

SUSTAINABILITY STATEMENT

Sustainability is at the core of Texchem Resources Bhd's vision (Texchem Resources Bhd is hereinafter referred to as "TRB" or "Texchem" or "Company"). TRB has always adhered to the three pillars of sustainable development, namely, economic, environmental and social considerations, while committed to maintaining the high standard of corporate governance in its effort to build a strong and vibrant business community for long term.

Governance Structure

The operation of TRB Group as a whole is under the supervision of the President and Group Chief Executive Officer. TRB Group is made up of four main divisions namely, the Industrial Division, Polymer Engineering Division, Food Division and Restaurant Division headed by the respective Divisional President and Chief Executive Officer. As for the individual company within TRB Group, each company is under the leadership of the respective Board of Directors.

Aside from the management team, the Group Internal Assurance and Consulting Department is formed to provide objective and independent assurance and consulting services to ensure the adequacy and effectiveness of TRB Group's governance, risk management and control system while monitoring compliance with the laws, policies and procedures.

In order to assist the management team in the execution of Company policies and business plans in pursuing TRB Group's vision and objectives, Corporate Affairs Committee has also been formed to serve as a conduit between the management level and the employees.

Through a systematic governance structure, TRB is driven to enforce its sustainability strategy across the top management till the operational level from the economic, environmental and social perspectives.

Scope of Sustainability Statement and Basis for the Scope

In line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide, TRB's sustainability framework is premised upon the evaluation of the economic, environmental and social ("ESS") risk and opportunities coexistent with the Company's corporate governance framework and corporate social responsibilities.

TRB believes that sustainable corporate success requires the highest standard of corporate behaviour including measuring up to the public expectations on economic, environmental and social responsibilities. By applying a good corporate governance framework, environmentally responsible practices and sound social policies, it enables TRB Group to achieve sustainable growth and enhance long-term value for its shareholders. In 2017, TRB continued with this commitment as a good and responsible corporate citizen.

Material Sustainability Matters

1. Economic

1.1 Understanding the Expectation of Shareholders

Shareholders of any company are a company's lifeline since shareholders are stakeholders who believe in the company and have invested their hard-earned monies to support the company.

As TRB values its shareholders who have invested into TRB, TRB takes its duties and responsibilities to its shareholders seriously by maintaining active dialogues with the shareholders with the intention of giving shareholders as much as possible, a clear and complete picture of TRB Group's performance and position.

Apart from the Annual General Meetings where the shareholders are invited to raise questions to the management of TRB, TRB's corporate website serves as an interactive platform for the shareholders to share their opinions and obtain the latest information about the Company. Under the Investor Relations chapter, information beneficial to shareholders such as circulars and notices to shareholders, financial results, listing announcements, change of corporate information, general meetings and other relevant information are uploaded regularly. Besides, there is also a contact channel in TRB's website for the shareholders to air their views and comments to TRB.

Further, in conjunction with the paperless technology, news related to TRB Group which had been published in the press and "Texview", an in-house magazine of Texchem are also uploaded to TRB's website on a quarterly basis. "Texview" serves as an important channel of communication to reach out to all Texchemers and with "Texview" being uploaded to TRB's website, its readership expands to the public at large. All these signify that TRB practises transparency in order to live up to the shareholders' expectation.

SUSTAINABILITY STATEMENT (CONT'D)

Material Sustainability Matters (Cont'd)

1. Economic (cont'd)

1.2 Texchem's Integrity Pledge

In an effort to preserve shareholders' interest, TRB strives to maintain high standard of corporate ethics and strict compliance with the laws and regulations. This is because TRB believes that high standard of integrity, honesty and accountability are fundamental keys to sustainable business.

In 2017, TRB Group continued its commitment to abide by ethical business practices, good corporate governance and combat against all forms of corruptions by implementing the Integrity Pledge amongst its employees. Pursuant to the President and Group Chief Executive Officer's direction, Texchem's Integrity Pledge posters are displayed in all Texchem's business premises. In order to instill this culture into our business dealings and organisations, Texchem Group Human Resource Department had also requested all employees to sign Texchem's Integrity Pledge.

To emphasise the importance of maintaining high standard of integrity, Texchem Integrity Pledge has also been a highlight during Texchem Managers Conference 2017 when silver brooches engraved with Texchem logo were distributed to all the attendees as a reminder of our commitment to uphold the Integrity Pledge.

1.3 Exerting Strength in Simplicity against the Economic Uncertainties

In seeking sustainable growth under the current economic climate, the tagline "Strength in Simplicity" was introduced by the President and Group Chief Executive Officer during the Managers Conference in 2017. This tagline is specially designed for 2017 as it is a year for Texchemers to simplify and consolidate to achieve higher performance by eliminating complexities and duplications to ensure a smoother yet strong work flow. Posters featuring the logo and core values were distributed to Texchem offices across the region to be displayed and serves as an reminder to all the Texchemers in implementing the following core values:-

- (i) Removing Duplication of Tasks;
- (ii) Simplifying Workflow;
- (iii) Quick Decision Making;
- (iv) Cost Control and Profit Maximisation;
- (v) Clear Role and Responsibilities;
- (vi) Ensuring Effectiveness and Efficiency;
- (vii) Quality is Everyone's Responsibility;
- (viii) Optimizing Use of Assets; and
- (ix) Eliminating Complexities.

By holding on to these key values and with the collective effort from Texchemers, Texchem managed to storm through the economic turbulence.

1.4 Integrating Local Culture into Japanese Cuisine

A large majority of the population in Malaysia comprises Malay Muslims. With this in mind, it is important for Texchem Restaurant Division to work towards serving food that is in compliance with the Islamic principles – the Halal certified food. Besides, halal products also receive worldwide recognition as a scale for food safety and quality assurance. Being the largest sushi restaurant chain in Malaysia, Sushi Kin Sdn Bhd of TRB Group strives to ensure that the Muslim customers enjoy the Japanese cuisine served in Sushi King outlets with peace of mind by serving pork-free (no pork or pork derivatives used) and alcohol-free (No Mirin) food.

On 31st July 2017, the subsidiary of TRB, Sushi Kin Sdn Bhd was recognised by the Malaysia Book of Records (MBR) as the "Largest Halal Japanese Restaurant Chain" in Malaysia with its 97 outlets as at February 2017. Since then, Sushi Kin Sdn Bhd continued its aggressive expansion and achieved a total of 120 outlets in Malaysia in December 2017 and the business is still growing.

SUSTAINABILITY STATEMENT (CONT'D)

Material Sustainability Matters (Cont'd)

1. Economic (cont'd)

1.4 Integrating Local Culture into Japanese Cuisine (cont'd)

Three months after the recognition by MBR, Sushi Kin Sdn Bhd was awarded with “White List Company” recognition under the Malaysia Halal Certification by Jabatan Kemajuan Islam Malaysia (“JAKIM”), an award given to companies in recognition of commitment to the strict adherence of stringent requirements set by JAKIM. It is a remarkable achievement for Sushi Kin Sdn Bhd to have received the award in merely one year after it was certified as Halal restaurant chain, together with other established food and beverage brands such as Kentucky Fried Chicken, Pizza Hut, McDonald’s, Domino’s Pizza, Starbucks and others.

With the Halal certificate in place and complemented by the awards received in 2017, it enhances the profitability of restaurant business especially within the Muslim community and consequently brings the Restaurant Division towards sustainable business growth.

1.5 Continuous Improvement in Serving the Customers

On 13th February 2017, Sushi King Labo commenced operation with the primary mission of creating new menu by Texchem in-house Japanese and local chefs, taking into consideration customers’ feedback, in order to keep up with consumers’ trends. Equipped with full standard of kitchen equipment, R&D kitchen, training facilities and a meeting room, Sushi King Labo is committed to offer the following functions:-

- (i) Developing new and creative menu;
- (ii) Food tasting with internal and external parties;
- (iii) Training centre; and
- (iv) Food photo shooting.

With the establishment of Sushi King Labo, we believe Texchem Sushi King business will be driven to a greater success.

1.6 Diversifying Restaurant Business

The Restaurant Division of Texchem Group achieved another milestone by expanding its business to café business through Doutor Coffee and Hoshino Coffee. Since end of year 2016 and throughout year 2017, Doutor Coffee marked its business presence in Aeon Tebrau (Johor Bahru), Sunway Velocity Mall (Kuala Lumpur), Aeon Bukit Tinggi (Selangor) and Gurney Plaza Penang. As for Hoshino Coffee, the first outlet was launched in Midvalley on 8th December 2017. These 2 cafés serve artisanal coffee, food and beverages inspired by Japanese elements and ingredients, in modern and contemporary ambience, with the unique features of the respective brands.

With this business diversification, Texchem Restaurant Division expands its clientele beyond Japanese food lovers, which in turn increases profitability of Texchem’s restaurant business.

2. Environmental

2.1 Environmental Conservation through Internal Control and Compliance

TRB Group recognises that several of its activities may have an impact on the environment.

Consequently, at all plants, TRB Group continues to ensure strict compliance with the environmental laws governing plant operations and maintenance in areas relating to environmental standards, emission standards, noise level management and treatment of plant effluents and waste water.

As a result of such diligence, Texchem Group’s plants are certified with the international environmental management system standards, ISO 14001:2004 and ISO 14001:2015 Environmental Management System.

2.2 Environmental Conservation through Technology and Innovation

Going Green is an upward trend of corporate social responsibilities. Many companies look into the advantages and the need of “going green” on two standpoints, namely profitability and social consciousness. Companies that follow government guidelines to sustain the environment and go out of their way to do so will attract more consumers as the public becomes more environmentally conscious.

SUSTAINABILITY STATEMENT (CONT'D)

Material Sustainability Matters (Cont'd)

2. Environmental

2.2 Environmental Conservation through Technology and Innovation (cont'd)

It is against this backdrop that TRB Group has started its own research and development in bioplastics. It made a major breakthrough with the development of Malaysia's first thermoformable bioplastic derived from agricultural waste in the year of 2010. TRB Group's bioplastic, TEXa contains between 50-70% renewable materials. It also has the advantage of being able to be processed with conventional moulding machines which in turn promotes the usage of such bioplastic. Further, TEXa can easily be recycled.

In year 2017, Texchem successfully closed the gap of TEXa cost with petroleum-derived plastics i.e. Polypropylene, PP and High Impact Polystyrene, HIPS. TEXa Bio-PP which is comparable to HIPS in terms of flow and mechanical performance has been developed. TRB has also launched TEXa Food Contact Grade for toothbrush application as well as TEXa tableware for Yoshinoya Hanamaru and Sushi King outlets.

As a result of Texchem's continuous effort in the research and development of bioplastics, Texchem Polymers Sdn Bhd, a subsidiary of TRB has been granted patent with respect to its bioplastic inventions derived from agricultural waste in various countries. In addition to the United States of America, Japan, Australia, Singapore and Taiwan, Texchem Polymers Sdn Bhd's patents expanded its coverage to Germany, France, Italy and the United Kingdom in 2017.

2.3 Environmental Conservation through Participation in Environmental Initiatives

TRB believes that sustainable business would not be achieved if the environment is compromised.

As a responsible corporate citizen, TRB is sensitive about the issues concerning development and environment in the country. In line with this belief, Texchem participated in the environmental activities in 2017 such as follows:-

- (i) Earth Hour Night Walk 2017 in Penang and Petaling Jaya, a campaign which promotes energy conservation;
- (ii) Planting Mangrove Forest Project in Honour of His Majesty King Rama IX in Thailand; and
- (iii) the 27th Asia Plastics Forum 2017 in Myanmar, wherein a forum emphasising on marine litter and recycling of plastics was conducted by renowned speakers from the ocean conservancy as well as corporate sectors. During the forum, the speakers shared their views in achieving sustainable business in plastic and chemical industry without compromising the environment.

By applying the knowledge and methods learned from environmental activities in its business operation, Texchem plays a part in conserving our mother earth.

3. Social

3.1 Utilising Technology for Social Betterment

3.1.1 Medical and Life Sciences Technology

TRB sees the importance of upgrading the medical devices standard which in turn benefits mankind's health and welfare.

In conjunction with the evolution of Texchem Polymer Engineering Division from a conventional plastic products manufacturer to medical engineering solutions provider, TRB had invested substantially in the research and development work in relation to life sciences, medical and healthcare devices. In order to keep the employees abreast with the latest development of the technology while promoting Texchem's medical products, representatives from the Polymer Engineering Division participated in major medical conferences and trade fairs in 2017 such as MEDTEC at Tokyo Big Sight, Pharmapack 2017 at Paris Expo Porte de Versailles, COMPAMED 2017 and MEDICA 2017 in Dusseldorf, Germany.

Besides, Texchem remains active in interaction and collaboration with various experts in the medical devices industry which include the representatives from the Japan Association of In-Vitro Diagnostic Medical Devices (IVD) Industry, the Japanese Analytical Instruments Manufacturers' Association (JAIMA) and Japan Association of Clinical Reagent Industries (JACRI).

SUSTAINABILITY STATEMENT (CONT'D)

Material Sustainability Matters (Cont'd)

3. Social (cont'd)

3.1 Utilising Technology for Social Betterment (cont'd)

3.1.2 Thermoforming and Injection Moulding Technology

Being part of the polymer engineering business, TRB Group strives to stay relevant in the product development to contribute towards the global market by visiting and participating in major fairs and expositions such as the following:-

- (i) SEMICON Southeast Asia in Penang;
- (ii) The 25th Processing and Packaging Technology Event for Asia (Propak Asia) at BITEC, Bangkok, Thailand;
- (iii) Automotive Manufacturing 2017 at Bangkok, Thailand;
- (iv) INTERMACH 2017 – 34th ASEAN Largest International Industrial Machinery and Subcontracting Exhibition in Bangkok, Thailand;
- (v) Thailand Manufacturing Expo 2017 (ME 2017); and
- (vi) ASEAN's Largest International Machine Tools and Metalworking Technologies Trade Exhibition and Conference (METALEX) – 31st Edition.

To enhance employees' knowledge in the aviation sector, representatives from the Polymer Engineering Division also attended aerospace related exhibitions and events such as MRO Asia-Pacific 2017 in Singapore and Langkawi International Maritime and Aerospace Exhibition (LIMA) 2017.

By participating in such significant events in the respective region, Texchem's representatives were introduced to the latest state of the art innovations in plastic and the most recent technology which advances the medical and life sciences and aerospace industries as well as other industries served by Texchem which in turn stimulates business growth and benefits members of the community at large.

With the latest technical knowledge in place, Texchem Polymer Engineering Division continues to uphold the Division's mission to be partner of choice by focusing on excellence in industrial knowledge, innovative design, engineering solution, quality products and customer services.

3.1.3 Food Technology

TRB realises the impact of fishery activities to the ecology and the underlying challenges towards sustainable production. To cope with the growing gap between supply and demand in the seafood industry without compromising the environment, Food Division had embarked on various research and development projects in collaboration with distinguished academic institutions and research centres namely, the Fisheries Research Agency of Japan and Universiti Sains Malaysia.

In year 2017, being the largest soft shell crab supplier in the world, Food Division continued its effort to produce crablets through hatchery technology development in collaboration with Can Tho University, Vietnam.

As part of the continuous thrust in market development, Food Division participated in various international seafood expositions in 2017 such as the Seafood Expo North America/ Seafood Processing North America 2017 and Japan International Seafood & Technology Expo.

3.2 Participation in Students Development Programme held by One of the World's Top Business Schools - Harvard Business School

In year 2017, Texchem was privileged to have been selected as one of the global partners to participate in Harvard Business School FIELD Immersion Programme 2017. The programme kicked start in February 2017 where field work was conducted at Doutor Coffee, Sunway Velocity. On the last day of the programme, the students conducted presentation at Wisma Texchem to share their findings and proposal of their project with the management of Doutor Coffee.

Through exchange of ideas between Texchem representatives and the students from Harvard Business School, it enriches both parties' prospects in sustainable business growth.

SUSTAINABILITY STATEMENT (CONT'D)

Material Sustainability Matters (Cont'd)

3. Social (cont'd)

3.3 Preservation of Human Resources

At TRB Group, we value the contributions of each and every one of our employees, which is why we place utmost importance in offering a conducive work environment that is supportive of the employees' ambitions. We believe that by helping our employees realise their full potential, they in turn, can help us achieve TRB's corporate aspiration, making TRB Group an ideal place for talented individuals to build their careers.

In line with Texchem's aspiration that is "to build people, and the people build business", various policies and activities were carried out across the Group.

3.3.1 Texchem's Occupational Safety, Health and Environmental Policy

a. Implementation of OSHE Policy

Establishing a positive safety and health culture is the key to good corporate governance and a requirement under the Occupational Safety and Health Act 1994. In the pursuit of its effort to establish a positive, safe and healthy working environment, TRB introduced the Occupational Safety, Health and Environmental Policy ("OSHE") Statement outlining the following principles:-

"As a multinational conglomerate, Texchem Group is committed to conduct our business in a safe, healthy and environmentally responsible manner through the observance of the following principles:

- *Prevention of injury, ill health and environmental degradation in all our activities;*
- *Adherence and compliance to applicable OSHE laws, regulations and other requirements;*
- *Setting and effectively communicating the OSHE policy to employees, contractors and interested parties;*
- *Systematically improve our operations and policies to create a safer, healthier and more environmentally sustainable workplace."*

Further to the implementation of OSHE policy, on 23rd and 28th March 2017, Texchem OSHE and Security Department organised security trainings to elevate the standards, discipline and performances of the security workforce in alignment with the goals and objectives of the OSHE and Security Department. The security training programme has also been an ongoing process to keep Texchemers abreast with the established standards to face the continuously increasing and challenging risky environment.

b. Establishment of Emergency Response Team (ERT)

Texchem-Pack (PP) Sdn Bhd established Emergency Response Team (ERT) which consists of 4 function groups, namely, the Fire-fighting Team, Rescue Team, Chemical Team and First Aid Team. In calibration with the Fire and Rescue Department Malaysia (BOMBA), the ERT conducted annual mock drill exercise to ensure that the employees are equipped with knowledge on emergency response and evacuation measures and to improve preparedness and prevention of accidents at work place.

Being OSHE compliant, TRB Group is poised to garner international reputation by also being compliant with the guidelines set out by the International Labour Organisation ("ILO") as part of Texchem's corporate social responsibility initiative to be a good corporate citizen both locally and internationally.

3.3.2 Encouraging Career Growth through Education Assistance Programmes and Trainings

For continuous employees' development, training is one of the most important facet in Texchem. In line with the Strategic Group Human Resource Plan, TRB establishes a system to continuously:

- *Identify knowledge gap;*
- *Identify training programmes suitable to achieve Company and Group objectives;*
- *Establish training support from both internal and external resources; and*
- *Continuous assessment on the effectiveness of training programmes.*

SUSTAINABILITY STATEMENT (CONT'D)

Material Sustainability Matters (Cont'd)

3. Social (cont'd)

3.3 Preservation of Human Resources (cont'd)

3.3.2 Encouraging Career Growth through Education Assistance Programmes and Trainings

Over the years, TRB has been sponsoring its employees to pursue education programmes such as the accounting qualification by Association of Chartered Certified Accountants (ACCA), Diplomas and Degrees relevant to the individual work field and Master of Business Administration. From year 2010 to 2017, the total amount sponsored by TRB Group in Education Assistance Programme exceeded RM200,000.00 and the figure continues to grow.

In consonance with one of TRB Group's mottos to enhance personal and career development of the staff, a series of training programmes were also organised in different companies within Texchem Group in 2017 such as:-

- i. *Texchem Continuous Improvement Programme (TCIP) by the Presidential Department and the Corporate Affairs Committee;*
- ii. *In-House Training on the Companies Act 2016;*
- iii. *First Half Town Hall Communication Conference on 14th February 2017 at Texchem Life Sciences Sdn Bhd;*
- iv. *Annual Managers' Conference;*
- v. *Kokubu Food Logistic Malaysia's Distribution Team Training; and*
- vi. *Training on Domestic Inquiry on 24th May 2017.*

3.3.3 Reward Performance and Employees Appreciation

At Texchem, we have a performance-based reward system in place where reward is given based on the employees' performance. Besides the basic salary, allowances, bonuses, director's fees and benefits such as medical claim, mileage and toll claims and company car, Texchem Service Award Programme is one of the avenues to acknowledge and encourage employee loyalty. This programme has been a tradition started by Texchem Founder and Executive Chairman since four decades ago and the award is presented to employees who have been in the Company for five years, and at every increment of five years.

Commencing from year 2014 with the aim of encouraging innovation, the Presidential Award is awarded at Division and Group levels to employees who introduce new methods, ideas or products which promote efficiency in the production and increase profitability. The representatives of each Division present their project during the yearly Managers Conference and the winner receives RM10,000 in cash and a winner's challenge trophy. On 20th January 2017, Texchem-Pack (M) Sdn Bhd team, representing the Polymer Engineering Division, won the 2017 Presidential Award with their project entitled "Raw Materials Saving in TV Component Manufacturing (LED Light Reflection Sheet)".

In appreciation of employees' contribution and to understand the employees' views, series of activities organised within Texchem Group are as follows:-

- i. *Intrapreneur Hunt by the President and Group Chief Executive Officer with the aim to break barriers of bureaucracy and establish an open channel of communication across the Group;*
- ii. *Focal Point Meeting with Fresh Graduates organised by the Group Human Resource Department to learn more about the young employees' views in relation to employee retention, employee motivation and employee engagement;*
- iii. *Corporate Induction for all the new employees organised by the Group Human Resource Department; and*
- iv. *In conjunction with the Silver Award for Employer of Choice received by Texchem in 2016, in 2017, a series of interviews were conducted with two staff every quarter to understand their thoughts and views about the Company.*

SUSTAINABILITY STATEMENT (CONT'D)

Material Sustainability Matters (Cont'd)

3. Social (cont'd)

3.3 Preservation of Human Resources (cont'd)

3.3.4 Ladies in Leadership

In Texchem, female employees are given opportunities to progress and hold important positions in the corporate ladder. In addition, Texchem Ladies Club was established to provide additional platform for the female employees to gain exposure, relevant skills and knowledge in achieving personal and career growth. Texchem's recognition on women's contribution in the work force is also evinced by the increasing number of female employees sitting in the managerial positions within Texchem Group.

3.3.5 Work-Life Balance towards Sustainable Productivity

TRB recognises the importance of work-life balance and believes that healthy and happy employees are the keys to the Company's productivity. As such, TRB has continuously sponsored and organised various sport activities to promote healthy and active lifestyle among the employees.

TRB Group incorporated the Mount Kinabalu Club to build on the power of positive peer influence to help the employees adopt healthy behaviour so they may live longer and healthier lives. In 2017, Mount Kinabalu Club organised Bukit Larut (Maxwell Hill) Hike and monthly hiking trails session in various hiking spots in Penang. In addition, TRB also sponsored Texchem Annual Sports Meet in year 2017. Besides promoting healthy lifestyle among Texchemers, the hiking sessions and sport activities also foster recreational fellowship and sportsmanship amongst employees and the management of TRB Group.



One of the monthly hiking sessions at Bukit Larut (Maxwell Hill)

Further, Texchem Ladies Club had organised Health Screening & Health Talk and Zumba session at Texchem Northern Region while the Group Human Resource Department of the Central Region organised Zumba session and Gasing Hill hike for the employees stationed in the Central Region.

In addition to Texchem's internal sports events, TRB Group had extended its support to external sport and recreational events organised by the Non-Governmental Organisations (NGOs), the State Government and private sectors with the common objective to promote healthy lifestyle among the citizens by way of sponsorship or subsidy to Texchemers who participated in the events. The relevant sports and recreational events are as follows:-

- i. Charis Hospice's Charity Hunt;
- ii. ASICS Penang Bridge International Marathon (PBIM) 2017;
- iii. Putrajaya Night Marathon 2017;
- iv. Standard Chartered Kuala Lumpur Marathon 2017;
- v. Charity Pacifier Run 2017 organised by Mount Miriam Cancer Hospital;
- vi. Delta Eco Night Run; and
- vii. Earth Hour Night Walk Penang & Petaling Jaya organised by World Wildlife Fund (WFF).

SUSTAINABILITY STATEMENT (CONT'D)

Material Sustainability Matters (Cont'd)

3. Social (cont'd)

3.3 Preservation of Human Resources (cont'd)

3.3.6 Strengthening Spirit of Team Work towards Sustainable Corporate Growth

TRB believes that a strong teamwork among the employees is the foundation of a successful organisation, particularly in the trying time of economic turbulence. Pursuant to such belief, series of activities were organised in year 2017 to foster the relationship and strengthen the spirit of team work among Texchemers:-

- i. Texchem Vitality Race 2017 participated by 105 managers from different divisions across the group;
- ii. Texchem Golf Challenge Trophy at the Penang Golf Resort which is located at Bertam, Kepala Batas, Penang participated by total 20 participants;
- iii. Annual Dinner and teambuilding by Texchem-Pack (M) Sdn Bhd at Gua Tempurung;
- iv. Chinese New Year 2017 Celebration organised by the Group Human Resource Department of Central Region;
- v. Food Division Team Building at Pulau Langkawi;
- vi. Team building by the Group Human Resource Department of Central Region at EnerZ Indoor Extreme Park;
- vii. Texchem-Pack (PP) Sdn Bhd Appreciation Dinner 2016/ 2017;
- viii. Ramadan Dinner organised by Kokubu Food Logistic Malaysia (KFLM) in conjunction with the launching of KFLM website and soft launch of Warehouse Management System;
- ix. Hari Raya buffet lunch celebration at Texchem Materials Johor Bahru;
- x. Hari Raya celebration lunch at Wisma Texchem;
- xi. Deepavali celebration at Texchem Corporation Sdn Bhd, Central Region office; and
- xii. Year-end celebration at Penang Head Quarters.

3.3.7 Employer of Choice

Following the Silver Award for Employer of Choice received by Texchem in 2016, in year 2017, Sushi Kin Sdn Bhd, a 70.35% owned sub-subsidiary of TRB was awarded with the Bronze Award of Employer of Choice 2017 under the Malaysia HR Awards by the Malaysian Institute of Human Resource Management (MIHRM).

Besides, Sushi Kin Sdn Bhd also supports the government initiatives on Human Resource development and has taken part in programmes such as Skim Latihan 1 Malaysia (SL1M), Graduate Employability Management Scheme (GEMS) and Rural Accelerated Industry Skill for Employment (RAISE).

With the aspiration of "building people" in mind, Texchem is committed to maintain as the Employer of Choice through building confidence in the leadership, creating great company culture and providing vast opportunities for the employees to learn and grow which results in high level of employee engagement in the Company.



Sushi Kin Sdn Bhd was awarded the Bronze Award of Employer of Choice 2017

SUSTAINABILITY STATEMENT (CONT'D)

Material Sustainability Matters (Cont'd)

3. Social (cont'd)

3.4 Giving Back to the Society

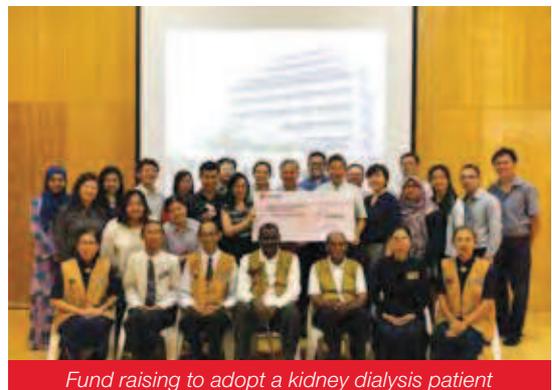
Contribution to the community is important in TRB's view. It is a symbiosis between a company and the community in which without the community, a company cannot sustain its businesses. In 2017, with the aim to promote social welfare among the less fortunate, TRB Group sponsored various charity activities as follows:-

- i. "Rock a Duck" Charity Campaign organised by Penang Hard Rock Hotel with the objective to raise funds for Sekolah Kebangsaan Pendidikan Khas Persekutuan, a school for the hearing impaired to build an assembly rooftop;
- ii. On 15th February 2017, Texchem Ladies Club committee visited Charis Hospice to spend time and have fun with the patients with cancer and other advanced illnesses to create delightful atmosphere to ease their fight against critical illnesses;
- iii. On 18th March 2017, Texchemers from the Central Region organised a visit to the House of Joy, a charitable home located in Bandar Kinrara, Puchong that provides shelter, care and training to the underprivileged orphans, abused children and destitute old folks. Prior to the visit, donation was collected from Texchemers in the Central Region which was used to purchase foodstuff, groceries and children stationeries for the home;
- iv. A visit to Thanthaya Aye Monastic School (which is also a shelter for orphans) was organised by Amiway, a club formed by Texchem staff in Myanmar to carry out corporate social responsibility ("CSR") programmes. During the first visit to the school, Texchem offered lunch meals for approximately 650 students in the school while Texchemers helped in the cleaning of the school compound and refurbishing the school building by doing lawn mowing, spraying of pesticides and herbicides, upgrading and repairing toilet and sanitary system, and at the same time, sharing knowledge on personal hygiene with the students. During the second visit, Texchemers presented toys and gifts to the orphans and organised fun games for the kindergarten students;
- v. Collection of pre-loved clothes for Penang flood victims; and
- vi. Establishment of "People Culture" committee under the Industrial Division to carry out CSR activities. The CSR activities organised and/ or participated by the Industrial Division in year 2017 include:-
 - a. Relay for Life organised by the National Cancer Society of Malaysia where Texchemers set up a food stall selling fried noodles and desserts to raise fund for cancer patients;
 - b. Post-flood clean-up; and
 - c. Fund raising of RM30,000.00 to adopt a kidney dialysis patient for a year.

To promote sport and cultural activities within the community, Texchem had also sponsored the Dragon Boat Team of Penang Forward Sports Club and the sponsorship amount for year 2017 was RM60,000.00.



A visit to Thanthaya Aye Monastic School



Fund raising to adopt a kidney dialysis patient

SUSTAINABILITY STATEMENT (CONT'D)

Material Sustainability Matters (Cont'd)

3. Social (cont'd)

3.4 Giving Back to the Society (cont'd)



A visit to the House of Joy, a charitable home located in Bandar Kinrara, Puchong



Post-flood clean up for Penang flood victims

In furtherance to the Blood Donation Campaign which received overwhelming response from the workforce over the years, the Group Human Resource Department continued this noble course in 2017 at Texchem's headquarter in Penang, Texchem-Pack (M) Sdn. Bhd. and Wisma Texchem in Subang Jaya. As human blood is a scarce and precious resource, this drive has successfully raised awareness on blood donation and encouraged the culture of voluntary blood donation as it is a safe, simple and speedy process that helps to save lives.



Blood Donation Campaign

Our Commitment

As a socially responsible citizen of the business community, TRB Group shall continue to adopt and apply effective economic approach, environmentally responsible practices, sound social policies and good corporate governance framework with the objective of enhancing transparency in its corporate disclosure, strengthening its risk management framework and achieving long-term sustainable growth. A copy of TRB Group's Sustainability Policy is available on TRB Group's website at www.texchemgroup.com, under the Investor Relations column.