highlighting significant opportunities for cross-selling and deeper customer engagement. The most fundamental way we share sustainable value as a **Healthy Home Creator** is by introducing additional products and services, bridging additional healthy household living value to customers.

Take for example, our collaboration with Samsung to create Smart Healthy Home for customers goes hand in hand to reimagine a smarter, healthier home for all by combining our specialised ecosystems: CUCKOO Malaysia is a beloved brand driven by the vision of creating healthier homes through its unique holistic wellness ecosystem; while Samsung is a titan of technology and innovation with expertise in connected technologies through its seamless SmartThings ecosystem. Together, we form a diverse, holistic and integrated ecosystem that combine wellness, connectivity, and AI-powered innovation to deliver a smarter, healthier home experience tailored to modern lifestyles while ensuring that premium "Healthy Home" solutions are not a luxury for the few, but a reality for the many.

Chairman **Statement**

(Cont'd)

PEOPLE & CULTURE: AN EMPOWERING WORKPLACE

Another strategic focus is growing our sales and service workforce. With over 8,000 dedicated sales and service team members nationwide, they are key to building customer relationships, delivering service excellence, and driving brand advocacy.

We will continue to invest in recruitment, training, and professional development to ensure that our workforce remains capable, motivated, and aligned with the Group's long-term vision. These ongoing efforts in talent development have contributed directly to the strength of our organisational culture and the recognition our brand continues to receive.

We remain committed to making CUCKOO Malaysia a comfortable and enjoyable place to work. In FYE2025, we were honoured with several prestigious accolades:

- 7th Consecutive Win: HR Asia Best Companies to Work for in Asia Awards.
- 3rd Consecutive Win: HR Asia Most Caring Company Awards.
- 2nd Consecutive Win: Graduates' Choice Award.

Similarly, during the year under review, the Group received several prestigious awards, earning us two Bronze Putra Brand Awards under the "Personal, Household and Outdoor Appliances", as well as, the "Home Improvement Products and Stores" categories, and the Gold Reader's Digest Trusted Brand Awards for our water purifiers.

Our ability to connect with Malaysians was also recognised through a Silver win under the NEXT Awards Malaysia 2025 for "Innovative Customer Engagement Campaign" and a remarkable triple-recognition at the 2025 Dragons of Malaysia Awards for the "Brand Trial/Sales Generation", "Brand Building/Awareness" and "Marketing Discipline" categories. These honours, spanning brand building, sales generation, and marketing discipline, reflect the deepening trust and resonance our brand holds within every Malaysian household.

Above all, these accolades underscore the trust that Malaysians continue to place in CUCKOO Malaysia and reflect our commitment to cultivating an empowering workplace and delivering exceptional customer experiences.

SUSTAINABILITY: THE HEARTBEAT OF OUR OPERATIONS

Sustainability remains central to CUCKOO Malaysia's philosophy. In FYE2025, we continued to embed environmental, social, and governance principles across our operations to create lasting value for society, the environment, and our stakeholders.

CUCKOO Malaysia is also a key driver of the local economy. During FYE2025, we spent RM382.7 million on local suppliers, representing the majority of procurement expenditure.

This year, our community investment reached a record RM1.5 million, including provision of water purifiers to elderly homes, schools, and religious institutions; donations to charitable homes and educational institutions; and sponsorship of community programmes such as blood donation drives, health awareness campaigns, and women empowerment initiatives. Long-term programmes include water purifier sponsorship initiatives to local communities and #SAMASAMAKongsi community meal programme aimed at eradicating poverty and hunger.

Operational excellence is the foundation of this impact. I am particularly proud of our Customer Satisfaction Survey Score, which climbed to 95% in 2025 from 77% in 2023. In a service-led business, our "moat" is the quality of our people. Our 8,000-strong sales and service force are the true architects of this trust.

NOTE OF APPRECIATION

In closing, I extend my heartfelt gratitude to our customers for their continued trust in CUCKOO Malaysia, our dedicated sales and service team, our management team for their leadership and my fellow Board members for their guidance and unwavering support.

To our shareholders, I thank you for your patience and your belief in our vision. We are only at the beginning of the **#SAMASAMAHealthier** journey. The foundations are solid, our purpose is clear, and our best years are yet to come.

Together, we look forward to building on the strong foundations established in FYE2025 and continuing our mission to deliver innovative home wellness solutions while creating sustainable value for our stakeholders and communities across Malaysia.

Yours sincerely,

KOO BON HAK
Non-Independent Non-Executive Chairman

CEO **Statement**

HOE KIAN CHOON

Non-Independent Executive Director / Chief Executive Officer

DEAR VALUED SHAREHOLDERS,

The financial year ended 31 December 2025 ("**FYE2025**") marked a pivotal phase in the growth of CUCKOO International (MAL) Berhad ("**CUCKOO Malaysia**" or the "**Group**"). A key milestone was the Group's listing on the Main Market of Bursa Malaysia on 24 June 2025, which enabled us to strengthen our financial position and reinforce our standing as a trusted household name in Malaysia.

As we reflect on the year, our focus remains firmly anchored in our vision "to be a leading Healthy Home Creator". We take pride in the fact that we have evolved beyond just a water purifier company to become a Healthy Home Creator with a holistic wellness ecosystem of diverse products and services made accessible and affordable through various rental plans over the years.

Driven by our commitment to foster healthier lifestyles for our users, we continue to innovate and expand our wellness ecosystem of products and services in line with our #SAMASAMAHealthier promise. Our vision guides our decisions, ensuring we stay relevant, accessible, and impactful to the communities we serve.

NAVIGATING HEADWINDS WITH FINANCIAL DISCIPLINE

In FYE2025, the Group recorded revenue of RM1.1 billion, underpinned by the continued strength of our core operations. The CUCKOO-branded segment remained the primary contributor, generating RM875.6 million and accounting for 79.5% of total revenue.

Meanwhile, the CUCKOO Co-Created segment contributed RM221.5 million, representing 20.1% of total revenue. This balanced contribution reflects our ability to diversify revenue streams while maintaining the strength of our core brand.

The Group achieved a Profit After Tax (PAT) of RM105.2 million for the year, demonstrating resilience despite a challenging operating environment.

CEO **Statement**

(Cont'd)

However, it is noteworthy that the second half of 2025 presented substantial headwinds, as global market uncertainties stemming from tariff developments and subsidy rationalisation weighed on consumer sentiment. These conditions impacted customers' repayment behaviour, resulting in delays and a rise in impairments during the earlier part of the second half.

In response, we acted decisively. Although adjusting prices was a difficult decision, we were ultimately compelled to do so to buffer against rising costs. Importantly, this adjustment was made mindfully, with careful consideration of the overall cost of living environment to ensure accessibility and affordability for our customers. We also tightened our credit policies in the early part of the third quarter of 2025.

At the same time, we intensified our collection efforts to strengthen cash flow discipline. These measures began to yield results by the fourth quarter, with impairment levels declining significantly compared to the first half of the year.

It is important to note that these prudent actions came with a trade-off. The tightening of credit policies, coupled with the natural churn rate of maturing subscriptions led to a reduction in total active orders, which declined from 1.05 million to 0.94 million for the financial year.

While this moderated short-term growth, it strengthened the quality of our customer base and reinforced the sustainability of our business model. We believe this disciplined approach positions the Group on a firmer footing for long-term growth.

EXPANDING OUR REACH, DEEPENING OUR IMPACT

Throughout FYE2025, the Group remained focused on expanding its market presence through a combination of brand strength, operational efficiency and a well-integrated omni-channel strategy. Our priority has been to deepen customer reach while enhancing accessibility across multiple touchpoints.

A key highlight of the year was the successful launch of our first two CUCKOO Brandshops in a cash-and-carry format, located at IOI Mall Damansara and MyTown Shopping Centre. These Brandshops represent an important evolution in our retail strategy, complementing our existing network of over 240 retail outlets. They enhance brand visibility, provide customers with a more immersive experience, and allow for immediate product ownership, thereby broadening our appeal to a wider customer segment.

PRODUCT INNOVATION REMAINED CENTRAL TO OUR GROWTH

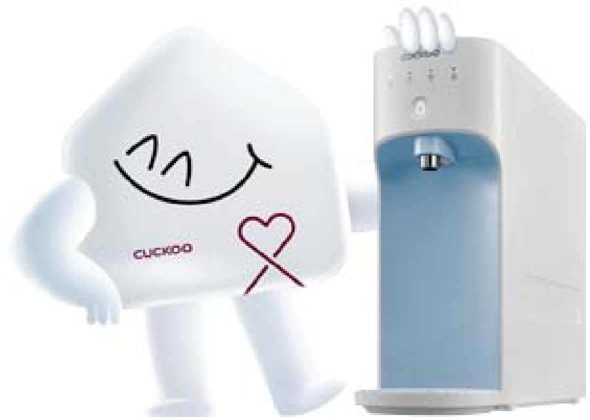
As at the end of FYE2025, our CUCKOO-branded stock keeping units (SKUs) increased to 68 from 60 in the previous year. Among the new products introduced were the CUCKOO XCEL 2 mild alkaline water purifier (2 colour variants), CUCKOO HUGZ mattress in a box (Queen-sized), CUCKOO CR-0685FW multi-cooker, CUCKOO AquaFlex filtered shower head, and CUCKOO x Color King healthy coat-free cookwares. These offerings reflect our continued commitment to building an ever diverse and holistic wellness ecosystem.

For the year under review, we also strengthened our collaborative efforts through a milestone partnership with Samsung, expanding our existing offerings to seven SKUs across five product categories, including smartphones, smart TVs, refrigerators and washing machines. This collaboration enhances our ability to offer integrated Smart Healthy Home solutions, further reinforcing our positioning beyond traditional appliance offerings.

In our beauty and wellness segment, the number of skincare products under the WonderLab and WonderDewi brands continued to grow steadily by the end of FYE2025, reflecting our ongoing efforts to tap into adjacent lifestyle segments that complement our Healthy Home Creator proposition.

Our digital platforms also continued to gain strong traction, with an extremely positive 2,980.9% year-on-year growth. Strategic collaborations with key opinion leaders (KOLs) and affiliates, such as Pinn Yang, Sonia (Hello Sonia), Leng Yein, Puspa Gomen, Nabil Ahmad, Sheila Ijoy and more, have amplified our reach and strengthened brand engagement during our livestreams. Performance across e-commerce platforms has also been commendable. On Shopee, CUCKOO ranked fifth in the Home & Living category during the 10.10 Brands Festival and secured third place during both the 11.11 Big Sale and 12.12 Birthday Sale. On TikTok Shop, our e-Brandshop emerged as the top performer in the electronics category during the 11.11 Mega Sale. These achievements underscore the growing importance of digital commerce in our overall strategy.

CEO Statement
(Cont'd)



FOUR PILLARS FOR LONG-TERM VALUE CREATION

Essentially, our growth strategy is anchored on four key pillars that collectively drive sustainable value creation.

1 PILLAR 1: ACCESSIBILITY & AFFORDABILITY

The first pillar is embodied in our rental model. This rental and subscription-based approach has proven resilient, particularly in an environment of rising cost of living. By lowering the upfront cost barrier, we enable more households to access premium wellness products.

Today, we hold a strong position in the rental industry for home appliances and household goods, reinforcing our leadership in this segment. While economic uncertainties persist, we remain vigilant and will continue to strengthen our credit risk management and collection strategies to safeguard this model.

2 PILLAR 2: INNOVATION & ECOSYSTEM EXPANSION

The second pillar focuses on broadening our product offerings. Our "Healthy Home" concept continues to gain traction, supported introduction of new innovations through the CUCKOO brand or by strategic collaborations such as our partnership with Samsung.

We are also expanding into small-ticket items such as rice cookers and shower heads, which have opened new avenues for customer acquisition and multi-product ownership.

Currently, approximately 33.7% of our customers own more than one CUCKOO product, and we aim to increase this proportion by introducing more relevant and complementary solutions.

3 PILLAR 3: OMNI-CHANNEL EXCELLENCE

The third pillar centres on enhancing our nationwide coverage by strengthening customer touchpoints and service accessibility across Malaysia, building a seamless and integrated customer journey.

The introduction of cash-and-carry CUCKOO Brandshops marks an important step in enhancing our physical retail presence, while our strong sales force continues to drive direct engagement with customers.

At the same time, we are accelerating our digital commerce initiatives, leveraging partnerships with KOLs and affiliates to expand our online footprint.

4 PILLAR 4: THE CUCKOO+ PROMISE

The fourth pillar reflects our unwavering commitment to service quality. With a customer satisfaction rate of 97%, service excellence remains a key differentiator and a critical driver of customer retention and recurring revenue.

We will continue to enhance our service capabilities while introducing value-driven promotions that create excitement without compromising margin discipline.

STRENGTHENING MARKET PRESENCE

Looking ahead, we remain focused on building upon the momentum achieved in FYE2025. The success of our recent product expansions reinforces our confidence in continuing to introduce innovative and relevant Healthy Home solutions.

By broadening our portfolio, we aim to deepen customer engagement and increase product penetration within existing households. Apart from meeting household demand, we also aim to deepen and expand our corporate customer segment, as more businesses are increasingly recognising the value and reliability of our service offerings.

In particular, the Group is actively targeting the HORECA (hotel, restaurant and cafe) segment, which presents a compelling growth opportunity given its recurring usage patterns and strong demand for high-quality water and air solutions. To support this segment, we introduced a special initiative offering a 50% discount for eight months on selected water purifiers, making our solutions even more accessible to business operators.

CEO **Statement**

(Cont'd)

Further strengthening our position in the hospitality sector, we are honoured to have been appointed as a Strategic Partner for the Visit Malaysia 2026 (VM2026) initiative by Tourism Malaysia. This recognition underscores our commitment to supporting national tourism efforts while delivering high quality, reliable, and health-focused solutions that enhance hygiene, sustainability and overall customer experience within the hospitality and food service industries.

Geographically, we will continue to expand our presence across various states in Malaysia. These markets present significant growth potential and align with our long-term ambition of becoming a leading Healthy Home Creator.

Operationally, we are investing in our IT infrastructure and warehouse management capabilities to support scalability. The implementation of automated warehouse systems has already improved efficiency, reducing order-to-delivery timelines and lowering manual labour requirements. These enhancements will enable us to better manage increasing volumes while maintaining service quality.

POSITIVE OUTLOOK

Despite the challenges encountered in 2025, we entered the new financial year with renewed confidence. The proactive measures undertaken during the year, particularly in tightening credit policies and strengthening collection strategies, have reinforced the Group's operational foundation. These improvements position us well to capture opportunities as market conditions stabilise.

The appreciation of the Ringgit is expected to provide a favourable buffer by reducing the cost of imported products, thereby supporting margin recovery. In addition, ongoing government initiatives aimed at stimulating economic activity and supporting households are likely to contribute to a more positive consumer environment.

While uncertainties remain, we are cautiously optimistic about our prospects for 2026. Our disciplined approach, coupled with a strong value proposition and a resilient business model, provides us with the confidence to navigate the evolving landscape.

DIVIDEND

The Board is pleased to declare an interim dividend of 1.84 sen per ordinary share, amounting to approximately RM26.3 million. This represents a payout ratio of 25.1% of the Group's profit after tax for the financial year ended 31 December 2025, which is above the Group's dividend policy of distributing at least 20% of profits. This payout reflects our commitment to deliver sustainable shareholder returns while balancing our funding requirements to support ongoing operations and future growth initiatives.

APPRECIATION NOTE

To our shareholders, I would like to express my sincere gratitude for your continued trust and support, particularly during a year marked by both achievement and challenges. Your support encourages us every day as we work to build a stronger, more resilient organisation for the years ahead.

At CUCKOO Malaysia, we are focused on building a company for the next decade, not just the next quarter. As such, I am especially thankful for your patience, understanding, and steadfast confidence in the long-term direction of the company.

Finally, I would like to express my heartfelt appreciation to our management team, employees, and Board members. Their unwavering commitment, adaptability, and resilience have been instrumental to our achievements this year.

Our priorities remain firmly centred on strengthening our fundamentals, enhancing operational resilience and delivering sustainable long-term growth. We are confident that, over time, these efforts will translate into meaningful value for our shareholders.

As we move forward, we remain committed to our vision of creating healthier homes and improving the lives of Malaysians. Together, we will continue to grow, innovate and build a stronger, healthier and happier future, #SAMASAMAHealthier.

Yours sincerely,

HOE KIAN CHOON

Non-Independent Executive Director / Chief Executive Officer

Management Discussion **and Analysis**

This Management Discussion and Analysis ("**MD&A**") presents the operating and financial performance of the business of CUCKOO International (MAL) Berhad ("**CUCKOO Malaysia**" or the "**Group**") for the financial year ended 31 December 2025 ("**FYE2025**"). The MD&A discusses the Group's performance, followed by a detailed discussion of each segment's performance and activities.

The information provided is in summary form and does not purport to be complete as at the date of this Annual Report. Where appropriate, information is also provided in relation to activities that have occurred after FYE2025. The MD&A is not intended to constitute, and should not be relied upon as, advice to shareholders or potential investors and does not consider the investment objectives, financial situation or needs of any investors. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

The MD&A may contain forward-looking statements or opinions, including statements regarding the Group's intent, beliefs or current expectations on market conditions, and results of operations and financial conditions with respect to Group's business. Such statements are usually predictive in nature and may be based on assumptions made or be subject to unknown risks and uncertainties, which may cause actual results to differ materially from those ultimately achieved. Readers are therefore cautioned and advised not to place undue reliance on any forward-looking statements.

(A) BUSINESS OVERVIEW

CUCKOO International (MAL) Berhad ("**CUCKOO Malaysia**" or the "**Group**") is a company driven by its vision to be a "Healthy Home Creator", dedicated to fostering healthier lifestyles for its customers through its home appliances, household goods, skincare and nutritional food products, and home care services.

Guided by its "Beyond Standards" philosophy, the Group is committed to delivering exceptional products and services to its customers, while continuously enhancing its strategies and operations. This commitment underpins ongoing improvements across product development, service delivery, customer engagement and internal processes.

The Group offers a range of rental plans for selected products, providing customers with greater accessibility and flexibility. This approach complements its product sales and supports stronger customer relationships by catering to diverse lifestyle needs and preferences.

For the FYE2025, the Group's business operations remained largely unchanged, where its businesses segregated into two major business segments in CUCKOO-branded and CUCKOO Co-Created. There are varying levels of integration between these segments, including sales and shared aftersales maintenance services. Other business segments operated by the Group include WonderLab and WonderDewi, which offer skincare and nutritional food products, and WonderKlean, which offers home care services.

The "CUCKOO" brand is a trusted brand among customers, with a proven 97% customer satisfaction rate from an independent survey conducted by IPSOS in 2019 and 2022. This customer satisfaction rate is a reflection of customers' stickiness with the outstanding and reliable aftersales maintenance service. Consumer trust in the brand is also further boosted with recognition from the industry, the Putra Brand Awards, also known as the People's Choice Award, as the winners are selected by the public through a public survey, which the brand has consistently won for the 4th time in 2025.

FYE2025 continued to be affected by elevated uncertainty amid heightened geopolitical tensions. Prolonged conflicts, including the Russia–Ukraine war and the Israel–Hamas war, persisted during the year, with subsequent escalation in the Middle East and disruptions to the crude oil supply chain further exacerbating conditions. These global developments, coupled with domestic policy adjustments such as higher utility tariff rates, Sales and Services Tax ("SST") amendments, and the implementation of targeted subsidies, have contributed to inflationary pressures, economic uncertainty, and subdued consumer sentiment.

In this volatile macroeconomic and geopolitical environment, the Group remained especially vigilant in managing risks. Throughout the year, the Group has managed price pressures by implementing price adjustments to its existing line-up in July 2025 for new orders, while continue to reward its existing loyal customers by promoting the ownership of more than one product.

From an operational agility and sustainable profitability perspective, the Group continued expanding its omni-channel distribution strategy by expanding channels to reach a wider customer segment, which lowers average customer acquisition costs, alongside continuous efforts in digitalising its processes for greater operation efficiencies. By leveraging its strong business fundamentals and exercising disciplined cost management and risk control, the Group navigated these challenging times and concluded the financial year profitably.

Management Discussion **and Analysis**
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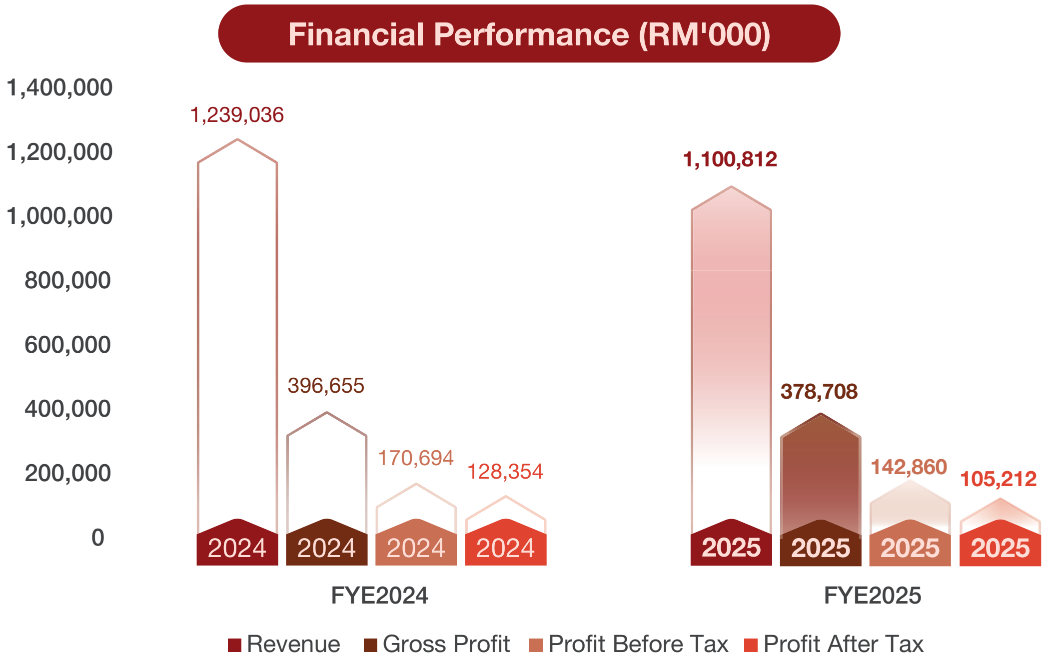
(B) FINANCIAL PERFORMANCE REVIEW

The year-on-year financial performance of the Group is summarised as below:



Revenue

The Group recorded a revenue of RM1.1 billion for FYE2025 (FYE2024: RM1.2 billion), representing a reduction of RM138.2 million or 11.2% compared to the previous year. The lower revenue was primarily due to a decrease in revenue from CUCKOO-Branded and CUCKOO Co-Created segments, attributable to lower units sold in the current year, as the Group's tightened credit policies and introduced e-KYC measures during the year. These initiatives, aimed at strengthening customer quality and enhancing long term asset sustainability, resulted in more selective customer onboarding in the short term, contributing to lower new order volume.

Gross Profit ("GP") and GP Margin

Despite softer revenue, the Group's performance remained resilient, as evidenced by its GP margin, which increased from 32.0% in FY2024 to 34.4% in FY2025. This was primarily driven by a stronger ringgit against the US dollar, lower imported product costs, and higher revenue contribution from the CUCKOO-branded segment, which carries a higher GP margin ratio than CUCKOO Co-Created segment. In addition, reduced customer acquisition costs, supported by the Group's omni-channel strategy, and lower marketing expenses further contributed to the overall performance.

The Group achieved a GP of RM378.7 million for FYE2025. While this represented a modest decrease of RM17.9 million, or 4.5%, compared to RM396.7 million in FYE2024, the improved GP margin demonstrated the Group's ability to maintain profitability and operational efficiency amid challenging market conditions.

Management Discussion **and Analysis**

(Cont'd)

Profit Before Taxation ("PBT")

The Group recorded a PBT of RM142.9 million for FYE2025, representing a reduction of 16.3% compared to RM170.7 million in FYE2024. The decline was primarily due to higher net losses on impairment of financial instruments, driven by increases in impairment of net investment in leases and other receivables based on expected credit losses assessment, which reflects the changes in credit risk at the end of reporting period.

The PBT margin moderated from 13.8% in FYE2024 to 13.0% in FYE2025, a 0.8% reduction, despite the increased net loss on impairment of financial instruments over revenue of 6.9% for FYE2025, compared to 4.0% for FYE2024. The narrower reduction in the PBT margin is attributed to the strengthening ringgit against the US dollar, lower imported product costs, reduced customer acquisition costs, and lower marketing expenses.

Profit After Tax ("PAT")

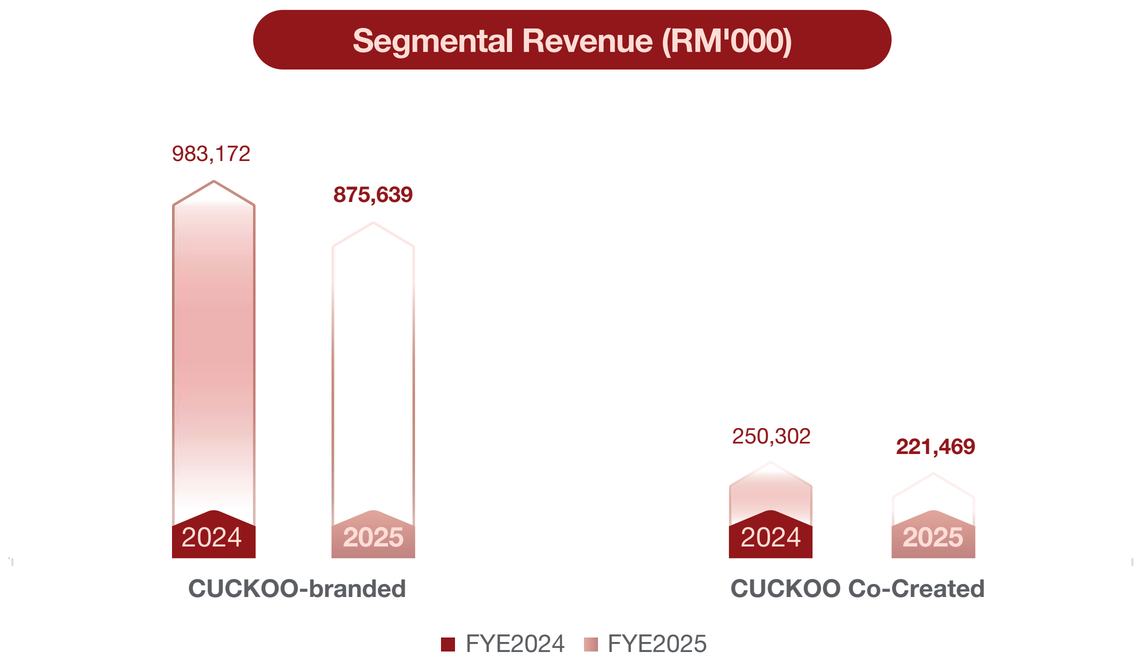
The Group recorded a PAT of RM105.2 million in FYE2025, declined by RM23.1 million or 18.0% from FYE2024's RM128.4 million, with PAT margin of 9.6% and 10.4% for FYE2025 and FYE2024, respectively.

Overall, the geopolitical and macroeconomic headwinds continued to affect the businesses of the Group. Sector-specific challenges, such as inflation and subdued consumer spending, weighed on the Group's top-line performance and overall profits. In response to a softer economic landscape, the Group has strategised towards acquiring quality assets to support sustainable growth by introducing more stringent rental customer selection measures since the third quarter of 2025 to contain further deterioration in asset quality.

The subdued consumer spending also changed the repayment behaviour, with more customers delaying payments than usual as they reprioritised their monthly commitments. This trend started in the second quarter of 2025 and peaked subsequently following the expansion of SST in July 2025.

Consequently, the Group observed higher net loss on impairment of financial instruments in the second and third quarter of the year under review of RM20.5 million and RM29.4 million, respectively, representing an approximately 43% increase for the corresponding periods.

Notably, in the fourth quarter of 2025, customer repayment behavior showed signs of normalisation coupled with enhanced collection approach for long-aged customers; the net impairment losses improved to RM13.5 million as compared to RM29.4 million in the preceding quarter.



Management Discussion **and Analysis**

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Segmental Financial Performance

The Group's revenue continues to be primarily driven by its two core segments, namely CUCKOO-branded and CUCKOO Co-Created offerings.

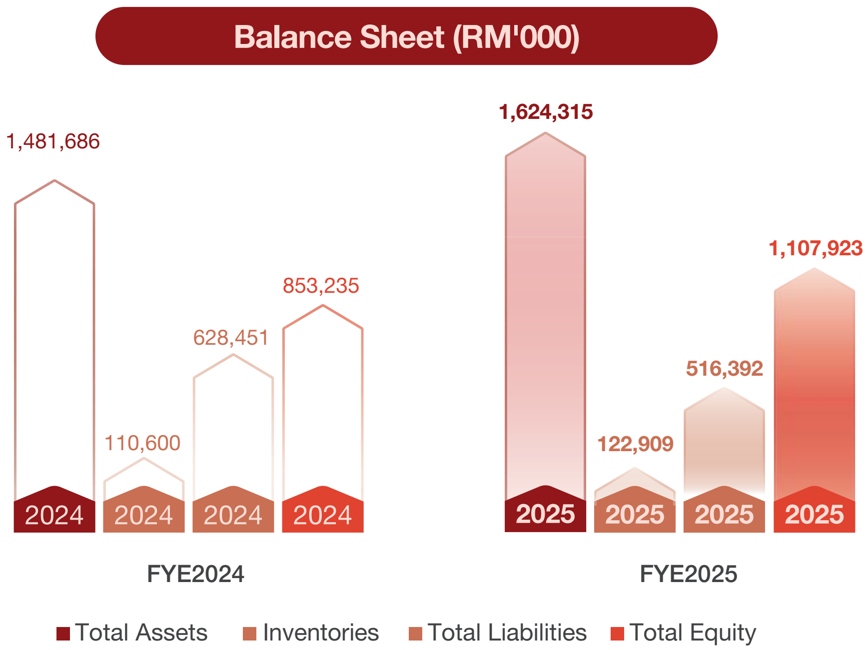
Revenue from the CUCKOO-branded segment declined by RM107.5 million, or 10.9%, to RM875.6 million in FYE2025 (FYE2024: RM983.2 million). Despite the decrease, this segment remained the principal contributor to the Group's overall revenue, accounting for 79.5% of total revenue (FYE2024: 79.3%). The segment's performance reflects the continued importance of the Group's core product offerings within its rental-based business model.

Revenue from the CUCKOO Co-Created segment decreased by RM28.8 million, or 11.5%, to RM221.5 million in FYE2025 (FYE2024: RM250.3 million). Notwithstanding the decline in absolute terms, the segment's contribution to total revenue remained similar as compared to the year before at 20.1% (FYE2024: 20.2%).

Overall, while both segments recorded lower revenue year-on-year, the Group maintained a relatively stable revenue composition, with CUCKOO-branded products continuing to form the majority of its earnings base, complemented by contributions from CUCKOO Co-Created business segment.

Strong Balance Sheet

The Group continued to reinforce its financial position during FYE2025, underpinned by prudent capital management, disciplined debt reduction and sustained operational performance.



Total assets grew by 9.6% to RM1.62 billion (FYE2024: RM1.48 billion). The Group's asset base remains predominantly driven by trade and other receivables, which increased to RM1.31 billion (FYE2024: RM1.16 billion). This is consistent with the Group's core rental-based business model, where the majority of revenue is derived from contracts with tenures ranging from three to seven years.

Management Discussion **and Analysis**
(Cont'd)

Inventories rose by 11.1% year-on-year, largely attributable to higher levels of finished goods held at year end. This was a strategic measure to ensure continuity in fulfilling orders, particularly in anticipation of a temporary closure of an air-conditioning manufacturer in China during the Chinese New Year period in February 2026.

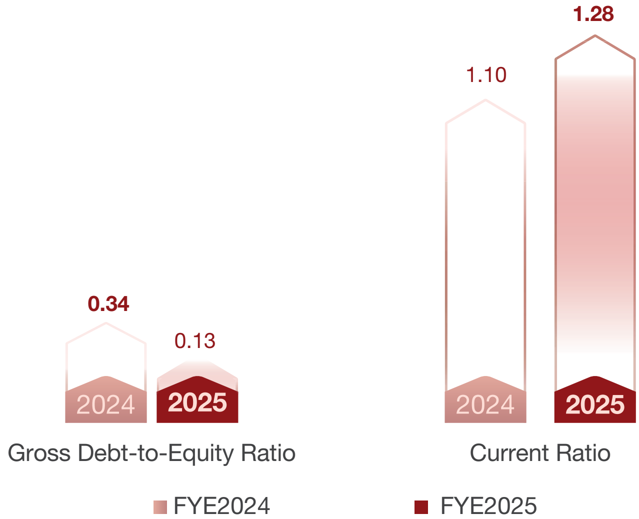
In line with the Group's strategy to strengthen its balance sheet, total liabilities declined significantly by 17.8% to RM516.4 million (FYE2024: RM628.5 million).

This was primarily driven by a substantial reduction in loans and borrowings, which fell by 51.7% to RM139.6 million (FYE2024: RM288.9 million). The decrease reflects the utilisation of RM40.0 million from IPO proceeds alongside scheduled repayments, demonstrating the Group's commitment to deleveraging and improving financial resilience.

Total equity increased by RM254.7 million to RM1.1 billion (FYE2024: RM853.2 million), representing a 29.8% growth. This expansion was supported by the Group's strong profitability during the year, as well as proceeds of RM154.7 million arising from the issuance of new shares pursuant to the IPO.

The strengthened equity base enhances the Group's capacity to support future growth while maintaining a robust capital structure.

Ratio Analysis (times)



The Group's gross debt-to-equity ratio improved significantly to 0.13 times (FYE2024: 0.34 times), reflecting both the reduction in borrowings and the enlarged equity base. This improvement was further supported by the utilisation of IPO proceeds towards the repayment of the Bank of China loan.

Liquidity also strengthened, with the current ratio improving to 1.28 times (FYE2024: 1.10 times), mainly due to the repayment of short-term loans and bank borrowings. This indicates an enhanced ability to meet short-term obligations and reinforces the Group's overall financial stability.

Management Discussion **and Analysis**

(Cont'd)

Status of IPO Proceeds Utilisation

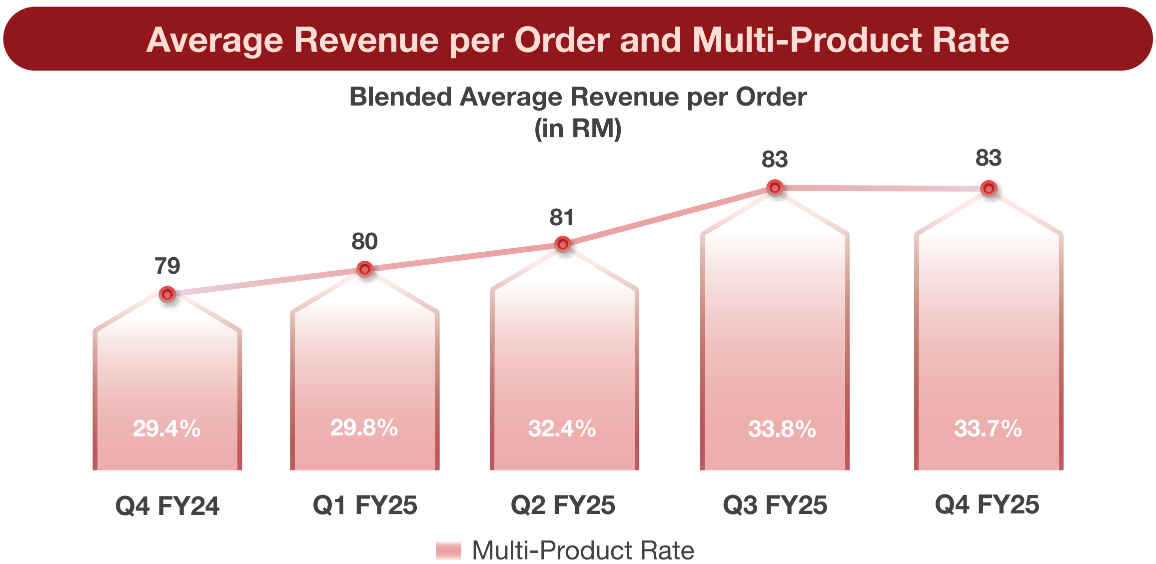
As of 31 December 2025, the Group has utilised its IPO proceeds as follows:

Utilisation of proceeds	Proposed utilisation (RM'mil)	Actual utilisation (RM'mil)	Balance unutilised (RM'mil)	Intended timeframe for utilisation
Capital to fund product purchases for expansion of rental business	75.3	75.3	-	Within 12 months
Repayment of bank borrowings	40.0	40.0	-	Within 9 months
Capital expenditure:				
(a) Opening of 'Brandshops'	5.0	0.7	4.3	Within 24 months
(b) Upgrading of IT systems	5.6	0.1	5.5	Within 24 months
Expansion of Cuckoo Singapore	10.0	-	10.0	Within 24 months
Estimated listing expenses	18.8	18.8	-	Immediate
Total	154.7	134.9	19.8	

Looking ahead to FYE2026, the Group's capex requirements are estimated at RM19.8 million. The Group expects to fund these requirements through the remaining balance of the IPO proceeds and a combination of internally generated funds if required.

(C) STRATEGIES TO DRIVE TOP-LINE GROWTH

Multi-Product Rate



The Group continues to place emphasis on increasing its multi-product rate, which measures the number of products subscribed to or purchased per customer. This metric has shown an encouraging upward trend, reflecting the effectiveness of the Group's multi-product ownership initiatives.

The expansion of product offerings, encompassing not only CUCKOO-branded products but also CUCKOO Co-Created products featuring new products from the Group's latest partnership with Samsung, has strengthened the Group's value proposition. This broader product ecosystem enables the Group to better meet diverse customer needs, thereby encouraging existing customers to adopt additional products and services.

Blended Average Revenue per Order

The Group has also recorded a steady improvement in blended average revenue per order, driven by a growing proportion of customers opting for higher-value packages. This trend is particularly evident in the CUCKOO Co-Created product segment, where larger-ticket items such as mattress, air conditioners and massage chairs have gained traction among customers.

In the second half of FYE2025, the blended average revenue per order was stable at RM83, having risen from RM79 in the fourth quarter of FYE2024. While higher revenue per order does not necessarily translate directly into improved profitability, the upward trend reflects the Group's success in driving higher-value transactions and strengthening overall revenue generation.

Collectively, these initiatives underscore the Group's strategic focus on maximising customer lifetime value and sustaining long-term top line growth.

(D) STRATEGIES TO DRIVE COST OPTIMISATION

Targeted Marketing Spending

The Group has also enhanced the efficiency of its marketing expenditure by adopting a more targeted and performance-driven approach. The marketing cost-to-revenue ratio has declined over the period, reflecting improved cost discipline.

This was achieved by recalibrating the Group's marketing strategy, placing less emphasis on broad-based brand-building activities and increasing focus on promotional initiatives that directly drive customer engagement and conversion. Such a shift enables the Group to achieve better returns on marketing spend while supporting sustainable revenue growth. Despite lower marketing spending, the Group continued to uphold strong brand presence and service quality, as evidenced by winning the Putra Brand Awards for the fourth time in 2025, demonstrating that marketing standards remained uncompromised even with reduced expenditure. Collectively, these measures reinforce the Group's commitment to maintaining a lean cost structure while continuing to invest in high-impact growth initiatives.

Customer Acquisition Cost (CAC)

The Group adopts an omni-channel distribution strategy to customer acquisition, encompassing sales representatives, CUCKOO+ Service Group, cash-and-carry CUCKOO Brandshops and online platforms, each with distinct cost structures. Among these, the sales representative channel typically incurs the highest acquisition cost, while the online channel remains the most cost-efficient.

Encouragingly, the Group's blended customer acquisition cost has demonstrated a downward trend over the years. This improvement is largely attributable to the surrender of the Direct Selling licence at the end of 2022, which has provided greater flexibility in designing commission structures. As a result, the Group is now able to implement more efficient and differentiated incentive schemes across its sales channels, thereby lowering overall acquisition costs.

CUCKOO's Omni-Channel Distribution Network

The Group has strengthened its omni-channel distribution network, integrating both offline and online platforms to enhance customer reach, accessibility, and overall engagement.

The Group maintain an extensive retail footprint, comprising over 240 CUCKOO retail outlets and one WonderLab store across Malaysia, as well as three CUCKOO Brandstores in Singapore. These physical outlets serve as key touchpoints for customer interaction, product demonstration, and brand experience.

Management Discussion **and Analysis**
(Cont'd)

In addition to its proprietary stores, the Group, through its WonderLab and WonderDewi business segment, collaborates with established retail partners such as Watsons and SOGO, further expanding its market presence and accessibility to a broader customer base.

Supporting this network is a robust and well-established sales and service force comprising of over 8,000 team members. This extensive workforce enables the Group to maintain strong on-the-ground engagement and deliver personalised customer service.

Together, the physical retail presence and dedicated sales and service force complement the Group's digital efforts, ensuring a cohesive and integrated customer experience across all touchpoints.

The Group's online channel has emerged as a key growth driver, recording the fastest expansion in FYE2025. Online revenue increased significantly by 29.8 times year-on-year to RM5.3 million, reflecting the Group's efforts to strengthen digital capabilities and respond to evolving consumer purchasing behaviours. In FYE2025, the online platform offered only a limited selection of smaller ticket items such as rice cookers and shower heads; however, beginning in 2026, the Group expects to sustain and accelerate this momentum as the full range of CUCKOO-branded and CUCKOO Co-Created products becomes available online with expanded rental options.

The integration of online and offline channels provides a seamless customer journey, reinforcing the Group's omni-channel strategy and positioning the business for sustainable long-term growth.

(E) POSITIVE OUTLOOK

Looking ahead, the Group expects the operating environment to remain competitive and challenging, influenced by prevailing macroeconomic conditions such as rising cost pressures, including shipping costs; evolving consumer preferences; global uncertainties, including trade tensions and tariff fluctuations; and geopolitical risks. In navigating these conditions, the Group will continue to focus on prudent cost management, operational efficiency, and disciplined capital allocation to support business sustainability.

The Group remains committed to strengthening its core business, enhancing service quality, and maintaining customer engagement, while selectively pursuing opportunities aligned with its long-term strategic objectives. The Management will continue to monitor market developments closely and adopt appropriate measures to mitigate risks and manage uncertainties.

Barring any unforeseen circumstances, the Board and the Management are cautiously optimistic that the Group's established brand presence, omni-channel distribution network, and operational capabilities will position it to respond to market challenges and support stable performance over the medium to long term.

All forward-looking statements and prospects are not indicative of future performance and should be considered prospective in nature.

(F) APPRECIATION

The Board would like to convey its sincere appreciation to the Group's employees, management team, business partners, and sales, service and collection teams for their resilience, adaptability, and unwavering commitment throughout a challenging financial year. Amid heightened market volatility, cost pressures, and evolving consumer dynamics, their collective efforts have been instrumental in sustaining operational continuity, service quality, and customer trust.

The Board also wish to extend its heartfelt thanks to its valued customers and shareholders for their continued support and confidence, which motivates the Group to strengthen its to strengthen its market position and deliver long-term value.

Sustainability **Statement**

ABOUT THIS STATEMENT

This Sustainability Statement presents CUCKOO International (MAL) Berhad's ("**CUCKOO Malaysia**" or the "**Company**") approach to managing environmental, social, and governance (ESG) matters that are relevant to its business operations, stakeholders, and long-term value creation. The statement represents CUCKOO Malaysia's first structured sustainability disclosure and reflects the Company's commitment to greater transparency and continuous improvement in sustainability practices.

The purpose of this statement is to provide stakeholders with a clear overview of how sustainability considerations are integrated into CUCKOO Malaysia's business, governance, and operational decision-making, as well as to outline the Company's current practices and future direction. It also highlights key sustainability initiatives undertaken during the financial year as well as the Company's approach towards managing ESG-related risks and opportunities.

As sustainability reporting continues to evolve, CUCKOO Malaysia remains committed to progressively strengthening its sustainability management framework and enhancing the scope and depth of its disclosures in future reporting cycles.

Reporting Scope and Boundaries

The reporting scope of this Sustainability Statement covers the operations of CUCKOO Malaysia for the financial year ended 31 December 2025 ("**FYE2025**"). The disclosure encompasses the Company's four business segments: CUCKOO-branded; CUCKOO Co-Created; WonderLab and WonderDewi; and WonderKlean.

At this stage, the reporting boundary is limited to the Malaysian operations of CUCKOO International (MAL) Berhad and does not include its subsidiaries.

CUCKOO Malaysia will continue to review the scope of its sustainability reporting and intends to progressively expand coverage in future reporting cycles as internal data collection processes and reporting capabilities continue to mature.

Reporting Framework and Approach

The report has been prepared with reference to recognised sustainability frameworks and guidelines to provide comparability, transparency and alignment with regulatory expectations. These include:

- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Global Reporting Initiative (GRI) 2021 Universal Standards
- IFRS S2/TCFD-aligned Climate-Related Disclosures
- United Nations Sustainable Development Goals (SDGs)

Sustainability **Statement**

CUCKOO Malaysia recognises that sustainability reporting is an evolving process. As this is the Company's inaugural sustainability report, the current reporting cycle focuses on establishing foundational sustainability governance and oversight structures, identifying material sustainability topics through stakeholder engagement and assessment, and providing initial disclosures on key ESG matters.

The Company views this report as the starting point of a continuous sustainability journey. CUCKOO Malaysia remains committed to progressively strengthening its sustainability governance, improving data quality and expanding disclosure coverage as its ESG management framework continues to evolve.

STATEMENT OF ASSURANCE

This Sustainability Statement has not been subjected to an assurance process.

Nonetheless, this report has been reviewed internally, validated and approved by the Board to oversee its accuracy and reliability. At this stage, the Company has not obtained independent assurance for the current report. However, moving forward, the Company will explore the possibility of obtaining independent assurance for future sustainability reports to enhance transparency and credibility further.

Feedback and Contact

CUCKOO Malaysia welcome any feedback from stakeholders to improve the relevance and quality of its sustainability reporting.

Legal, Governance and Compliance Division

Email: legal@cuckoo.com.my

ABOUT CUCKOO INTERNATIONAL (MAL) BERHAD

LEADERSHIP STATEMENT

Dear Stakeholders,

It is our pleasure to present CUCKOO International (MAL) Berhad's ("**CUCKOO Malaysia**" or the "**Company**") inaugural sustainability report for the financial year ended 31 December 2025 ("**FYE2025**"). This report marks an important milestone in our journey towards strengthening transparency and embedding sustainability considerations across our business operations.

At CUCKOO Malaysia, our vision of becoming a leading "**Healthy Home Creator**" guides how we design, deliver and support our products and services. Through our portfolio of home appliances and household goods, skincare and nutritional food products, and home care services, we aim to foster healthier and happier lifestyles for our customers.

Over the years, CUCKOO Malaysia has grown from its origins as a distributor of home appliances into a **Healthy Home Creator** with a diverse and holistic wellness ecosystem of products and services. Our offerings now extend beyond water purifiers to include household goods, skincare and nutritional food products as well as home care services. This diversification reflects our broader vision of being a "*Healthy Home Creator*", continuously meeting the changing needs of households while reinforcing our responsibility uphold high standards of product safety, service quality, and customer experience across all our offerings. Sustainability, in this context, is not a standalone initiative, but an integral part of how we operate and grow our business responsibly.

As a consumer-focused company with long-term customer relationships, we recognise that sustainable business growth depends on maintaining the trust of our stakeholders. This includes ensuring the safety and reliability of our products, delivering consistent service quality, providing a supportive workplace for our employees, and operating our business with integrity and accountability.

As this is our inaugural sustainability report, we acknowledge that our journey is at an early stage. This report therefore focuses on establishing a clearer sustainability governance structure, identifying our material sustainability priorities through stakeholder engagement and strengthening internal awareness and data readiness to support future sustainability reporting. These efforts represent an important first step in embedding sustainability considerations into our business processes.

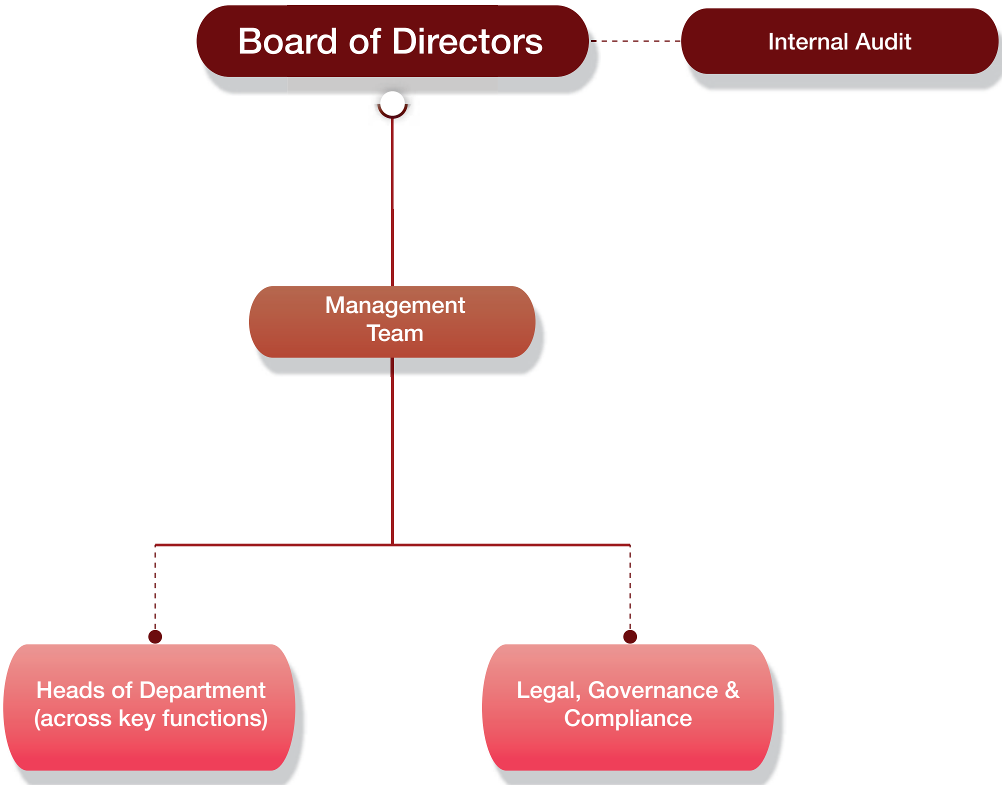
Looking ahead, we remain committed to continuously strengthening our sustainability practices and disclosures. We will continue to work closely with our stakeholders, including our employees, customers, partners, and regulators, as we integrate sustainability considerations into our decision-making and long-term strategy. By doing so, we aim to build a resilient business while contributing positively to the wellbeing of the communities we serve.

HOE KIAN CHOON

Non-Independent Executive Director
/ Chief Executive Officer

Sustainability **Statement**
(Cont'd)

SUSTAINABILITY OVERSIGHT AND STRUCTURE



CUCKOO Malaysia recognises that effective governance is essential to ensuring sustainability considerations are embedded within its business strategy, risk management processes and operational practices.

In FYE2025, as part of its initial sustainability reporting exercise, the Company adopted a practical and management-driven approach to support the identification, management and reporting of sustainability matters. The governance structure will continue to be progressively enhanced as the Company further develops its sustainability practices.

At the highest level, the Board of Directors holds overall accountability for sustainability-related matters as part of its broader governance, risk management and strategic oversight responsibilities. Sustainability-related matters may be incorporated into Board-level discussions, where relevant, as part of the Company's ongoing efforts to strengthen governance practices.

At the Management level, sustainability matters are overseen by the Management Team, which provides direction on sustainability priorities and ensures alignment with business strategy, risk management and operational practices.

Operationally, sustainability-related initiatives are supported by the respective Heads of Department across key functions. These departments are responsible for integrating sustainability considerations into day-to-day operations, as well as supporting data collection, monitoring and reporting efforts.

The governance structure is supported by the Legal, Governance and Compliance (LGC) function, which plays a coordinating role in sustainability matters, including reviewing and refining sustainability disclosures, and providing guidance on governance, regulatory and compliance aspects. Internal Audit continues to provide independent assurance on governance and control processes, where applicable.

Sustainability **Statement**

(Cont'd)

CUCKOO Malaysia's sustainability focus in Malaysia is centred on downstream activities within its control, such as product safety and compliance, service quality, customer data protection, workforce management, and the management of environmental impacts arising from operational activities. The Company acknowledges that its sustainability governance practices are evolving and remains committed to strengthening its governance structure, processes and reporting capabilities over time.

Governance Level	Key Sustainability Responsibilities
Board of Directors	• Holds overall accountability for sustainability-related matters as part of corporate governance and risk oversight • Provides strategic direction on sustainability priorities, where relevant • Sustainability-related matters may be incorporated into Board discussions as part of ongoing governance enhancements
Management Team	• Provides overall direction and oversight of sustainability initiatives at the operational level • Reviews and validates sustainability priorities, disclosures and key initiatives • Ensures alignment between sustainability considerations and business strategy, risk management and operational practices
Heads of Department (across key functions)	• Support implementation of sustainability-related initiatives within respective functions • Provide operational data and inputs for sustainability monitoring and reporting • Integrate sustainability considerations into day-to-day operations • Support stakeholder engagement efforts, where relevant
Legal, Governance and Compliance (LGC)	• Supports coordination of sustainability-related matters across functions • Reviews and refines sustainability disclosures for reporting purposes • Provides guidance on governance, regulatory and compliance aspects relating to sustainability
Internal Audit	• Provides independent assurance on governance, internal controls, and compliance processes, where applicable • May assess the effectiveness of controls related to sustainability risks as part of the overall audit plan

Sustainability **Statement**
(Cont'd)

STAKEHOLDER ENGAGEMENT AND DOUBLE MATERIALITY ASSESSMENT

CUCKOO Malaysia recognises that effective stakeholder engagement is essential to understanding sustainability-related risks, opportunities, and expectations that may affect its business. As a consumer-facing company with direct and regular interaction with customers, employees, and business partners, stakeholder input provides important context for identifying and prioritising material sustainability topics.

Key stakeholder groups are identified based on their level of influence on the Company's operations and the extent to which they are affected by its activities. These stakeholder groups include customers, employees, suppliers and service partners, regulators, and internal management. Engagement with stakeholders is conducted through existing communication and operational channels, such as customer feedback mechanisms, internal meetings, management discussions, and regulatory interactions. Stakeholder engagement is required to be authentic, ongoing, and reciprocal. Rather than limiting activities to compliance measures or periodic surveys, the organisation regards dialogue with stakeholders as a strategic mechanism to acquire knowledge, co-develop solutions, and foster enduring partnerships. Consistent interaction enables the collection of valuable insights that inform corporate strategy, direct project development, and define the trajectory of the sustainability agenda.

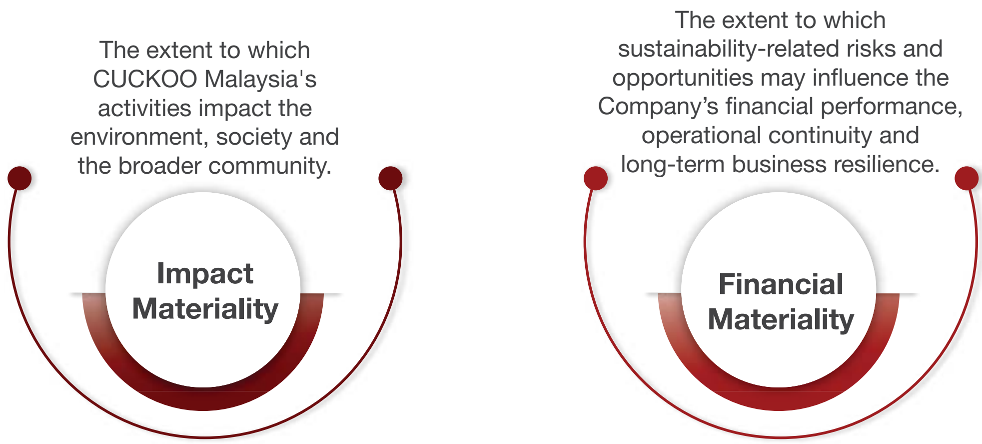
Stakeholder	Key Topics Raised	Engagement	Frequency
Employees	- Career development - OHS - Fair remuneration - Worklife balance	- Town-hall meetings - Training session and evaluation - Safety briefing - Employee engagement surveys	- Annually - Annually - As and when needed - Quarterly
Customers	- Product quality and safety - Service reliability - Subscription management - Data privacy	- Customer service channels - After-sales feedback - Customer satisfaction surveys	- Ongoing - Ongoing - Periodically
Suppliers and Service Partners	- Procurement transparency - Payment terms and timelines - Service standards and quality - Compliance with contractual and safety requirement	- Supplier communications and meetings - ESG questionnaires - Performance reviews	- Ongoing - Annually - Periodically
Regulators	- Regulatory compliance - Product certification and safety standards	- Regulatory submissions and reporting - Compliance audits and inspections - Engagement with relevant authorities	- As required - As required - Ad-hoc
Investors	- Business performance and growth - ESG performance - Risk management	- Annual reports and disclosures - Investor briefings and meetings	- Annually - Periodically
Communities	- Local employment - Community wellbeing - Environmental responsibility	- CSR programmes - Community engagement activities	- Periodically - As needed

Sustainability **Statement**
(Cont'd)

Materiality Assessment

CUCKOO Malaysia conducted a double materiality assessment to identify the sustainability topics that are most relevant to both the Company's business operations and its stakeholders. The assessment enables the Company to prioritise sustainability matters that have the greatest potential impact on the organisation's long-term value creation as well as on the broader economy, environment and society.

The assessment considered sustainability topics from two perspectives:



The assessment followed a four-step process to ensure balance stakeholder input and alignment with international reporting standards.

Step 1: Identification and Prioritisation

An initial list of potential environmental, social, and governance topics was identified based on internal discussions, industry practices, regulatory guidance, and the existing sustainability handbook. These topics were preliminarily prioritised based on their relevance to CUCKOO Malaysia's business activities and stakeholder relationships.

Sustainability **Statement**

(Cont'd)

Step 2: Materiality Survey and Analysis

The assessment and analysis were conducted in two stages. First, an on-site assessment was carried out through structured discussions involving management, directors, and heads of departments. This stage focused on evaluating the continued relevance of identified sustainability topics and their relative prioritisation from a business and operational perspective.

Second, an online materiality survey was conducted to gather input from external stakeholder groups, including customers, investors, regulators, and other relevant stakeholders. Feedback from these stakeholders provided insights into the perceived importance of sustainability topics from an external impact perspective.

The outcomes from both stages were consolidated and analysed to assess the relative significance of each topic by considering both stakeholder importance and business impact.

Step 3: Review and Validation by management

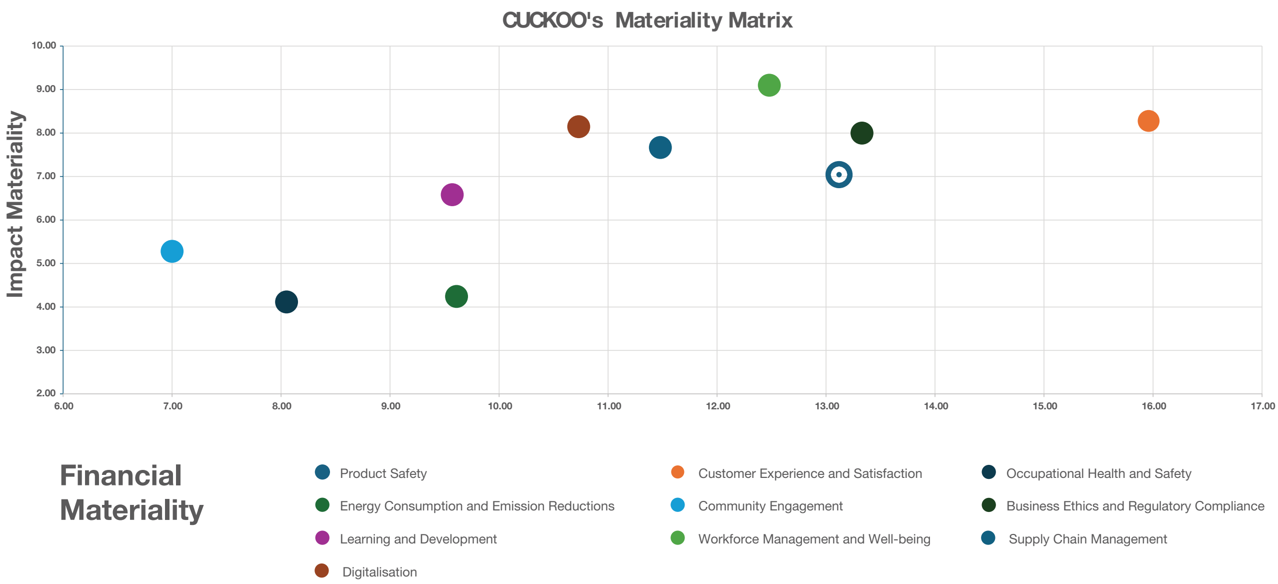
The consolidated results of the materiality assessment were reviewed by management to validate the prioritisation of sustainability topics, considering operational realities, risk management considerations, and strategic alignment.

Step 4: Governance Integration

The outcomes of the materiality assessment form part of the Company's ongoing sustainability governance and reporting processes. The identified material topics will be used to guide sustainability disclosures, priority setting and continuous improvement efforts, and may be incorporated into Management and Board-level discussions, where appropriate, as the Company continues to enhance its sustainability governance framework.

DOUBLE MATERIALITY MATRIX FYE2025

The outcomes of CUCKOO Malaysia's double materiality assessment reflect the relative importance of identified sustainability topics from both a business and stakeholder perspective. The assessment considers the Company's operating context as a distributor and service provider in Malaysia, as well as insights gathered from internal management discussions and external stakeholder engagement. The materiality matrix below presents the consolidated results of this assessment and serves as the basis for prioritising sustainability focus areas and disclosures in this report.



Sustainability **Statement**
(Cont'd)

APPROACH TOWARD SUSTAINABILITY

The Company's sustainability approach is informed by the outcomes of its double materiality assessment, which identifies priority environmental, social, and governance topics based on stakeholder expectations and business relevance. These material topics guide management focus, resource allocation, and internal coordination across functions.

CUCKOO Malaysia's approach emphasises practicality and continuous improvement. At its current stage of sustainability maturity, the Company focuses on strengthening governance and oversight, enhancing internal awareness, and progressively improving data collection and monitoring capabilities. Over time, CUCKOO Malaysia intends to further formalise its sustainability practices, deepen integration across business functions, and enhance the quality and scope of sustainability disclosures.

Material Topics	Category	Why it Matters	Sustainability Strategies	Relevant SDGs
Product Safety	Social	Essential to customer trust and regulatory compliance Product safety issues may result in reputational and regulatory risks	Ensure products distributed comply with applicable safety and regulatory standards Maintain robust after-sales servicing and quality control processes	3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Customer Experience and Satisfaction	Social	Directly affects customer retention, recurring revenue, and brand revenue	Strengthen service reliability and response time Enhance customer feedback and complaint handling mechanisms Improve subscription management processes	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Workforce Management and Well-being	Social	Service quality and operational continuity depend on a stable and motivated workforce	Promote fair employment practices and employee engagement Support workforce wellbeing and retention	8 DECENT WORK AND ECONOMIC GROWTH
Learning and Development	Social	Employee skills and technical capability are critical to service quality and operational effectiveness	Provide training and skills development programmes for employees and service teams Strengthen service quality through continuous capability building	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH

Sustainability **Statement**

(Cont'd)

Material Topics	Category	Why it Matters	Sustainability Strategies	Relevant SDGs
Occupational Health and Safety	Social	Relevant due to on-site service work and operational activities that involve safety risks	Implement workplace and service-related safety practices Promote a safe working environment for employees and service personnel	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
Community Engagement	Social	Supports positive community relationships	Support community-related initiatives and responsible engagement Promote awareness on healthy and hygienic living	11 SUSTAINABLE CITIES AND COMMUNITIES
Digitalisation	Governance	Supports efficient operations and customer engagement, while introducing data and system risks	Enhance digital systems for customer management and operational efficiency Support responsible data handling and cybersecurity practices	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Business Ethics and Regulatory Compliance	Governance	Necessary to maintain stakeholder trust and meet legal and regulatory requirements	Uphold ethical business conduct and compliance with laws and regulations Strengthen internal controls and governance practices	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Supply Chain Management	Governance	Important for service continuity and compliance with contractual and regulatory requirements	Coordinate responsibly with suppliers and service partners Promote transparency and compliance in procurement practices	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Energy Consumption and Emission Reduction	Environmental	Electricity and fuel are used in its office and service operations, contributing to operating costs and environmental impacts within the Company's operational control	Monitor and manage energy consumption from operational activities Promote energy efficiency within operational control	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

Sustainability **Statement**

(Cont'd)

SOCIAL PERFORMANCE

CUCKOO Malaysia's social sustainability approach reflects the Company's commitment to creating positive outcomes for its key stakeholders, including customers, employees, communities and business partners.

As a Healthy Home Creator, the Company's ability to deliver long-term value is closely linked to maintaining high standards of product quality, customer experience and workforce capability. The Company therefore places strong emphasis on delivering safe and reliable offerings, maintaining responsive and effective customer engagement, supporting employee development, and contributing to the well-being of the communities in which it operates.

CUCKOO Malaysia also recognises that its offerings play a direct role in supporting healthier living environments. In this regard, the Company focuses on ensuring that its offerings remain reliable, accessible and aligned with customer needs, supported by ongoing product monitoring, customer feedback mechanisms and close coordination with manufacturing and supply partners.

CUCKOO Malaysia's social sustainability initiatives are centred on four key focus areas:

- Delivering safe and reliable products to customers
- Providing responsive and high-quality customer service
- Developing and supporting a capable workforce
- Contributing positively to the communities in which the Company operates

These priorities guide the Company's initiatives and performance monitoring across its social sustainability practices.

Customer Experience and Satisfaction

CUCKOO Malaysia maintains long-term relationships with its customers by providing access to a holistic wellness ecosystem of products and solutions designed to support healthier lifestyles. This ecosystem is made accessible through flexible rental plans and outright purchase options, supported by customer care and after-sales support throughout the product lifecycle.

Through this approach, CUCKOO Malaysia maintains regular engagement with its customers beyond the initial purchase. Customer feedback therefore plays an important role in helping the Company monitor product performance, responsiveness to customer needs and the overall customer experience.

To support effective customer engagement, CUCKOO Malaysia maintains multiple communication channels through which customers may raise enquires, provide feedback and report issues. These channels include customer service support, after-sales service interactions, and digital communication platforms. Customer feedback received through these channels is monitored and reviewed to identify trends, recurring issues and potential areas for improvement.

	2025	2024	2023
Complaints received from customers	432	318	225
Complaints solvability rate (%)	71%	57%	40%
Customer satisfaction survey score (%)	95%	80%	77%

Customer complaints are managed through internal processes designed to ensure that issues are assessed, escalated where necessary and resolved in a timely manner. Relevant operational teams work collaboratively to address customer concerns, improve aftersales maintenance services and enhance customer satisfaction.

Over the past three years, the number of recorded customer complaints recorded has increased from 225 in 2023 to 318 in 2024 and 432 in 2025. This trend reflects the continued expansion of the Company's customer base as well as enhancements to customer feedback channels, which have made it easier for customers to raise enquiries and share feedback.

Sustainability **Statement**
(Cont'd)

While the increase in complaints reflects a higher volume of customer interactions, CUCKOO Malaysia has also made measurable progress in improving the effectiveness of its complaint management processes. The complaint solvability rate improved significantly from 40% in 2023 to 57% in 2024 and further to 71% in 2025. This improvement reflects enhancements in escalation procedures, clearer operational workflows, and stronger coordination across relevant teams.

Customer satisfaction scores have also shown a consistent upward trajectory, rising from 77% in 2023 to 80% in 2024 and reaching 95% in 2025. This indicates that efforts to improve responsiveness, communication, and overall customer experience are delivering tangible outcomes.

Notwithstanding these improvements, a portion of complaints remains open at any given reporting period. These unresolved cases are primarily attributable to the nature and complexity of certain issues, which may require extended time for investigation, coordination with third-party service providers, or scheduling of follow-up service visits with customers. In some instances, resolution may also be dependent on customer availability or confirmation before closure can be completed. CUCKOO Malaysia continues to actively monitor these cases and is committed to resolving them as promptly as practicable.

CUCKOO Malaysia views customer feedback as a valuable source of insight that supports continuous improvement. Moving forward, CUCKOO Malaysia will continue to strengthen its customer engagement practices, improve response times, and refine its operational processes to ensure that growth is matched by consistent service quality and customer satisfaction.

Product Safety

Product safety is fundamental to safeguarding customer wellbeing and maintaining long-term trust. CUCKOO Malaysia places strong emphasis on ensuring that products offered to customer meet appropriate quality, safety and regulatory standards.

While manufacturing activities are undertaken mainly by CUCKOO Holdings Group and selected third-party business partners, the Company plays an active role in product development, design input and quality oversight to ensure that the products distributed locally meet customer expectations and applicable regulatory requirements. CUCKOO Malaysia works closely with its manufacturing partners to ensure that products offered in the Malaysian market meet local regulatory and certification requirements prior to market release.

In addition to regulatory compliance, the Company emphasises safe installation and maintenance practices. Service representatives follow established technical guidelines to ensure products are installed and maintained in accordance with prescribed standards. Structured after-sales support and accessible feedback channels allow customers to report concerns, enabling timely assessment and escalation where necessary.

Beyond compliance, the Company also monitors product-related feedback and performance indicators to identify potential issues and maintaining product reliability and customer trust.

From 2023 to 2025, CUCKOO Malaysia recorded:

- Zero products returned due to safety issues
- Zero product recalls
- Zero regulatory non-compliance cases or penalties related to product safety
- Zero safety-related customer complaints

This consistent record over three consecutive years reflects the effectiveness of compliance screening, certification assurance, installation controls and after-sales monitoring processes. While the Company maintains this positive safety performance, it continues to monitor regulatory developments and customer feedback to proactively manage potential risks as operations grow.

Sustainability **Statement**
(Cont'd)

Workforce Management and Wellbeing

CUCKOO Malaysia's ability to deliver its vision as a "Healthy Home Creator" is supported by a workforce that enables the Company to provide a diverse range of offerings to its customers. As the Company maintains ongoing relationships with customers through sales, servicing and after-sales support, its workforce plays an important role in ensuring service reliability, operational continuity and overall customer experience.

The Company's operations are supported by a workforce comprising employees as well as sales teams and service personnel who engage directly with customers across Malaysia. Certain sales and service personnel operate under independent contractor arrangements and support the Company's operational activities, particularly in customer engagement, product installation and after-sales maintenance services.

Unless otherwise stated, workforce-related data disclosed in this report refers to employees of CUCKOO International (MAL) Berhad.

Workplace Diversity and Inclusion

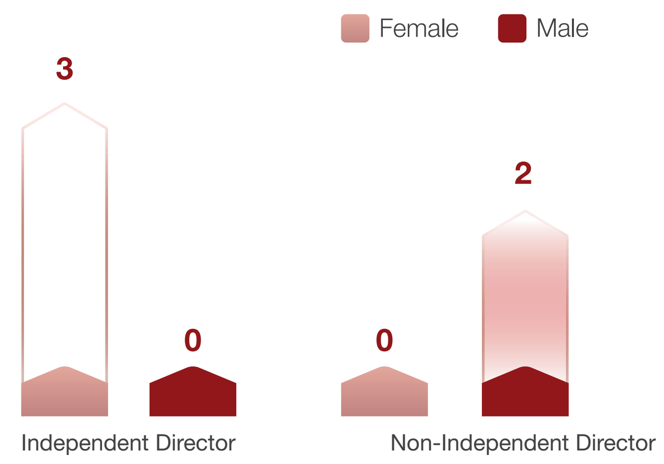
CUCKOO Malaysia believe that delivering sustainable value to its customers begins with attracting, developing and retaining a capable and diverse workforce. The Company therefore prioritise creating a workforce that reflects the diversity of the communities we serve, while fostering an inclusive environment where individuals across gender, age and background can contribute meaningfully.

Diversity is embedded across both workforce and leadership levels. In 2025, women represented approximately 58% of our non-director employees, with balanced gender representation also observed at Board level.

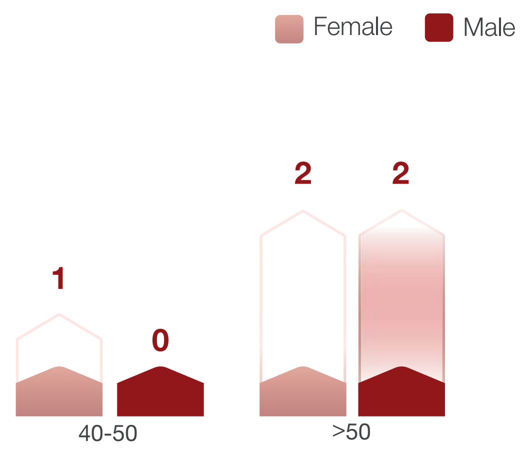
The Company's employees span multiple age groups, with a strong core in the 30–39 segment supported by younger talent and experienced professionals aged 40 and above. This balanced age profile supports continuity, knowledge transfer and operational capability across the organisation.

The workforce further reflects Malaysia's multicultural composition, comprising employees from Malay, Chinese, Indian and other communities. We view this diversity not simply as representation, but as a business strength that enhances cultural understanding, communication effectiveness and problem-solving capability in serving a broad customer base nationwide.

Leadership (Director) Representation By Gender FYE2025



Director Age Group Distribution FYE2025



Sustainability **Statement**

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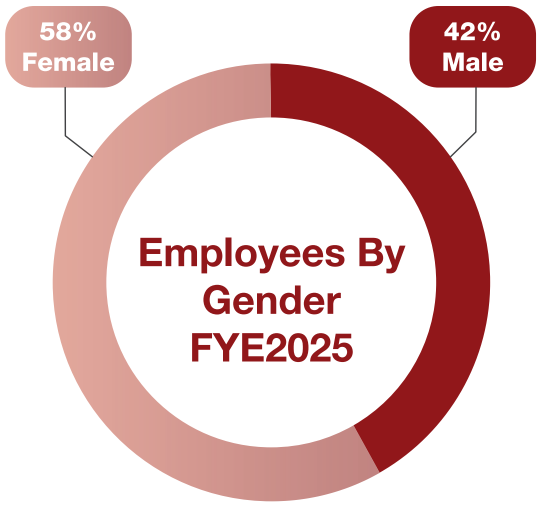

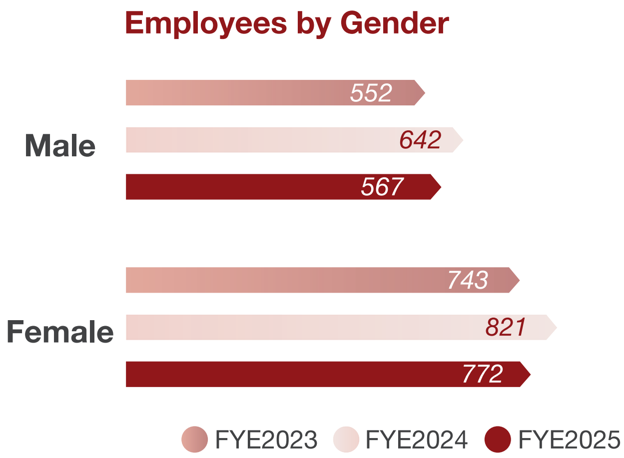

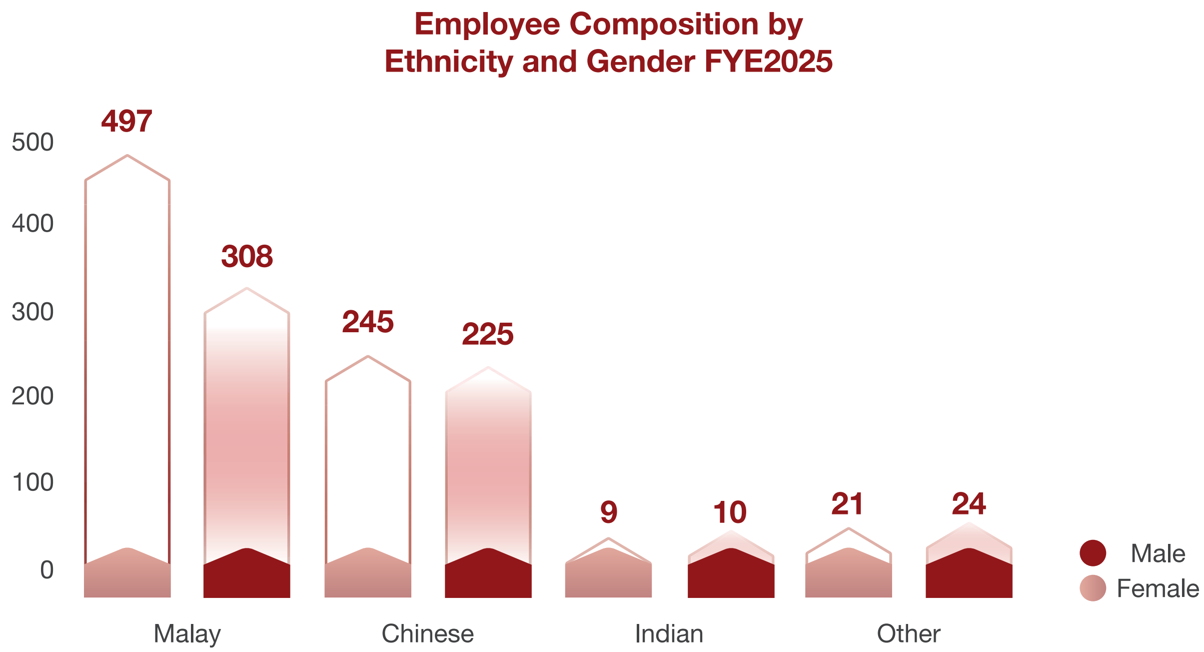

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EMPLOYEE DEMOGRAPHICS TABLE

		FYE2025		FYE2024		FYE2023	
		Female	Male	Female	Male	Female	Male
Leadership Representation by Gender							
Position	Independent Director	3	0	3	0	N/A	N/A
	Non-Independent Director	0	2	0	2	N/A	N/A
Total Director		3	2	3	2	N/A	N/A
Director Age Group Distribution							
Age Group	<30	0	0	0	0	0	0
	30-39	0	0	0	0	0	0
	40-50	1	0	1	1	0	2
	>50	2	2	2	1	0	1
Total		3	2	3	2	0	3
Employee (non-director) Composition by Age and Gender							
Age Group	<30	201	149	229	199	238	157
	30-39	371	249	414	286	334	252
	40-50	169	130	149	116	138	111
	>50	31	39	29	41	33	32
Total		772	567	821	642	743	552
Employee (non-director) Composition by Ethnicity and Gender							
Ethnicity	Malay	497	308	534	358	465	293
	Chinese	245	225	250	243	235	219
	Indian	9	10	9	7	10	7
	Other	21	24	28	34	33	33
Total		772	567	821	642	743	552

Employee Category	FYE2025	FYE2024	FYE2023
Permanent Employees	503	567	522
Contract Employees	836	896	773
Total	1339	1463	1295

Employee Turnover Rate	FYE2025	FYE2024	FYE2023
Permanent Employees	31.9%	29.6%	30.8%
Contract Employees	41.2%	34.6%	35.9%

Sustainability **Statement**
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Workforce Composition and Stability

The Company's workforce composition reflects the operational requirements of its business model, which is centred on customer engagement, servicing and support activities nationwide.

In FYE2025, total employee headcount decreased to 1,339 (FYE2024: 1,463; FYE2023: 1,295), reflecting ongoing workforce optimisation initiatives and alignment of staffing levels with operational needs. This included adjustments across both permanent and contract employee categories, with contract personnel continuing to form a significant portion of the workforce to support operational flexibility.

Employee turnover is monitored as a key workforce metric under the Company's human capital management framework. In FYE2025, turnover rates were 31.9% for permanent employees (FYE2024: 29.6%; FYE2023: 30.8%) and 41.2% for contract employees (FYE2024: 34.6%; FYE2023: 35.9%). The increase observed during the year was partly attributable to workforce optimisation and recalibration initiatives, as well as the inherently more flexible nature of contract-based roles, which are influenced by operational demand and market conditions.

The Company continues to implement targeted measures to support workforce stability, including enhancements to onboarding and training programmes, periodic reviews of remuneration and benefits, and strengthened workforce planning. Turnover trends are regularly reviewed by Management to assess workforce stability and inform human capital strategies.

Despite the observed increase in turnover rates, the Company maintained operational continuity and service delivery standards during the year. The Company expects workforce stability to improve progressively as ongoing initiatives take effect, while maintaining a balanced workforce profile across gender, age and ethnicity.

Fair Employment Practices

The Company maintains a zero-tolerance stance toward discrimination and unequal treatment in the workplace. From 2023 to 2025, there were no reported incidents of discrimination across the organisation. This consistent record reflects established grievance channels, internal oversight mechanisms and adherence to fair employment practices.

The Company continues to reinforce a respectful and inclusive working environment where employees are treated fairly and are able to contribute without discrimination.

Employee Benefits and Well-being

Beyond fostering an inclusive and discrimination-free workplace, the Company is committed to providing a comprehensive benefits framework that supports employees at different stages of life and career. Employees are entitled to structured leave benefits, including annual, sick and hospitalisation leave, as well as maternity, paternity, compassionate, study, marriage and birthday leave.

The Company also provides medical coverage and wellness-related benefits, including hospitalisation insurance, personal accident insurance, outpatient medical support and wellness allowances covering areas such as medical check-ups, dental care, optical care and other health-related needs.

To support a conducive working environment, CUCKOO Malaysia provides workplace facilities such as breastfeeding rooms, surau, meeting rooms and shared amenities. Operational support benefits, including petrol fleet cards, mobile phone allowances and staff purchase discounts, are also provided to enable employees to perform their roles effectively.

In addition, the Company recognises employee contributions through initiatives such as long service awards and selected life-event benefits.

Collectively, these measures reflect the Company's commitment to safeguarding employee welfare, enhancing engagement and sustaining workforce stability across its operations.

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Benefit Category	Specific Benefit
Leave Benefits	Annual leave
	Sick leave
	Hospitalisation leave
	Compassionate leave
	Maternity leave
	Paternity leave
	Study leave
	Marriage leave
	Birthday leave
Medical Benefits	Hospitalisation & surgical insurance
	Personal accident insurance
	Outpatient medical (staff)
	Healthy and wellness allowance (dental, medical check-up, optical – spectacle frame and lenses, health supplement, traditional Chinese medicine, chiropractic, physiotherapy)
Conducive Work Setting	Breastfeeding room
	Meeting rooms
	Pantry
	Cosy waiting area
	Surau
Other Benefits	Petrol fleet card
	Mobile phone allowance
	Staff property purchase discount
	Long service award
	Car park subsidy
	Compensation benefit – maternity death
	Wedding benefit – honeymoon package

Learning and Development

Continuous learning and development are essential to strengthening workforce capability and supporting operational excellence. The Company relies on a workforce that is equipped with the necessary knowledge and skills to support customer engagement, product servicing and operational functions.

CUCKOO Malaysia adopts a structured approach to learning and development, focusing on enhancing both technical competencies and operational capabilities across its workforce. Training programmes are designed to support individuals in performing their roles effectively, while also contributing to service quality and customer satisfaction.

Where relevant, training and guidance are also extended to sales teams and service personnel who support the Company's operations, including those operating under independent contractor arrangements. This supports consistency in service standards and customer experience across the broader operational workforce.

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Training Performance & Scope

In 2025, the Company conducted 110 training sessions, delivering a total of 6,378.5 training hours with 4,043 recorded training participations. These training initiatives support operational consistency, workforce capability development and effective execution of business processes across key functional areas.

Training programmes conducted during the year covered a range of areas aligned with the Company's operational and regulatory needs, including:

- Product knowledge and technical competencies
- Operational procedures and service standards
- Customer engagement and communication
- Occupational health and safety practices
- Regulatory and compliance requirements

By strengthening competencies across these areas, CUCKOO Malaysia aims to enhance workforce readiness, improve operational effectiveness and support workforce readiness across key functional areas.

Key Training Initiatives

Training Title	Description
Internal Halal Committee Competency	Training to strengthen employees' understanding of halal compliance requirements and internal halal assurance practices.
TikTok Marketing Free Ads Strategy	A digital marketing training focused on improving employees' capabilities in using TikTok and other social media platforms for customer engagement and brand promotion.
Basic Occupational First Aid, CPR, and AED	Health and safety training that equips employees with essential first aid, CPR, and AED skills to respond to workplace emergencies.
HOD-M Leadership Project	Leadership development programme aimed at strengthening management capabilities, including leadership, decision-making and team management.
NXT Leadership Project	A leadership development programme aimed at cultivating and realigning senior executives & assistant managers leadership mindsets while fostering peer connection and collaborative learning, with a specific focus on strengthening decision-making and problem-solving capabilities.
YYC E-Invoicing Bootcamp	A training programme to familiarise employees with Malaysia's e-invoicing requirements and related digital invoicing processes.
EHS: Forklift Refresher	Refresher training to reinforce safe forklift operation and workplace safety practices in accordance with health and safety standards.

Continuous Capability Development

CUCKOO Malaysia recognises that workforce capability requirements will continue to evolve alongside business growth, product innovation and regulatory developments. Training programmes are therefore periodically reviewed and updated to reflect changing operational needs and emerging priorities.

Through its ongoing investment in learning and development, CUCKOO Malaysia aims to build a capable workforce that supports product and service quality, operational resilience and long-term business sustainability.

Occupational Health and Safety

CUCKOO Malaysia's operations involve logistics, warehouse activities and other operational support functions associated with delivering its products and services to customers. These activities may expose employees to certain workplace risks, including equipment handling and routine operational activities.

The Company therefore places strong emphasis on strengthening occupational health and safety ("OHS") awareness and ensuring that employees are equipped with the necessary knowledge and skills to perform their duties safely.

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(Cont'd)

To support this, CUCKOO Malaysia conducts regular safety training and awareness programmes aimed at improving understanding of workplace hazards and safe working practices. Employees are encouraged to promptly report workplace incidents and near-miss events, enabling early identification of risks and implementation of preventive measures.

Each reported incident is reviewed to identify root causes and areas for improvement. Findings from these reviews are incorporated into operational procedures, safety briefings and training programmes to strengthen workplace safety practices.

Safety Performance

During the reporting period, five work-related injuries were recorded in 2025, compared with three in 2024 and two in 2023.

While an increase in recorded incidents was observed in 2025, the Company views this as a signal to intensify preventive measures rather than as a setback in commitment. This development also reflects improved internal reporting practices and heightened safety awareness among employees. CUCKOO Malaysia encourages transparent reporting of workplace incidents and near-miss events as part of its efforts to strengthen risk identification and preventive measures across its operations.

Safety Training and Initiatives

CUCKOO Malaysia conducts targeted training and awareness programmes aimed at strengthening employees' understanding of workplace hazards and safe working practices.

Key training programmes conducted during the reporting period include:

- Basic Occupational First Aid, CPR and AED training
- ISO 45001:2018 Occupational Health and Safety Management Systems training
- Fire Incident Coordinator training
- Forklift safety refresher training

In addition, the Company reinforces workplace safety through regular safety briefings, operational risk assessments and the promotion of near-miss reporting to support proactive hazard identification.

Continuous Improvement

CUCKOO Malaysia monitors workplace safety performance through key indicators, including OHS training coverage, workplace injury statistics and the Lost Time Injury Rate ("LTIR").

In FYE2025, the LTIR increased compared to prior years, primarily due to the higher number of reported incidents and the severity of certain cases that resulted in extended recovery periods. The Company continues to review incident trends to identify recurring risk areas and implement targeted preventive measures.

The Company adopts a risk-based approach to OHS training, focusing on employees whose roles involve operational and workplace safety exposure, particularly within warehouse and operational environments. As such, OHS training is prioritised for relevant employee groups, and the reported percentage reflects overall workforce coverage rather than targeted participation in higher-risk roles.

Moving forward, CUCKOO Malaysia will continue to enhance its OHS framework by strengthening risk assessment processes, reinforcing safety awareness and improving training effectiveness to support a proactive safety culture across its operations.

Indicators	FYE2025	FYE2024	FYE2023
Number of employees trained on health & safety standards	128	50	37
Number of work-related fatalities	0	0	0
Number of work-related injuries	5	3	2
Lost-time injuries (days)	53	8	2
Lost time incident rate (LTIR)	63.4	24.4	20.6

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(Cont'd)

Community Engagement

CUCKOO Malaysia recognises the importance of contributing positively to the communities in which it operates. The Company's community engagement approach is aligned with its broader purpose of supporting healthier and more comfortable living environments.

The Company's initiatives are guided by its core business and focus on enhancing community well-being through improved access to essential resources, health awareness and better living conditions. Through these efforts, CUCKOO Malaysia extends the value of its offerings beyond its customers to the wider community.

CUCKOO Malaysia engages with communities through a range of initiatives, including community programmes, strategic collaborations and targeted outreach activities that support public health, welfare and quality of life.

Community Investment and Performance

In 2025, CUCKOO Malaysia implemented 54 community initiatives, with total contributions amounting to RM1,531,313, representing a significant increase from previous years.

Indicator	FYE2025	FYE 2024	FYE 2023
CSR/Community Contribution (RM)	1,531,313	682,750	166,217
Number of Initiatives	54	20	8

The expansion in both investment and number of initiatives reflects the Company's growing commitment to community engagement.

The Company's contributions are primarily delivered through in-kind support, including product sponsorships and installations, complemented by selected cash sponsorships. This approach enables CUCKOO Malaysia to leverage its products and capabilities to deliver practical and sustained benefits to communities.

In addition to one-off contributions, certain initiatives are implemented on a longer-term or recurring basis, such as multi-year installation of water purifiers and ongoing community support programmes, enabling continued impact beyond a single reporting period.

Focus Areas of Community Engagement

CUCKOO Malaysia's community initiatives focus primarily on areas aligned with its business and purpose, including:

- Community welfare and support for underserved groups
- Promotion of healthy living environments
- Public health and hygiene awareness

As part of these efforts, the Company contributes products such as water purifiers to public locations including schools, religious institutions and charitable homes, improving access to clean water and supporting healthier daily living conditions.

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(Cont'd)

Key Initiatives

During the year, CUCKOO Malaysia implemented a range of initiatives addressing different areas of need, including community welfare, public health and emergency response. These initiatives reflect the Company's approach of delivering practical support through a combination of product contributions, partnerships and targeted outreach efforts.

The selected initiatives below illustrate the breadth of CUCKOO Malaysia's community engagement efforts and alignment with relevant United Nations Sustainable Development Goals ("UN SDGs"):

Initiative	Focus Area	Contribution Approach	Impact	UN SDG
Kechara Soup Kitchen Donation Programme	Community welfare & food security	In-kind (recurring nutritional support)	Provided ongoing nutritional support to underserved communities	SDG 2: Zero Hunger
Community outreach to Sang Riang Senior Citizens' Home	Elderly care & welfare	In-kind (household appliances, consumables, home care support)	Enhanced daily living conditions and well-being of elderly residents	SDG 3: Good Health & Well-being
Putra Heights Blaze – Emergency Support	Disaster relief	Product deployment (water purifier stations)	Provided immediate access to clean water at relief centres	SDG 6: Clean Water & Sanitation
#SAMASAMAKongsi Community Meal Programme	Food security & social inclusivity for the underprivileged	In-kind (distribution of meal packs)	Improved food access and eased cost-of-living burdens for the B40 and asnaf communities	SDG 2: Zero Hunger

These initiatives demonstrate the Company's approach of leveraging its products, capabilities and partnerships to deliver meaningful and practical support across different community segments.

Continuous Improvement

CUCKOO Malaysia recognises that community engagement is an evolving area and remains committed to strengthening its approach over time.

Moving forward, the Company will continue to enhance its community engagement efforts by:

- expanding strategic partnerships
- improving programme effectiveness
- strengthening internal coordination of initiatives
- progressively enhancing impact measurement

Through these efforts, CUCKOO Malaysia aims to ensure that its community investments contribute to meaningful and sustainable outcomes, while reinforcing its role as a responsible and socially conscious organisation.

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ENVIRONMENTAL PERFORMANCE

CUCKOO Malaysia recognises that responsible environmental management is an important component of sustainable business operations. Although the Company's business activities are centred around its business activities and offerings that support healthier living environments, its operations nevertheless generate environmental impacts through energy consumption, operational mobility, water usage and waste generation.

The Company seeks to manage its environmental footprint by monitoring key environmental indicators, improving resource efficiency and promoting responsible practices across its operations.

At its current stage of sustainability maturity, CUCKOO Malaysia focuses on three priority areas:

- Energy Consumption
- Emissions Management
- Water Consumption

Energy Consumption

Energy consumption is one of the primary operational inputs associated with the Company's activities, particularly in office facilities, retail outlets, training hubs, service centres, distribution hub and distribution centres. Monitoring energy usage enables the Company to better understand its operational footprint and identify opportunities to improve efficiency across its business processes.

The Company's direct energy consumption mainly arises from petrol used in operational activities and service mobility, while indirect energy consumption is primarily associated with electricity purchased for office and operational facilities. Diesel was not utilised during the reporting period.

Energy Consumption

Description	Unit	FYE2025	FYE2024	FYE2023
Direct Energy				
Petrol Used	liter	137,240	177,938	146,538
	GJ	4,693.6	6,085.5	5,011.6
Diesel Used	liter	-	-	-
	GJ	-	-	-
Indirect Energy				
Electricity purchased	kWh	226,748	393,467	346,114
	GJ	816.3	1,416.5	1,246.0
Total Energy Used	**GJ**	**5,509.9**	**7,502.0**	**6,257.6**

During the reporting period, fluctuations in total energy consumption were observed, reflecting variations in operational intensity and service activities across the years. Total energy consumption decreased in FYE2025 compared to FYE2024, driven primarily by reductions in both petrol usage and electricity consumption. The decrease reflects a combination of changes in operational intensity and targeted efforts to improve energy efficiency across the Company's activities.

In particular, the reduction in electricity consumption was supported by the implementation of electricity-saving initiatives across the Company's corporate office during the year. These initiatives focused on promoting responsible energy usage practices among employees, including more efficient use of lighting and office equipment, as well as increased awareness of energy conservation in day-to-day operations.

On the operational side, lower petrol consumption reflects ongoing efforts to optimise service mobility, including improvements in operational coordination and route planning, which help reduce unnecessary travel and fuel usage.

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While these measures have contributed to improved energy performance in FYE2025, CUCKOO Malaysia recognises that energy consumption remains closely linked to operational scale and service requirements. As such, the Company continues to monitor its energy usage patterns and assess opportunities to further enhance efficiency.

Moving forward, the Company aims to further strengthen energy efficiency practices by promoting fuel-efficient operations, improving energy management in facilities and encouraging employees to adopt energy-conscious behaviours in their daily activities. This may include optimising service route planning to reduce fuel consumption, gradually introducing energy-efficient office equipment and lighting systems, and enhancing internal awareness programmes on responsible energy use. As monitoring capabilities improve, the Company will continue to assess opportunities to track energy intensity and implement targeted initiatives that support long-term reductions in operational energy consumption.

Emission Reduction

In addition to monitoring energy consumption, the Company also tracks its greenhouse gas ("GHG") emissions to better understand the environmental impact associated with its operational activities. Emissions are assessed across Scope 1, Scope 2 and Scope 3 categories, enabling the Company to capture both direct and indirect sources arising from its operations and value chain.

- Scope 1 emissions are primarily generated from direct fuel consumption, particularly petrol used for operational mobility and service activities.
- Scope 2 emissions arise from electricity purchased to support office and operational facilities
- Scope 3 emissions represent indirect emissions linked to broader business activities such as employee commuting and business travel.

Description	FYE2025	FYE2024	FYE2023
Scope 1			
Petrol usage	322.3	417.9	344.1
Diesel usage	-	-	-
Scope 2			
Electricity purchased	171.9	298.3	262.4
Scope 3			
Employee commuting	765.6	N/A	N/A
Business travel	13.4	N/A	N/A
Total Emissions (tons)	**1,273.2**	**716.2**	**606.5**

During the reporting period, variations in emissions levels were observed, reflecting changes in operational footprint, activity levels and data coverage across the years.

In FYE2024, the Company recorded higher emissions, corresponding with a broader operational footprint across office facilities, retail outlets, training hubs, service centres and distribution centres.

In FYE2025, total reported emissions increased compared to prior years. This increase was primarily attributable to the introduction of Scope 3 emissions disclosure (category 6 and 7), which captures indirect emissions from employee commuting and business travel. As Scope 3 data was not previously tracked, the FYE2025 total emissions are not directly comparable with earlier reporting periods.

Excluding Scope 3 emissions, the Company recorded a reduction in Scope 1 and Scope 2 emissions in FYE2025. This was driven by lower petrol consumption and reduced electricity usage, reflecting improvements in operational coordination, optimisation of mobility activities and energy efficiency initiatives implemented during the year.

Overall, emissions levels remain closely linked to the scale and nature of the Company's operations. CUCKOO Malaysia continues to monitor emissions trends to better understand its environmental footprint and identify opportunities to improve efficiency over time.

Sustainability **Statement**
(Cont'd)

Emissions Management Approach

CUCKOO Malaysia recognises that emissions are closely linked to its operational activities, particularly fuel consumption for service mobility and electricity usage across facilities. The Company therefore focuses on managing emissions through operational efficiency and improved resource utilisation.

Key areas of focus include:

- improving route planning and operational coordination to reduce fuel consumption
- promoting energy-efficient practices across office and operational facilities
- encouraging responsible energy usage among employees
- progressively strengthening internal emissions monitoring and data collection processes

In addition, CUCKOO Malaysia's corporate offices located within the Klang Valley are generally accessible via public transportation networks. This accessibility provides employees with alternative commuting options and supports more sustainable commuting practices, which may help reduce emissions associated with daily travel.

Continuous Improvement

As CUCKOO Malaysia is at an early stage of its sustainability reporting journey, the Company is focused on strengthening its emissions management framework over time.

Following the introduction of Scope 3 emissions disclosure in FYE2025, CUCKOO Malaysia will continue to enhance its data collection capabilities and improve visibility over emissions across its operations and value chain.

Moving forward, the Company aims to further refine its emissions tracking methodologies and identify practical opportunities to reduce emissions associated with operational mobility, electricity consumption and business activities, in line with its ongoing efforts to improve environmental performance.

Water Consumption

Water is a key resource in CUCKOO Malaysia's operations and is closely aligned with the value the Company delivers to its customers. As a "Healthy Home Creator", CUCKOO Malaysia recognises the importance of responsible water management, given its role in supporting healthier and more sustainable living environments.

Description	FYE2025	FYE2024	FYE2023
Surface Water (m^3)	6,150.8	6,752.0	5,002.9
Total water consumed (m^3)	6,150.8	6,752.0	5,002.9

Within its operations, water is primarily consumed in office facilities, operational locations and service-related activities. The Company monitors its water consumption to better understand usage patterns and identify opportunities to improve resource efficiency.

Water consumption increased from FYE2023 to FYE2024, in line with the expansion of operational activities and the number of active facilities during that period. In FYE2025, total water consumption decreased compared to FYE2024, reflecting adjustments in the Company's operational footprint and overall activity levels.

CUCKOO Malaysia recognises that water usage is closely linked to operational scale. As such, the Company focuses on improving water efficiency within its operational control rather than absolute consumption levels alone.

To support responsible water management, CUCKOO Malaysia promotes water-saving practices among employees and encourages efficient use of water in daily operations. These include general awareness on responsible consumption and reinforcing the importance of minimising unnecessary water usage across facilities.

Continuous Improvement

CUCKOO Malaysia will continue to enhance its water management approach by strengthening internal monitoring processes and improving visibility over water consumption across its operations.

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(Cont'd)

As data collection capabilities mature, the Company aims to identify opportunities to optimise water usage and progressively improve resource efficiency. Through these efforts, CUCKOO Malaysia seeks to align its operational practices with its broader mission of supporting healthier lifestyles and sustainable water use.

Waste Management

Waste management forms an important component of CUCKOO Malaysia's environmental responsibility, particularly in ensuring that operational waste and end-of-life assets are handled in a controlled and responsible manner.

Given the nature of the Company's operations, waste generated is primarily non-hazardous and arises from office and operational activities, with electronic waste ("e-waste") representing the most significant waste stream currently monitored.

E-Waste Management Approach

CUCKOO Malaysia currently focuses on managing electronic waste generated from the replacement and disposal of information technology equipment, including computers, laptops, monitors and other peripherals.

These assets are managed through controlled disposal processes and are sent to authorised waste recovery and refining companies for appropriate treatment. Through engagement with licensed service providers, the Company seeks to ensure that e-waste is handled in accordance with applicable requirements and that recoverable materials are processed through appropriate recycling and recovery channels.

Asset Type	FYE2025	FYE2024	FYE2023	Disposal Method
Computer (CPU Only)	69	N/A	N/A	Sent to waste recovery and refining company
Laptop	14			
Monitor	17			
Keyboard	54			
Mouse	164			
Headset	200			
Mobile Phone	11			
Projector	3			
Printer	10			

This approach supports responsible disposal practices while minimising potential environmental risks associated with improper handling of electronic waste.

In FYE2025, the Company recorded disposal of various electronic assets as part of its asset lifecycle management processes. These disposals reflect normal operational replacement cycles rather than abnormal waste generation.

CUCKOO Malaysia continues to monitor e-waste volumes as part of its efforts to improve visibility over waste generation and disposal practices.

Continuous Improvement

CUCKOO Malaysia recognises that its waste management practices are at an early stage of development and is committed to progressively strengthening its approach.

Moving forward, the Company aims to:

- enhance internal data collection processes to improve visibility over waste generation
- expand the scope of waste monitoring to include additional operational waste streams where feasible
- strengthen waste handling and disposal practices in line with responsible waste management principles

These efforts will support improved resource management and contribute to reducing environmental impact across the Company's operations over time.

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GOVERNANCE AND ECONOMIC PERFORMANCE

Effective governance and prudent economic management underpin CUCKOO Malaysia's ability to deliver sustainable growth and long-term value creation. As a "Healthy Home Creator" operating a customer-focused business model, the Company recognises that strong governance practices are essential in maintaining stakeholder trust, ensuring regulatory compliance and supporting consistent operational performance.

CUCKOO Malaysia's governance framework is guided by principles of accountability, transparency and integrity, which are embedded across its business practices and decision-making processes. These principles support the Company in managing risks, maintaining ethical standards and ensuring that its operations are conducted in a responsible and sustainable manner.

In parallel, the Company adopts a disciplined approach to economic management, balancing business growth with operational efficiency and financial resilience. This enables CUCKOO Malaysia to continue investing in its operations, workforce and customer experience, while delivering value to its stakeholders over the long term.

Economic Contribution

Sustainable business growth extends beyond financial performance and includes creating positive economic value for a wide range of stakeholders. Through its operations, the Company contributes to economic development by generating revenue, including supporting employment opportunities, engaging suppliers and business partners, and contributing to public finances through taxes and statutory payments. The direct economic value generated and distributed is summarised below:

Description	Unit	FYE2025	FYE2024	FYE2023
Economic Value Generated	MYR '000	1,104,533	1,243,902	1,120,474
Economic Value Distributed		(999,311)	(1,115,548)	(1,033,605)
Economic Value Retained		105,222	128,354	86,869

In FYE2025, the Company generated a total economic value of RM1.1 million, primarily derived from the rental and outright sale of its products, as well as related after-sales support activities across its business segments. Of this, RM999.3 million was distributed to stakeholders, while RM105.2 million was retained to support reinvestment, business resilience and future growth.

The distribution reflects the Company's role in supporting its broader ecosystem, including employees, suppliers, business partners and the wider economy. A significant portion of this distribution is associated with operational expenditures, employee-related costs and statutory payments, which collectively support ongoing operations and economic participation across its value chain. This distribution pattern is aligned with the Company's business model, which relies on an extensive operational and distribution network supported by employees, partners and suppliers.

The retained value enables the Company to reinvest in its operations, strengthen its capabilities and sustain long-term growth, reflecting a balanced approach between distribution and reinvestment.

Compared to FYE2024, total economic value generated and distributed decreased in FYE2025, reflecting changes in operational scale and procurement activities during the year, alongside ongoing efforts to improve operational efficiency and optimise the Company's cost structure.

For reporting purposes, the Company has presented an aggregated view of its economic value distribution, while continuing to monitor the detailed components internally.

Business Ethics and Regulatory Compliance

CUCKOO Malaysia conducts its operations and stakeholder engagements in accordance with principles of integrity, transparency and accountability. These principles underpin the Company's approach to ethical business conduct and regulatory compliance, and guide decision-making across all levels of the organisation.

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(Cont'd)

The Company maintains a zero-tolerance stance towards bribery, corruption and unethical conduct, and is committed to ensuring that all business activities are carried out in compliance with applicable laws and regulations. CUCKOO Malaysia aligns its practices with the requirements of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 (Amendment 2018), including the Section 17A corporate liability provision, which emphasises the responsibility of organisations to implement adequate procedures to prevent corruption.

Ethics and Compliance Framework

CUCKOO Malaysia has established a set of policies and procedures to support ethical conduct and regulatory compliance across its operations. These policies form part of the Company's internal control framework and provide guidance to employees and relevant stakeholders on expected standards of behaviour.

Key policies supporting business ethics and compliance include:

- Anti-Bribery and Corruption Policy
- Code of Conduct and Ethics
- Code of Conduct for Business Associates
- Whistleblowing Policy
- Anti-Slavery Policy

In addition, the Company's broader corporate governance framework, including relevant policies, is publicly available at: https://www.cuckoo.com.my/corporate-governance.

These policies establish clear expectations on ethical conduct and support the prevention, detection and reporting of misconduct. The Company reinforces the implementation of these policies through internal controls, training programmes and ongoing oversight by management.

CUCKOO Malaysia also implements due diligence procedures on business associates, including screening and risk-based assessments prior to engagement. Anti-bribery and anti-corruption clauses are incorporated into relevant contracts, aiming to ensure that third parties adhere to the Company's ethical standards and regulatory expectations.

Any breach of the Company's policies may result in disciplinary action, including termination of employment or contract, where appropriate, in accordance with established procedures.

Anti-Bribery and Anti-Corruption Performance

	FYE2025	FYE2024	FYE2023
Confirmed incidents of corruption	0	0	N/A
Number of action(s) taken	0	0	N/A

During the reporting period, the Company recorded zero confirmed incidents of bribery, corruption, or regulatory non-compliance, reflecting its continued commitment to maintaining strong ethical standards across all levels of the organisation. Internal governance mechanisms, oversight processes and established policies support the Company's efforts, aiming to ensure that employees and business associates adhere to responsible business practices and regulatory requirements.

The Company implemented its whistleblowing mechanism in 2022 to strengthen transparency and accountability. Formal tracking and reporting of whistleblowing and ethics-related cases were subsequently enhanced in 2024. As such, comparable data is available from 2024 onwards, while data for 2023 is not available due to the absence of systematic record-keeping during that period.

CUCKOO Malaysia provides accessible whistleblowing channels to facilitate the reporting of concerns in a confidential manner. Reports may be submitted via the online reporting form at: https://www.cuckoo.com.my/whistleblowing-policy/form or via email at: whistleblowing@cuckoo.com.my.

All reports are handled with appropriate confidentiality and are reviewed and investigated in accordance with established procedures.

Sustainability **Statement**

(Cont'd)

Anti-Bribery and Anti-Corruption Training and Awareness

CUCKOO Malaysia recognises that employee awareness and understanding of ethical conduct are critical components of its anti-bribery and anti-corruption ("ABAC") framework. Training and awareness initiatives are therefore implemented as part of the Company's broader efforts to establish and maintain adequate procedures in line with the requirements of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 (Amendment 2018), including the Section 17A corporate liability provision.

The Company adopts a structured approach to ABAC training, focusing on reinforcing employees' understanding of applicable laws, internal policies and expected standards of conduct. Training programmes are designed to equip employees with the knowledge to identify, assess and respond appropriately to potential corruption risks in the course of their duties.

Category	FYE2025
Non-Executive	63%
Executive	82%
Managerial	63%
Senior Management	88%

In FYE2025, ABAC training was conducted across employee groups, including non-executive, executive and managerial levels, seeking to ensure a consistent understanding of anti-corruption requirements and expected standards of conduct across the organisation.

While members of the Board do not participate in the Company's internal ABAC training programmes, they undergo relevant training in their capacity as directors, including programmes on governance, regulatory and anti-corruption matters. This supports the Board's role in providing effective oversight and setting the tone from the top.

ABAC training has been conducted since September 2022. Participation data is presented for FYE2025 following enhancements to tracking mechanisms implemented in 2024. Prior year data is not presented as it is not comparable.

In addition to formal training programmes, the Company reinforces ethical conduct through ongoing internal communications and periodic reminders on compliance obligations. These initiatives support continuous awareness and aims to help ensure that employees remain vigilant to potential ethical risks.

Continuous Enhancement of Training Effectiveness

CUCKOO Malaysia continues to strengthen its training and awareness approach by improving participation tracking, enhancing training content and expanding coverage across the organisation. The Company aims to progressively increase training reach and seeks to ensure that employees at all levels are equipped with the necessary knowledge to uphold ethical standards and comply with regulatory requirements.

Through these efforts, CUCKOO Malaysia seeks to embed a culture of integrity and accountability, and aims to ensure that its workforce is well-positioned to support the Company's anti-corruption objectives.

Data Protection

CUCKOO Malaysia recognises that safeguarding personal data is essential to maintaining customer trust and ensuring compliance with the Personal Data Protection Act 2010 ("PDPA") of Malaysia.

The Company collects and processes personal data across various operational touchpoints, including sales and service interactions and digital platforms. In seeking to ensure responsible data handling, CUCKOO Malaysia has implemented internal processes and controls governing the collection, use, storage and access of personal data.

Access to personal data is restricted to authorised personnel on a strict need-to-know basis, in line with operational requirements. Sensitive information, such as identification numbers, addresses and contact details, is controlled and, where applicable, masked within systems to minimise the risk of unauthorised exposure. Technical safeguards, including system access controls and authentication measures, are in place to protect against unauthorised access, misuse or loss of data.

Sustainability **Statement**
(Cont'd)

The Company has designated a responsible function, including a Data Protection Officer, to oversee PDPA compliance and monitor data protection practices. CUCKOO Malaysia also implements controls over third-party service providers through contractual data protection obligations and, where appropriate, risk-based assessments to ensure adequate data security standards.

Customer Data Privacy Performance

Customer Data Privacy			
Description	**FYE2025**	**FYE2024**	**FYE2023**
Total number of substantiated complaints concerning breaches of customer privacy	3	0	0
Total number of identified leaks, thefts, or losses of customer data	0	0	0

During the reporting period, the Company recorded three substantiated complaints relating to breaches of customer privacy in FYE2025, while no such cases were recorded in FYE2024 and FYE2023. There were no identified incidents of data leaks, theft or loss of customer data.

Substantiated complaints refer to cases that have been assessed and confirmed as involving breaches of customer privacy, either through internal review processes or as raised by relevant authorities.

In the course of its operations, the Company receives various forms of customer interactions relating to personal data, including requests for removal from marketing communications, updates to personal information and general data-related enquiries. These are managed through established operational processes and are not classified as breaches of customer privacy.

The Company also reviews customer-reported concerns relating to potential data protection issues. Only cases that are assessed and confirmed as involving breaches are classified as substantiated complaints for reporting purposes. The Company treats all complaints seriously and conducts internal reviews to determine root causes and implement appropriate corrective measures, with a view to strengthening data protection controls and mitigating the risk of recurrence.

Data Governance and Risk Management

Data protection is managed as part of CUCKOO Malaysia's broader operational risk management framework. The Company maintains oversight of personal data handling across systems and processes and reinforces accountability among employees handling sensitive information.

Procedures are in place for managing data protection incidents, including reporting, investigation, escalation and implementation of corrective measures. The Company also maintains processes to manage data subject rights, including requests for access, correction and withdrawal of consent, in accordance with PDPA requirements.

Continuous Enhancement

CUCKOO Malaysia continues to enhance its data protection practices in line with evolving operational and digital risks. While structured cybersecurity awareness training has not yet been implemented, data protection awareness is reinforced through internal communications and guidance to employees handling personal data.

The Company intends to progressively introduce structured training and further strengthen its monitoring and control mechanisms to enhance overall data governance.

Supply Chain Management

CUCKOO Malaysia sources and distributes home appliances, household goods and wellness-related and wellness-related products through an integrated supply chain supported by its parent company and a network of business partners and suppliers.

Sustainability **Statement**
(Cont'd)

The Company engages a diverse range of suppliers across key areas, including product sourcing, procurement, logistics and other operational functions. While a portion of procurement involves overseas suppliers associated with product manufacturing, CUCKOO Malaysia continues to maintain a strong network of local suppliers supporting its operations across Malaysia.

Description	Unit	FYE2025	FYE2024	FYE2023
Total local suppliers	pax	247	359	373
Total overseas suppliers		16	20	17
Local suppliers	MYR	382,671,542	343,818,420	265,862,032
Overseas suppliers		220,690,116	228,371,122	232,721,291
Totals spend (local+overseas suppliers)		603,361,658	572,189,541	498,583,323
Proportion of local suppliers	%	63.42%	60.09%	53.32%

In FYE2025, the Company recorded total procurement spend of RM603.4 million, compared to RM572.2 million in FY2024 and RM498.6 million in FYE2023, reflecting a steady increase in procurement activities in line with operational requirements.

The proportion of procurement spend directed to local suppliers increased to 63.42% in FYE2025, compared to 60.09% in FYE2024 and 53.32% in FYE2023. This demonstrates CUCKOO Malaysia's continued emphasis on strengthening its local supplier base to support operational, logistics and service-related activities within Malaysia.

While CUCKOO Malaysia continues to engage international suppliers, primarily comprising its ultimate holding company and its subsidiaries in relation to product sourcing, the Company also maintains a strong base of local suppliers that support its operations across Malaysia.

Supply Chain Oversight

CUCKOO Malaysia recognises that effective supply chain management is essential not only for operational continuity, but also for maintaining quality, compliance and responsible business practices.

Supplier engagements are managed through established procurement processes, which include the evaluation of supplier capabilities, service reliability and alignment with operational requirements.

The Company expects its suppliers and business partners to comply with applicable laws and regulatory requirements, particularly in relation to product quality, safety standards and contractual obligations, with an aim to ensure that products meet applicable quality, safety and regulatory requirements prior to distribution and remain aligned with customer expectations in the local market.

CUCKOO Malaysia maintains ongoing engagement with suppliers to support coordination across procurement and operational activities, enabling the Company to manage dependencies while maintaining consistency in product and service delivery.

Continuous Enhancement

As part of its ongoing sustainability efforts, CUCKOO Malaysia is progressively strengthening its approach to supply chain oversight by enhancing visibility over supplier practices and identifying opportunities to incorporate environmental, social and governance considerations into procurement processes.

This includes ongoing efforts to assess supplier-related risks and enhance internal monitoring mechanisms, with the aim of supporting responsible sourcing practices and improving supply chain resilience over time.

Sustainability **Statement**
(Cont'd)

Digitalisation

Digitalisation is a key enabler of CUCKOO Malaysia's operational efficiency and customer engagement. The Company leverages internally developed systems and digital platforms to support its operational processes, improve data visibility and enhance coordination across business functions.

CUCKOO Malaysia has developed a suite of in-house systems supporting core functions, including sales management, service coordination, inventory and logistics management, financial reporting and customer credit assessment. These systems are integrated across business units, enabling more efficient operations, better decision-making and reduced reliance on manual processes. Collectively, these capabilities support consistent and scalable operations as the business continues to grow.

Customer-Facing Digital Platform

A key component of CUCKOO Malaysia's digital ecosystem is CUCKOO+ mobile application, the Company's customer-facing platform designed to provide customers with convenient access to services and information.

Through the CUCKOO+ mobile application, customers are able to:

- access product and service-related information
- manage service-related requests and appointments
- view and manage orders and billing information
- interact with the Company's support ecosystem, including AI-enabled assistance

The platform enhances accessibility and responsiveness, enabling customers to engage with the Company more efficiently while reducing reliance on manual service channels.

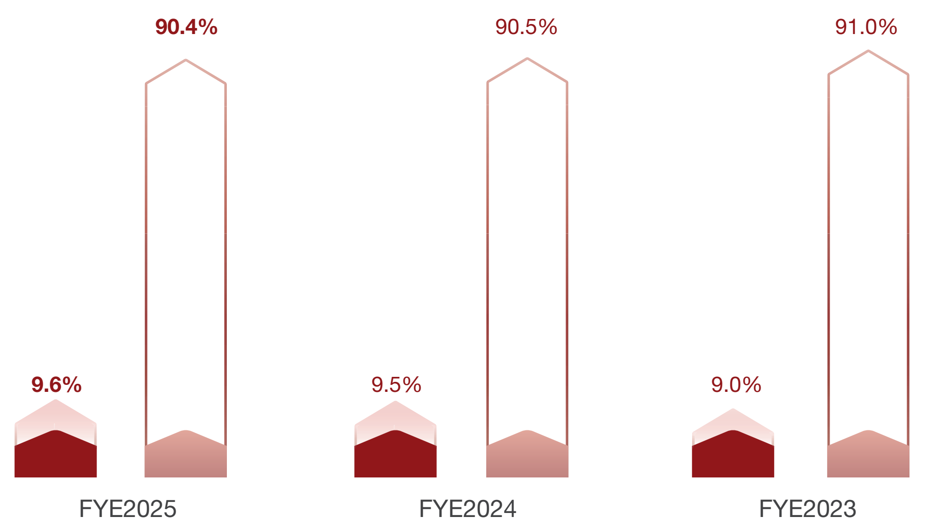
The CUCKOO+ mobile application recorded over 800,000 downloads and more than 500,000 active users, reflecting strong adoption of the Company's digital platform.

AI-Enabled Customer Support

In addition, the Company's AI-enabled chatbot continues to play a significant role in improving service efficiency and scalability. The chatbot handles a substantial proportion of customer queries, enabling faster response times while allowing customer service personnel to focus on more complex or escalated cases.

Across the past three financial years, approximately 90% of total customer queries were handled by the AI chatbot, demonstrating a sustained shift towards digital and self-service channels.

Queries Handled by (% of total queries)



Human agents   AI Chatbot

Sustainability **Statement**
(Cont'd)

The increase in total queries handled by both the chatbot and human agents reflects overall business growth and higher customer interaction volumes. At the same time, the consistent proportion of queries managed through automated channels indicates the effectiveness and reliability of CUCKOO Malaysia's digital support infrastructure.

Collectively, these digital initiatives support improved operational efficiency, optimise resource allocation and enhance the overall customer experience. Moving forward, CUCKOO Malaysia will continue to strengthen its digital capabilities to support business growth and evolving customer expectations.

Operational Digital Systems

In addition to customer-facing platforms, CUCKOO Malaysia utilises internally developed systems to support core operational functions. These include systems for:

- sales tracking and performance monitoring
- service management and fulfilment coordination
- warehouse and inventory management
- financial reporting and data management
- customer credit assessment and collections tracking

These systems are integrated within the Company's broader digital infrastructure, enabling more effective coordination across operations, improving data consistency and supporting data-driven decision-making.

Digital Infrastructure Enhancement

As part of its ongoing digitalisation efforts, CUCKOO Malaysia is enhancing its IT infrastructure to support operational efficiency, scalability and data security.

The Company is upgrading its warehouse management system through the introduction of a barcode system to automate stock tracking and improve inventory accuracy. This is expected to streamline warehouse operations and reduce manual intervention.

In addition, CUCKOO Malaysia is strengthening its data infrastructure through the implementation of a physical server alongside its existing cloud environment, supporting improved data security, access control and business continuity. The Company is also enhancing its cloud capabilities to improve scalability, system performance and resilience in handling increased system usage.

Continuous Enhancement

CUCKOO Malaysia continues to enhance its digital capabilities as part of its broader efforts to improve operational efficiency and customer experience. This includes strengthening internal systems, enhancing platform functionality and improving data visibility to support more informed decision-making.

Moving forward, the Company aims to further develop its digital ecosystem by expanding platform capabilities and improving the tracking of digital engagement metrics, including user adoption and utilisation.

CUCKOO International (MAL) Berhad

BMLR Transition Period

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Customer Experience and Satisfaction	Complaints received from customers	Number	432	—	No assurance
Customer Experience and Satisfaction	Complaints solvability rate	Percentage	71	—	No assurance
Customer Experience and Satisfaction	Customer satisfaction survey score	Percentage	95	—	No assurance
Product Safety	Products returned due to safety issues	Number	0	—	No assurance
Product Safety	Product recalls	Number	0	—	No assurance
Product Safety	Regulatory non-compliance cases or penalties related to product safety	Number	0	—	No assurance
Product Safety	Safety-related customer complaints	Number	0	—	No assurance
Workforce Management and Wellbeing	Leadership Representation by Gender Position - Independent Director (Female)	Number	3	—	No assurance
Workforce Management and Wellbeing	Leadership Representation by Gender Position - Non-Independent Director (Male)	Number	2	—	No assurance
Workforce Management and Wellbeing	Director Age Group Distribution 40-50 (Female)	Number	1	—	No assurance
Workforce Management and Wellbeing	Director Age Group Distribution >50 (Female)	Number	2	—	No assurance
Workforce Management and Wellbeing	Director Age Group Distribution >50 (Male)	Number	2	—	No assurance

Sustainability **Statement**

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Workforce Management and Wellbeing	Employee (non-director) Composition by Age and Gender <30 (Female)	Number	201	—	No assurance
Workforce Management and Wellbeing	Employee (non-director) Composition by Age and Gender 30-39 (Female)	Number	371	—	No assurance
Workforce Management and Wellbeing	Employee (non-director) Composition by Age and Gender 40-50 (Female)	Number	169	—	No assurance
Workforce Management and Wellbeing	Employee (non-director) Composition by Age and Gender >50 (Female)	Number	31	—	No assurance
Workforce Management and Wellbeing	Composition by Age and Gender <30 (Male)	Number	149	—	No assurance
Workforce Management and Wellbeing	Composition by Age and Gender 30-39 (Male)	Number	249	—	No assurance
Workforce Management and Wellbeing	Employee (non-director) Composition by Age and Gender 40-50 (Male)	Number	130	—	No assurance
Workforce Management and Wellbeing	Employee (non-director) Composition by Age and Gender >50 (Male)	Number	39	—	No assurance
Workforce Management and Wellbeing	Employee (non-director) Composition by Ethnicity and Gender Ethnicity - Malay (Female)	Number	497	—	No assurance

Sustainability **Statement**
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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Workforce Management and Wellbeing	Employee (non-director) Composition by Ethnicity and Gender Ethnicity - Malay (Male)	Number	308	—	No assurance
Workforce Management and Wellbeing	Employee (non-director) Composition by Ethnicity and Gender Ethnicity - Chinese (Female)	Number	245	—	No assurance
Workforce Management and Wellbeing	Employee (non-director) Composition by Ethnicity and Gender Ethnicity - Chinese (Male)	Number	225	—	No assurance
Workforce Management and Wellbeing	Employee (non-director) Composition by Ethnicity and Gender Ethnicity - Indian (Female)	Number	9	—	No assurance
Workforce Management and Wellbeing	Employee (non-director) Composition by Ethnicity and Gender Nationality - Indian (Male)	Number	10	—	No assurance
Workforce Management and Wellbeing	Employee (non-director) Composition by Ethnicity and Gender Ethnicity - Other (Female)	Number	21	—	No assurance
Workforce Management and Wellbeing	Employee (non-director) Composition by Ethnicity and Gender Ethnicity - Other (Male)	Number	24	—	No assurance

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Workforce Management and Wellbeing	Employee Headcount	Number	1339	—	No assurance
Workforce Management and Wellbeing	Employee Turnover Rate - Permanent Employees	Percentage	31.9	—	No assurance
Workforce Management and Wellbeing	Employee Turnover Rate - Contract Employees	Percentage	41.2	—	No assurance
Workforce Management and Wellbeing	Fair Employment Practices - Incidents on Discrimination and unequal treatment	Number	0	—	No assurance
Learning and Development	Training Sessions	Number	110	—	No assurance
Learning and Development	Training Hours	Hours	6378.5	—	No assurance
Occupational Health and Safety (OHS	Employees Trained in health & safety standards	Number	128	—	No assurance
Occupational Health and Safety (OHS	Work-Related Injuries	Number	5	—	No assurance
Occupational Health and Safety (OHS	Lost Time Injuries	Days	53	—	No assurance
Occupational Health and Safety (OHS	Lost Time Incident Rate	Number	63.4	—	No assurance
Community Engagement	CSR/Community Contribution	RM	1,531,313	—	No assurance
Community Engagement	Initiatives	Number	54	—	No assurance
Energy Consumption	Direct Energy - Petrol Used	Litre	137,240	—	No assurance
Energy Consumption	—	GJ	4,693.6	—	No assurance
Energy Consumption	Indirect Energy - Electric Purchased	kWh	226,748	—	No assurance
Energy Consumption	—	GJ	816.3	—	No assurance

Sustainability **Statement**
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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Energy Consumption	Total Energy Used	GJ	5,509.9	—	No assurance
Emission Reduction	Scope 1 Emissions - Petrol Usage	tons	322.3	—	No assurance
Emission Reduction	Scope 2 Emissions - Electricity Purchased	tons	171.9	—	No assurance
Emission Reduction	Scope 3 Emissions - Employee Commuting	tons	765.6	—	No assurance
Emission Reduction	Scope 3 Emissions - Busines Travel	tons	13.4	—	No assurance
Emission Reduction	Total Emissions	tons	1,273.2	—	No assurance
Water Consumption	Total Water Consumed	m3 (cubic meter)	6,150.8	—	No assurance
Waste Management	Electronic Waste - Items	Number	542	—	No assurance
Economic Contribution	Economic Value Generated	RM('000)	1,104,533	—	No assurance
Economic Contribution	Economic Value Distributed	RM('000)	999,311	—	No assurance
Economic Contribution	Economic Value Retained	RM('000)	105,222	—	No assurance
Business Ethics and Regulatory Compliance	Anti-Bribery and Anti-Corruption Performance Confirmed Incidents of Corruption	Number	0	—	No assurance
Business Ethics and Regulatory Compliance	Anti-Bribery and Anti-Corruption Performance Number of Action(s) Taken	Number	0	—	No assurance
Business Ethics and Regulatory Compliance	Anti-Bribery and Anti-Corruption Training and Awareness - Non-Executive	Percentage	63	—	No assurance

Sustainability **Statement**

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Business Ethics and Regulatory Compliance	Anti-Bribery and Anti-Corruption Training and Awareness - Executive	Percentage	82	—	No assurance
Business Ethics and Regulatory Compliance	Anti-Bribery and Anti-Corruption Training and Awareness - Managerial	Percentage	63	—	No assurance
Business Ethics and Regulatory Compliance	Anti-Bribery and Anti-Corruption Training and Awareness - Senior Management	Percentage	88	—	No assurance
Data Protection	Total number of substantiated complaints concerning breaches of customer privacy	Number	3	—	No assurance
Data Protection	Total number of identified leaks, thefts, or losses of customer data	Number	0	—	No assurance
Supply Chain Management	Total local suppliers	Pax	247	—	No assurance
Supply Chain Management	Total overseas suppliers	Pax	16	—	No assurance
Supply Chain Management	Proportion of Local Suppliers	Percentage	63.42	—	No assurance
Supply Chain Management	Local Suppliers Spending	RM	382,671,542	—	No assurance
Supply Chain Management	Overseas suppliers Spending	RM	220,690,116	—	No assurance
Supply Chain Management	Total Spend (Local and Overseas Suppliers)	RM	603,361,658	—	No assurance
Digitization	AI-Enabled Customer Support - Number of Queries Handled by Human Agents	Percentage	9.6	—	No assurance

Sustainability **Statement**

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CUCKOO International (MAL) Berhad
BMLR Transition Period

Date & Time: 2026-04-23_14:29:53
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Digitization	AI-Enabled Customer Support - Number of Queries Handled by AI Chatbot	Percentage	90.4	—	No assurance