



Far East Group Limited



FUTURE READY
SUSTAINABILITY REPORT 2025

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This sustainability report has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”). This sustainability report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this sustainability report including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

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1. Corporate Purpose Statement [2-22]

Far East Group Limited (“**Far East Group**”, and together with its subsidiaries, the “**Group**”) is pleased to present our sustainability report (the “**Report**”) for the financial year ended 31 December 2025 (“**FY2025**”). Sustainability considerations are key to our long-term business strategy, and we appreciate the opportunity to present our achievements and ambitions.

The board of directors (the “**Board**”) is responsible for the oversight of the sustainability agenda and strategy and has been involved in the determination of the material factors. The Company has established the Board Sustainability Committee (“**BSC**”) to assist the Board in fulfilling its corporate governance responsibilities in relation to the Group’s Environment, Social and Governance (“**ESG**”) objectives, by providing strategic directions and considering material issues on sustainability as part of its strategy. The existing Sustainability Council (“**SC**”), which ensures that sustainability practices are executed across the different business units, will now report to the BSC to ensure that sustainability practices are implemented across the different business units.

While Far East Group is not in an industry for which climate-related disclosures are mandatory, the Group has established a roadmap for the alignment with the Task Force on Climate-related Financial Disclosure (“**TCFD**”) framework. The management has established processes and procedures for the identification and assessment of climate-related risks, that include relevant physical and transitional risks as well as opportunities that may impact and affect the Group’s business. The impact of such climate-related risks and opportunities will be discussed and reported in the later sections of this Report. With the TCFD framework being integrated into the International Sustainability Standards Board (“**ISSB**”) which embeds the TCFD’s four core recommendations within the International Financial Reporting Standards (“**IFRS**”) S1 and S2, the Group is working towards aligning its climate-related disclosures to the ISSB Standards.

In the course of the reporting period, Far East Group conducted a comprehensive workshop to refresh the Group’s material factors assessment, review targets for the current period as well as engaged in the development of the Group’s ESG Corporate Purpose Statement. The statement reflects the Group’s commitment towards embedding sustainable best practices across the Group’s operations and a clear affirmation of the purpose underlying the enterprise.

The statement: Far East Group is committed to sustainable practices in energy and resource management within the society in which we live, striving to bring out the best in our people through employee care and development and promoting good governance reflects this commitment.

The Group is committed to strengthening its resilience toward a more sustainable future. Embedding sustainability into each business segment would enhance and expedite our overall objective and timelines for the Group to significantly lower our overall carbon emissions. The Group continues with our journey towards meeting the Greenhouse Gas Emissions (“**GHG**”) targets where FY2022 was set as the baseline year for future references. Scope 1 and 2 emissions are addressed based on available sources of data on fuel and energy consumption. The Accounting and Corporate Regulatory Authority (“**ACRA**”) and Singapore Exchange Regulation (“**SGX RegCo**”) have extended the timelines for scope 3 GHG emissions reporting for non-STI constituent list companies with market capitalisation of less than S\$1 billion from FY2026 to FY2030. In view of this extension and recognising the need for additional data and a more comprehensive understanding of our partners’ supply chain, the Group is in the process of assessing the Scope 3 GHG emissions to support future disclosure and remains committed to working collaboratively with its partners to reduce the carbon emissions in this area.

The Board has determined the ESG factors that are material for the continuity of the Group’s business, categorised into three key segments as follows:

- Environment
- People
- Marketplace

Environment

The refrigeration and air-conditioning industry can play a significant role in reducing its impact on the environment. The phasing out of harmful gases and development of energy-efficient products

are two areas that can yield mutual benefit to both our business and society at large, and the Group has been working towards achieving these objectives.

People

We recognise that our people are key drivers for our success. We place great emphasis on nurturing them by providing for their continuous training and development and taking care of their well-being, health and safety.

Marketplace

It is our responsibility to exceed expectations of our stakeholders in the market. We strive to do so by delivering high-quality and safe products, maintaining financial stability, promoting ethical behavior and tackling the risk of cybersecurity through robust policies and measures.

We would like to thank our staff for their hard work in contributing to this Report.

Board of Directors

30 April 2026

2. About the Report

2.1. Scope and Boundary [2-2, 2-3]

This Report covers the Group's efforts on sustainability, in relation to the ESG aspects for FY2025. Far East Group's sustainability reporting for FY2025 encompass all subsidiaries of the Group operating across markets in Singapore, Malaysia, Vietnam, Indonesia, Hong Kong, and China. Unless otherwise stated, the reported data covers the Group's principal operating entities for FY2025. Where data is estimated, unavailable, newly included or excluded, the relevant limitations and their effect on comparability are stated in the accompanying notes.

2.2. Reporting Framework

This Report has been prepared in compliance with Rules 711(A) and 711(B) of the Listing Manual B: Rules of Catalist ("Catalist Rules") of the SGX-ST, and with reference to the Global Reporting Initiative ("GRI") Universal Standards 2021, which is a globally recognised sustainability reporting framework, and its reporting principles are relevant to the Group's business. This Report has also incorporated recommendations from the TCFD.

In view of the enhancement to the sustainability reporting regime announced by the SGX-ST on 23 September 2024, the Group will continue to work towards greater maturity of its climate-related disclosures by incorporating climate-related requirements in the IFRS Sustainability Disclosure Standards issued by the ISSB.

The Report identifies the ESG factors which are material to the Group. The policies, practices, performance and targets follow on from our report last year, reporting on our material factors covering primarily the Group's operations.

2.3. Restatement of Information [2-4]

Certain comparative figures have been restated to reflect refinements in methodology and updated emission factors. Where applicable, the Group has disclosed the original figure, restated figure and reason for restatement to support transparency and comparability. The effect of these restatements includes adjustments to the reported energy consumption figures, GHG emissions, and the impact of energy-efficient products on the Group's carbon footprint. These adjustments provide a more accurate reflection of the Group's sustainability performance and align with the updated materiality factors validated by stakeholders. Moving forward, the Group will continue to refine its reporting processes to ensure consistency and accuracy in future sustainability reports.

2.4. External Assurance and Feedback [2-5]

This report has not undergone external assurance for this Report. The Group's sustainability reporting framework and processes have been internally reviewed. We have incorporated the relevant recommendations and feedback into this report. To ensure accuracy, we have relied on our internal verification processes. Moving forward, and as is required under the Catalist Rules, we plan to obtain external limited assurance in future. We remain committed to engaging with our stakeholders and welcome any feedback. For any inquiries regarding this Report, please feel free to contact us at info@fareastref.com.sg.

3. Corporate Profile

3.1. About Us [2-1]

Far East Group Limited is a publicly listed company on the Catalist board of the SGX-ST and is headquartered in Singapore. With over 70 years of industry experience, the Group has established itself as a pioneer in Singapore's heating, ventilation, air-conditioning and refrigeration ("HVAC&R") industry, as well as across Southeast Asia ("SEA") and the People's Republic of China ("PRC"). The Group is a leading provider of refrigeration and air-conditioning systems, products, and solutions. It supplies refrigeration and air-conditioning systems,

compressor rack systems, condensing units, heat-exchangers, and monitoring solutions to industries such as supermarkets, food processing, cold storage, logistics, hospitality, healthcare, marine, and oil and gas.

3.2. Supply chain, activities, brands and product [2-6]

As a leading distributor of commercial and light industrial refrigeration systems, the Group's Wholesale and Distribution segment provides end-to-end solutions offering a full suite of services ranging from consultation, engineering design, equipment supplies, commissioning and after-sales support and serves a diverse customer base, including distributors, dealers, and refrigeration contractors.

Its Manufacturing segment manufactures a comprehensive range of energy-efficient heat-exchangers, compressor rack systems and condensing units under its proprietary brands, "Eden" and "Elite", through Eden Refrigeration Manufacturing (Jiangsu) Co., Ltd. and Elite Envirotech Co., Ltd. respectively. Eden products are manufactured under international standards and ISO9001:2015 certified using the latest design and heat transfer technology in manufacturing across a wide range of unit coolers, brine coolers, condensers and custom coils for Commercial, Industrial and Marine applications. All unit coolers and air-cooled condensers are Conformance Européenne (CE) certified and in compliance with the listed European Directives BS EN 60204-1:2006+A1:2009 on safety guidance on machinery.

Elite's compressor rack systems, outdoor packaged refrigeration units and condensing units are designed according to standards widely used in low-temperature storage, food processing, slaughtering processing, chemical, agricultural products processing, cold chain logistics, hospitals, supermarkets and other fields.

In the Engineering Solutions segment, the Group also provides engineering and system integration services, delivering end-to-end solutions tailored to industry-specific needs.

M-Tech Air-Con & Security Engineering Pte Ltd ("**M-Tech**"), established since 1993 in Singapore, is an Air-Conditioning and Mechanical Ventilation ("**ACMV**") service provider for residential and commercial buildings, with vast experience and technical expertise in the design, supply and install of ACMV and electrical systems. M-Tech is a registered contractor with the Building and Construction Authority of Singapore ("**BCA**") certified with Air-conditioning, Refrigeration & Ventilation Works (ME01-L6), Communication & Security Systems (ME04-L1) and Electrical Engineering (ME05-L1) certifications.

RSP Systems Pte Ltd ("**RSP**") in Singapore is the System Integration arm of Far East Group. It specialises in providing a host of monitoring systems ranging from temperature monitoring, energy and resource monitoring, alarms management, and asset management system tools - incorporating Internet of Things ("**IoT**") devices from Eliwell, Schneider Electric and other third-party devices. These systems allow for quick deployment, full system management control and data analytics for troubleshooting and improve efficiency of any refrigeration of HVAC&R system.

The Group's supply chain involves collaborations with various suppliers and vendors, ensuring product quality and compliance with environmental requirements. The Group engages suppliers on quality, environmental and compliance expectations and intends to progressively strengthen its supplier due diligence framework, including clearer ESG screening criteria, onboarding requirements and risk-based monitoring. Downstream entities include customers across commercial and retail, food and beverage, supermarkets, cold storage, warehousing and logistics, hospitality, healthcare, marine, and oil and gas sectors. There were no significant changes in the Group's segments, value chain, and other business relationships during the reporting period compared to the previous year.

3.3. Markets Served [2-6]

Far East Group operates primarily within the HVAC&R industry, with a strong regional presence across Southeast Asia, including Singapore, Malaysia, Hong Kong, Vietnam, Indonesia, Myanmar,

and China, along with an extensive distribution network spanning Southeast Asia, Mauritius, Australia, Turkey, and Sri Lanka.

Far East Group is a leading distributor of commercial and light industrial refrigeration systems and products in Southeast Asia and a manufacturer of heat-exchangers and condensing units in the PRC. Its solutions support a broad range of industries, including commercial and retail, food and beverage, supermarkets, cold storage, warehousing and logistics, hospitality, healthcare, marine, and oil and gas sectors.

Beyond distribution and manufacturing, the Group offers engineering and system integration services, delivering customised solutions to optimise HVAC&R performance. Through its subsidiaries in the Engineering Solutions segment, M-Tech and RSP, the Group enhances operational efficiency for clients by providing advanced ACMV services and IoT-driven monitoring solutions.

4. Our vision and values

Sustainability considerations have always been rooted in the values of Far East Group. The Group established its ESG vision of being committed to sustainable practices in energy and resource management within the society in which we live, striving to bring out the best in our people through employee care and development and promoting good governance.

We are cognisant that our stakeholders are increasingly taking notice of the ESG impact of our activities, and we view this as an excellent opportunity to assess our business from the lens of sustainability and structure our efforts based on the approach of materiality

5. Stakeholder engagement [2-29]

We place great value on our relationship with our set of diverse stakeholders including employees, investors, customers, regulators/government and suppliers, and we are committed to engaging with them regularly, finding various ways to further broaden our collaboration. We acknowledge the vital role they play to ensure the success of the Company and its sustainability initiatives. By maintaining an open dialogue with all our stakeholders, we are better able to understand and align their needs in our business decisions. We strive to establish a shared understanding of expectations from both our viewpoint and theirs.

We have identified and prioritised each stakeholder group based on their dependence and influence on our business.

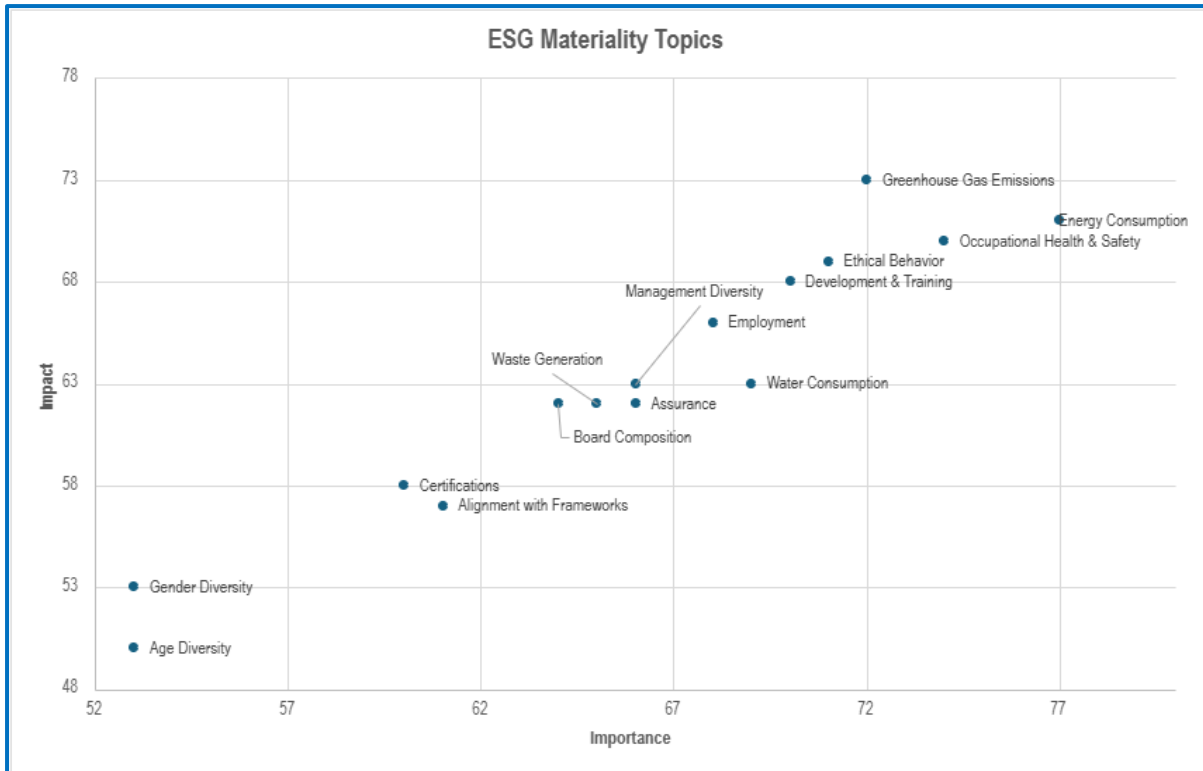
Key Stakeholders	Frequency	Modes of Engagement	Topics Raised	Our Response
Employees	<ul style="list-style-type: none"> - Annual - Ad hoc 	<ul style="list-style-type: none"> - Appraisals - Exit interviews - Casual open feedback - Internal meetings and discussions 	<ul style="list-style-type: none"> - Welfare and benefits - Health and safety - Training and development 	Refer to “People” section of this Report
Investors	<ul style="list-style-type: none"> - Bi-Annual - Ad hoc 	<ul style="list-style-type: none"> - Shareholders’ and investors’ meetings - Corporate announcements and circulars - Half-yearly and yearly results announcements - Annual reports 	<ul style="list-style-type: none"> - Financial stability – Long-term value - Growth and markets strategy - Corporate governance and sustainability practices 	Refer to “Marketplace” section of this Report and our annual report

		<ul style="list-style-type: none"> - Email and phone communication - Website at http://www.fareastgroup.com.sg 		
Customers	<ul style="list-style-type: none"> - Annual - Ad hoc 	<ul style="list-style-type: none"> - Customer feedback survey - Conferences and industry sessions - Individual meetings - Email and phone communication 	<ul style="list-style-type: none"> - Product quality and safety - Energy efficient products - Competitive pricing 	Refer to “Marketplace” section of this Report and our annual report
Regulators / Government	<ul style="list-style-type: none"> - Regularly 	<ul style="list-style-type: none"> - On-site inspections - In-person meetings 	<ul style="list-style-type: none"> - Compliance with environmental regulations - Labour standards compliance - SGX listing requirements 	Refer to “Environmental Performance” and “People” sections of this Report
Suppliers	<ul style="list-style-type: none"> - Ad hoc 	<ul style="list-style-type: none"> - Conferences and industry sessions - In-person meetings - Vendor assessments 	<ul style="list-style-type: none"> - Product quality - Environmental requirements 	Refer to “Marketplace” and “Environmental Performance” sections of this Report

6. Materiality assessment [3-1, 3-2]

The process for determining material topics involved a comprehensive assessment to identify actual and potential impacts on the environment, people, and society in relation to our business operations. During FY2025, Management reviewed the FY2024 materiality assessment to confirm its continued relevance, taking into account changes in the Group’s operating context, stakeholder expectations and external developments. Material topics were prioritised based on the significance of the Group’s actual and potential impacts on the economy, environment and people, including impact severity and likelihood, and validated by the Board. As no significant changes to the Group’s business model, operating footprint or stakeholder concerns were identified, the Board determined that the material topics remain appropriate for FY2025.

For each material topic, the Group sets out the nature of the impact, the relevant internal owner, key policies and processes, actions undertaken during the reporting year, associated performance indicators, and targets for future improvement.



2024 Materiality Assessment

The Group is enhancing its reporting approach to ensure that each material topic, including social and governance matters, is supported by disclosures on policy, implementation, performance indicators and measurable targets, where appropriate.

Disclosure Topics	Corresponding GRI Standards	Impact Boundary
Environment		
Environmental Compliance	Environmental Compliance	All facility operations
Energy Consumption	Energy Consumption	All facility operations
People		
Human Capital Development	Employment Development and training	Office and facility employees
Occupational Health and Safety	Occupational Health and Safety	Employees and subcontractors
Marketplace		
Product quality, health and safety	Customer health and safety	Suppliers and facility operators
Cybersecurity	Customer privacy	Office operations
Business Ethics	Anti-corruption	All operations
Financial stability	Economic performance	All operations

7. Climate-related Disclosures and Climate Risk Management Environment

The Group will progressively enhance its sustainability targets to include quantitative performance metric, target date and interim milestones, so as to facilitate clearer monitoring of progress over time. Far East Group is committed to have our emissions reduced to meet the goal of limiting global temperature increase to between 1.5°C - 2°C above pre-industrial levels in future reporting periods. TCFD provides recommendations for disclosing climate-related risks and opportunities across four pillars: Governance, Strategy, Risk Management, and Metrics and Targets. Although the TCFD has been incorporated into the IFRS Sustainability Disclosure Standards, the four core pillars continue to be reflected in IFRS S2 *Climate-related Disclosures* of the ISSB Standards. As the Group progresses towards alignment with the ISSB Standards, we will continue to structure our climate-related disclosures based on the four pillars of the TCFD in this Report.



Four Pillars of TCFD Framework

Governance

The BSC assists the Board in fulfilling its corporate governance responsibilities in relation to the Group's Environment, Social and Governance ("ESG") objectives, by providing directions and considering issues on sustainability as part of its strategy. The members of the BSC are Ms Linda Hoon Siew Kin (Chairman), an Independent Director, Mr Steven Loh Mun Yew, Executive Chairman and Chief Executive Officer ("CEO") and Mr Francis Lai Kum Wai, Chief Financial Officer ("CFO") of the Group.

The BSC met bi-annually in FY2025 and briefed the Board on the progress of the Group's sustainability efforts. The BSC also review and monitor the implementation of the Group's sustainability strategy and the Management's commitment and allocation of resources to achieving the desired outcomes of the Group's sustainability strategy. In addition, the BSC oversees the SC's development of the Group's sustainability strategy, establishing sustainability policies and practices that will be integrated into the Group's strategic plans and business goals. To prepare and implement the respective objectives of the BSC, the SC meets quarterly for progress updates. Other than the quarterly updates, the SC meets on ad-hoc basis to work with the functional teams.



Strategy

The growing impacts of climate change have made it an increasingly important consideration for the Group as it recognises that both physical and transition risks may present greater challenges ahead. At the same time, these emerging drivers present opportunities for cost savings and alignment with customer expectations. To better leverage these opportunities, the Group is increasing the frequency of discussions to identify and explore opportunities across its business operations.

Physical Risks

With the increasing frequency of extreme weather events such as floods, drought and natural disasters, it is increasingly important for the Group to focus on the well-being of our employees. The Engineering Solutions and Manufacturing segments, which are heavily reliant on skilled labour, may experience project delays arising from reduced productivity and efficiency during prolonged periods of heat. Such conditions can also impair employees' ability to focus, potentially increasing the risk of workplace incidents. To mitigate these risks, the Management would have to schedule more breaks for staff to cool down and stay hydrated, thereby maintaining safe working conditions.

Transitional Risks

Policy changes and market shifts affects the way in which the Group manages our business. Updates and amendments to Singapore's Workplace Safety and Health Act saw the focus on strengthening of safety measures with the imposition of greater penalties such as increased fines and for any safety breaches or regulatory violations. In response, the Group has reviewed our safety policies and implemented a policy across all business segments to enhance our workplace safety measures. The ability to carry out work safely while continuing to deliver quality products and services to our customers remains a key priority. Any lapse in safety performance may adversely affect the Group's reputation, which is an invaluable asset that could be compromised if trust is eroded due to safety incidents.

Opportunities

Our on-going research and development of our heat-exchangers and condensing units put us at the forefront of our industry. Through continuous enhancement of our products and technical know-how, we are able to leverage new technologies to expand into new markets and industries. In FY2025, the Group secured another order for an industrial-grade carbon dioxide (CO₂) project using CO₂ as natural gas refrigerants. These not only increase the energy efficiency of the system delivering higher coefficient of performance ("COP") but also offer more environmentally friendly alternatives to conventional refrigerants.

In FY2025, Far East Group became a winner of the LowCarbonSG Awards, alongside the Global Compact Network Singapore (GCNS) Summit. The LowCarbonSG Programme, launched in 2021 with support of NEA and EnterpriseSG, is a nationwide capability-building programme for businesses to develop the habit of measuring, tracking and reducing their GHG emissions. Being a winner of the award is a significant recognition of the Group's efforts to making the environment better. It validates our team's hard work and conscious efforts to do what's right as we champion sustainable energy and resource management, foster employee growth, and uphold good governance.



Scenario-based Analysis

The Group recognises the importance for strong action plans to improve climate resilience. The scenario-based analysis should be read in conjunction with the other core pillars in this Report. Following the identification of climate-related risks that may affect the Group, we assessed the impact of scenarios where the change in climate temperature exceeds the 2°C target. While a quantitative assessment has not been undertaken, the Group, intends to further mature its climate-related disclosures by enhancing its scenario analysis over time, including, where practicable, an assessment of the potential operational and financial implications of selected physical and transition risk scenarios.

Being in the HVAC&R and ACMV industry, adverse climate change may affect our customer demands for our products and services, including greater demand for cooling solutions as well as ACMV maintenance services. However, beyond potential business opportunities, the Group is conscious of its responsibility to minimise environment impact and safeguard the well-being of our employees. At temperatures fluctuating within the 2°C range, we would have to place greater emphasis on maintaining safe working conditions, including encouraging more frequent hydration and monitoring the health and safety of our employees. At this stage, no immediate impact on our operations and products are expected as we have been constantly making improvements to our product lines.

In scenarios where temperature exceeds the 2°C range, more significant operational adjustments may be required, including potential changes to working hours, scheduling work during cooler periods of the day (i.e. in the evenings). In terms of products, greater efficiency would be demanded as energy to reduce ambient temperatures would rise significantly. The Group is currently assessing such situations and carrying out research and development of products to cater to such scenarios.

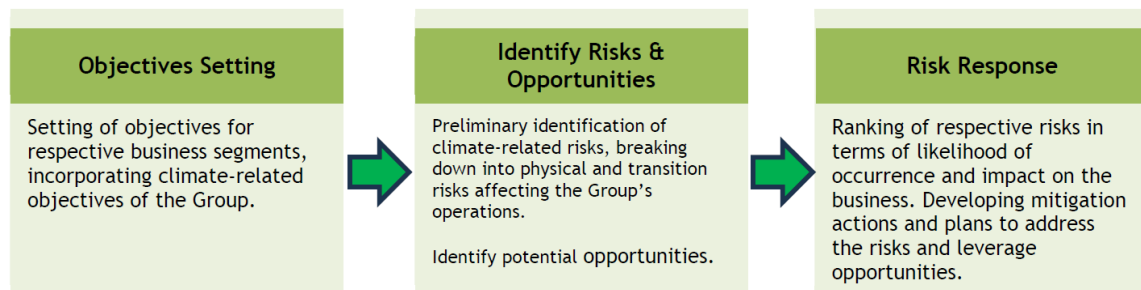
Climate-related risks and opportunities are integrated into the Group's Enterprise Risk Management Framework (the "**Framework**"). Relevant risks are identified, assessed and monitored by Management, reviewed by the Board Sustainability Committee, and escalated to the Board where significant to strategy, operations or financial performance. The Framework incorporates the sustainability risks identified in the materiality assessment carried out by management. The Board also receives regular assurances from the CEO, CFO and key management personnel that the Company's risk management and internal control systems are adequate and effective.

The solar panels installed at our regional headquarters continues to generate 1,292,304 kwh of clean renewable energy in FY2025, of which 896,555 kwh or 69.38% is consumed for our operations.

Risk Management

Climate change presents both opportunities and risks for the Group’s business. In both our refrigeration and the ACMV business, ambient temperatures significantly affect customers’ demands. The higher the ambient temperature, the higher the expectations for the equipment to work harder to bring down temperatures. As customers and end-users look to reduce their energy costs, there is growing demand for solutions that are energy-effective and energy-efficient. This emphasises the need for monitoring of equipment efficiency in delivering the required cooling performance. Given the Group’s position in the HVACR sector, key sustainability considerations include refrigerant transition, demand for higher energy efficiency, technology innovation, customer decarbonisation needs and evolving regulatory standards across the markets in which the Group operates.

The climate-related risks and opportunities identification process of the Group would be applied as below.



The shift in market expectations drives the Group to manufacture, and distribute energy-efficient products and low carbon solutions. Having upgraded our heat-exchangers to the latest G5 series, our research and development department continues to explore areas to further improve efficiency of our products. We continue to advance our development of racks and condensing units compatible with natural gases such as CO₂ and ammonia as these low-carbon technologies allow the Group to help our customers lower their carbon emissions, and contribute to long-term cost savings.

With the anticipated increase in carbon taxes to reach S\$45/tCO₂e in 2026 and S\$50-S\$80/tCO₂e by 2030, the Group faces increased pressure to decarbonise its operations and reduce its exposure to the carbon-related costs. The Group is actively evaluating its financial exposure and is identifying ways to mitigate financial risks associated with the evolving carbon pricing policies.

Metrics & Targets

The Group is committed to establishing realistic and achievable targets to address climate-related risks and to leverage on emerging opportunities presented as a result. We seek to build trust with the respective stakeholders by transparent and accurate disclosure of climate-related metrics and targets. In the short-term, the Group aims to explore ways to reduce our carbon emissions, with the long-term goal of achieving carbon neutrality although the exact timeline has not been firmed yet. Data on our GHG emissions is elaborated in the “Environment Performance” section of this Report.

8. Environmental Performance

8.1. Environmental Compliance

Why is it material? [3-1]

Environmental compliance is a critical aspect of the Group’s sustainability strategy. We are committed to complying with various applicable international policies and national environmental regulations. Recognising that non-compliance can result in regulatory penalties, reputational damage, and financial loss, we view environmental compliance as essential to the

long-term resilience and accountability of the Group. The HVAC&R industry plays a significant role in addressing global environmental challenges, particularly in reducing ozone-depleting substances and greenhouse gas (“GHG”) emissions. As a manufacturer and distributor of refrigeration and air-conditioning products, the Group recognises its innate responsibility to contribute to the objectives of the Montreal Protocol (1987).

Management Approach [3-3]

The Group ensures environmental compliance by working towards the targets set by the National Environment Agency (“NEA”) by gradually eliminating ozone-depleting substances from our operations and products. Moreover, the Group has developed a phased plan to discontinue the use of harmful refrigerants to ensure compliance with the evolving local environmental laws in its operating regions.

For example, the Group does not sell chlorofluorocarbon (“CFC”) refrigerants. We advocate responsible refrigerant management by encouraging customers to use recovery units instead of releasing gases into the atmosphere, during servicing and retrofitting processes. In addition, the Group holds regular engagement sessions with its end-users, through seminars and conferences, to raise awareness on environmental effects of phased-out refrigerants and sustainable alternatives.

To ensure regulatory compliance and further manage our overall environmental impact, the Group integrates ISO 14001:2015 (Environmental Management System) practices at its manufacturing facility in China. Strict compliance measures are enforced in operations, waste disposal, and chemical handling processes. This is affirmed and verified by internal audits, assessments and regular compliance checks.

Performance [2-27]

In FY2025, the Group maintains a strong track record in environmental compliance with zero cases of non-compliance with environmental laws and/or regulations and has not received any significant fines and/or non-monetary sanctions (FY2024: Nil). To support our efforts to transition to more eco-friendly refrigerants, our equipment for commercial applications is compatible with majority of these gases, including R448, R449A, and other natural gases.

Targets

Moving forward, the Group, led by the BSC, remains committed to environmental stewardship and continue to collaborate with regulatory bodies to adhere to evolving standards and regulations. We are committed to adhering to our roadmap for phasing out Hydrochlorofluorocarbons (“HCFC”) by 2030, in line with the Montreal Protocol’s targets, and maintain our zero record of environmental-related incidents, investigations and fines in the financial year ending 31 December 2026 (“FY2026”).

8.2. Energy Consumption

Why is it material? [3-1]

As an energy-intensive industry, refrigeration and air-conditioning contribute significantly to GHG emissions and global warming. Thus, energy efficiency is crucial for reducing the Group’s carbon footprint and mitigating climate-related risks. Rising energy costs and stricter environmental regulations further reinforce the need for proactive energy management to enhance cost savings and long-term business resilience.

Management Approach [3-3]

The Group is committed to managing energy consumption through a structured approach that includes the implementation of its Green Programme, which guides the development of sustainable and energy-efficient products in our portfolio. This is the core of our innovation and product development strategy. The next phase of our product development focuses on integrating

more environmentally friendly and natural refrigerants, such as ammonia and carbon dioxide, which have zero Ozone Depletion Potential (“**ODP**”) and low Global Warming Potential (“**GWP**”). These innovations will support the development of larger cold storage facilities and logistics warehouses, contributing to enhanced food security.

The Group continues to evolve with the changing demands of the market and has integrated various elements in our product offerings, including equipment, controls, and systems to provide comprehensive solutions that enhance energy performance and efficiency. Over time, we plan to expand our offerings to include energy monitoring products to help track and optimise consumption. To support this, we actively promote and showcase highly energy-efficient products alongside smart monitoring systems in our innovation center, located within our service center. This aims to raise awareness among our customers and amplify our indirect impact by encouraging more sustainable practices.

With FY2022 as the baseline year, the Group has made a dedication to transition towards a lower-carbon economy and achieving carbon neutrality. These efforts include solar energy generation, primarily from our operations in Singapore and the PRC, further reinforcing our commitment to sustainable and efficient energy management.

To track the effectiveness of its energy management initiatives, the Group continuously monitors energy consumption, GHG and the contribution of renewable energy sources in our facilities. Lessons learned from these initiatives are incorporated into operational policies and procedures, enabling continuous improvement in energy management strategies.

Engagement with stakeholders has played a crucial role in shaping the Group’s energy efficiency initiatives. Employees receive trainings on sustainable energy practices, while customers are educated on the benefits of energy-efficient solutions. Collaboration with suppliers ensures that sustainability considerations are embedded throughout the supply chain. Furthermore, regulatory compliance and investor engagement are key factors driving the Group’s efforts to align with international sustainability frameworks, such as the four key pillars of TCFD and ISSB.



An Elite condensing unit engineered and built by Elite Envirotech Co., Ltd.

Performance [302-1 and 302-3]

The Group's total electricity consumption increased by 155,503 kWh or 7% from 2,296,506 kWh in FY2024 to 2,451,559 kWh in FY2025 due to increased activities generally across most countries that we operate in and the inclusion of Myanmar in this Report. The amount of consumed renewable energy generated from solar panels installed in FY2025 was 896,555 kWh, which remained consistent with FY2024 at 900,776 kWh, and this offsets approximately 53.3% of the Singapore operation's reliance on non-renewable electricity from the national grid. Total renewable energy generated from the solar panels in FY2025 was 1,292,304 kWh compared to 1,333,105 kWh in FY2024 due to longer rainy weather conditions in Singapore. In line with the lower renewable energy generated, the amount of Renewable Energy Certificates (RECs) sold also decreased, from 432,331 kWh in FY2024 to 395,749 kWh in FY2025.



Regional headquarters covered with solar panels

Total Electricity Consumption	FY2024	FY2025
By operation:	kWh	kWh
Singapore	1,574,964	1,682,183
Electricity from National Grid	674,188	785,628
Electricity from Solar / Carbon Neutral Sources	900,776	896,555
Malaysia	103,169	105,316
China	605,782	638,913
Hong Kong	-	-
Vietnam	11,590	17,749
Indonesia	551	429
Myanmar *	NA	6,969
Total	2,296,056	2,451,559

* Myanmar is a newly included country in this Report. Accordingly, there is no comparison for FY2024.

Energy Sold	FY2024	FY2025
	kWh	kWh
Singapore	432,331	395,749
Total	432,331	395,749

Electricity consumption intensity increased slightly at the group level, from 23.25 kWh/S\$'000 in FY2024 to 27.48 kWh/S\$'000 in FY2025 as a result of the higher consumption and lower revenue.

Electricity Consumption Intensity	FY2024	FY2025
	kWh/S\$'000	kWh/S\$'000
Group	23.25	27.48

**Intensity values were computed using total energy consumption across all business units divided by the year-end revenue of the fiscal year for the entire group.*

Total fuel consumption reduced from 111,032 litres in FY2024 to 103,936 litres in FY2025. This reduction was contributed by Singapore and Malaysia.

Fuel Consumption	FY2024	FY2025
	Liters	Liters
Singapore		
Diesel	88,571	86,720
Petrol	2,810	-
Malaysia		
Diesel	11,191	9,007
Petrol	1,613	1,228
China		
Diesel	2,630	1,800
Petrol	4,217	5,181
Total	111,032	103,936

8.3. GHG Emissions and Intensity [305-1, 305-2, 305-3, 305-4, 305-5]

As electricity consumption is a key contributor to GHG emissions, the use of non-renewable energy sources will affect the Group's indirect emissions (Scope 2). The Group also has a commercial fleet for equipment deliveries, servicing, and maintenance, which primarily runs on diesel and petrol. This forms part of the Group's Scope 1 emissions. Please refer to the "Energy Consumption" section of this Report for the company's main approach to reducing its sources of Scope 1 and 2 emissions.

In the table below, we have restated FY2024 data due to updates on the emission factors used for FY2025. The total Scope 1 emissions from mobile combustion reduced from 292,737 kgCO₂e in FY2024 to 274,570 kgCO₂e in FY2025. This was mainly driven by lower diesel consumption in all countries where diesel is used. In FY2025, petrol is no longer consumed in Singapore. Emissions from petrol consumption decreased as compared to FY2024. Overall, emissions intensity increased from 2.96 kgCO₂e/S\$'000 in FY2024 to 3.08 kgCO₂e/S\$'000 in FY2025, primarily due to lower revenue relative to FY2024. In this Report, we have further differentiated the EFs based on geographical location to better reflect the relevance of each country's GHG.

The Group primarily tracks fuel consumption related to vehicle use under Scope 1. Emissions are calculated based on the specific type of fuel consumed. For more accurate representation of the emissions, the most appropriate emission factors ("EFs") based on respective countries are used. Where updated EFs are available, we will revise and restate the previous year data accordingly as reflected in this Report.

Scope 1: Mobile Combustion	FY2024		Restated 2024		FY2025		Reason for restatement
	kgCO ₂ e	kgCO ₂ e/S\$'000	kgCO ₂ e	kgCO ₂ e/S\$'000	kgCO ₂ e	kgCO ₂ e/S\$'000	
Singapore -							

FEG							
Diesel	234,984	2.38	235,736	2.39	230,810	2.59	Change of emission factor standard from IPCC 2006 in FY2024 to UK DEFRA. FY2025 EF:2.66155 (FY2024 EF:2.65305)
Petrol	6,506	0.07	6,575	0.07	-	-	Change of emission factor standard from IPCC 2006 in FY2024 to UK DEFRA. FY2025 EF:2.66155 (FY2024 EF:2.65305)
China							
Diesel	7,000	0.07	7,000	0.07	4,791	0.05	
Petrol	9,926	0.10	9,867	0.10	12,123	0.14	Update of emission factor standard from UK DEFRA 2024 to UK DEFRA 2025. FY2025 EF:2.33984 (FY2024 EF:2.35372)
Malaysia							
Diesel	29,690	0.30	29,785	0.30	23,973	0.27	Change of emission factor standard from IPCC 2006 in FY2024 to UK DEFRA. FY2025 EF:2.66155 (FY2024 EF:2.65305)
Petrol	3,735	0.04	3,774	0.04	2,873	0.03	Change of emission factor standard from IPCC 2006 in

							FY2024 to UK DEFRA. FY2025 EF:2.33984 (FY2024 EF:2.31535)
Total	291,841	2.96	292,737	2.96	274,570	3.08	

In FY2025, total Scope 2 emissions increased across all operations other than Indonesia. Singapore contributed to the most significant increase in emissions, from 271,024 kgCO₂e in FY2024 (restated) to 315,822 kgCO₂e in FY2025, along with an increased in intensity from 2.74 kgCO₂e/S\$'000 in FY2024 to 3.54 kgCO₂e/S\$'000 in FY2025. This increase is due to a reduction in solar energy generated as a result of longer rainy weather conditions in Singapore in FY2025. China recorded the next biggest increased in emissions, from 340,268 kgCO₂e in FY2024 (restated) to 358,877 kgCO₂e in FY2025, with an increase in intensity from 3.45 kgCO₂e/S\$000 in FY2024 to 4.02 kgCO₂e/S\$000 in FY2025 as a result of increase in operational activities.

All activity sources under Scope 2 are derived from non-renewable energy sourced through national grids, with the exception of the FEG – Singapore site, which utilises renewable energy from solar sources. Emission factors for Singapore were sourced from the EMA 2024. For Malaysia operations, emission factors were based on ECSEB Malaysia 2022 recommendations. For China operations, emission factors were sourced from the Ministry of Ecology and Environment (“MEE”) of China. For Vietnam operations, emission factors were sourced from DCC Vietnam 202. Indonesia’s emission factors were obtained from Kementerian ESDM 2021 and Myanmar emission factors were from IGES. There was no usage in Hong Kong as the operations have transitioned to a home-based office.

Emission factors used for energy sold were tracked for offsets, using the negative equivalent of the emission factors for Scope 2 – location based.

Scope 2: Location -based	FY2024		Restated FY2024		FY2025		Reason for restatement
	kgCO ₂ e	kgCO ₂ e/ S\$'000	kgCO ₂ e	kgCO ₂ e/ S\$'000	kgCO ₂ e	kgCO ₂ e/ S\$'000	
Singapore	273,518	2.78	271,024	2.74	315,822	3.54	Update of emission factor standard from EMA 2022, FY2024 EF:0.4057 to EMA 2024, FY2025 EF:0.402
Malaysia	70,307	0.71	69,287	0.70	71,228	0.80	Change of emission factor standard from IGES 2017, FY2024 F:0.6815 to

							ECSEB Malaysia 2022, FY2025 EF:0.774
China	479,840	4.86	340,268	3.45	358,877	4.02	Update of emission factor standard from China Mee 2019 FY2024 EF:0.7921 to China Mee 2022, FY2025 EF:0.5617
Hong Kong	-	-	-	-	-	-	
Vietnam	10,708	0.11	7,640	0.08	11,700	0.13	Change of emission factor standard from IGES 2021, FY2024 EF:0.9239 to DCC Vietnam 2023, FY2025 EF:0.6592
Indonesia	440	0.004	441	0.004	343	0.004	
Myanmar	NA	NA	NA	NA	2,753	0.03	
Total	834,813	8.45	688,660	6.97	760,724	8.52	

* Myanmar is a newly included country in this Report. Accordingly, there is no comparison for FY2024.

Energy Sold	FY2024	Restated FY2024	FY2025	Reason for restatement
	kgCO₂e	kgCO₂e	kgCO₂e	
Singapore	175,397	173,797	159,091	Update of emission factor standard from EMA 2022 in FY2024 to EMA 2024 in FY2025 EF:0.402 (FY2024 EF:0.4057)
Total	175,397	173,797	159,091	

The Group has commenced the assessment of relevant Scope 3 emissions categories and will progressively refine data collection and calculation methodologies. Future reports will provide additional information on category prioritisation, data coverage, methodological assumptions and implementation milestones. EFs were derived from the USEEIO 2024 database, employing

a spend-based calculation approach. In FY2025, the EF standard was changed to NAICS for better representation.

Scope 3: Category 1 - Purchased Goods and Services	FY2024		Restated FY2024		FY2025		Reason for restatement
	kgCO ₂ e	kgCO ₂ e/ S\$'000	kgCO ₂ e	kgCO ₂ e/ S\$'000	kgCO ₂ e	kgCO ₂ e/ S\$'000	
Vietnam - Far East Refrigeration	66	0.001	68	0.001	164	0.002	Change of emission factor standard from USEEIO 2024, FY2024 EF:0.214 to NAICS 2024, FY2025 EF:0.214

Emissions from waste generated in operations cover non-hazardous waste, which is managed through various disposal methods.

Scope 3: Category 5 -Waste Generated in Operations	FY2024		FY2025	
	kgCO ₂ e	kgCO ₂ e/ S\$'000	kgCO ₂ e	kgCO ₂ e/ S\$'000
Singapore - FEG	77,962	0.79	76,924	0.86
China	NA	NA	13,025	0.15
Total	77,962	0.79	89,949	1.01

* Waste generated from operations in China is newly included in this Report. Accordingly, there is no comparison for FY2024.

Targets

We will continue to reduce our dependence on conventional energy sources, with the installation of solar panels and new technologies. In addition, periodic review and assessment of our processes will be done to allow us to innovate and improve our operation's efficiency across the Group, and subsequently, reduce GHG emissions.

8.4. Waste Generation

Why it is material [3-1]

Effective waste management is essential to minimise our environmental footprint and comply with local regulations. As a manufacturer and distributor, reducing waste across our operations supports resource efficiency, safeguards community health, and reflects our commitment to sustainable practices. At present, certain facilities do not split our waste by materials. The Group will continue to improve waste data quality and granularity, including the segregation of waste streams, distinction between hazardous and non-hazardous waste where relevant, and identification of disposal and recovery pathways.

Management Approach [3-3]

To better monitor our waste, the Management requires the subsidiary companies within the Group to start tracking the type of waste disposed. A further refinement of data captured will be disclosed in subsequent sustainability reports.

Performance [306-3]

The general non-hazardous waste generated in Singapore decreased slightly from 138,970 kg in FY2024 to 137,120 kg in FY2025. Total non-hazardous waste increased from 138,970 kg in FY2024 to 220,417 kg in FY2025, primarily due to the inclusion of non-hazardous waste data from China; this data was not available in FY2024.

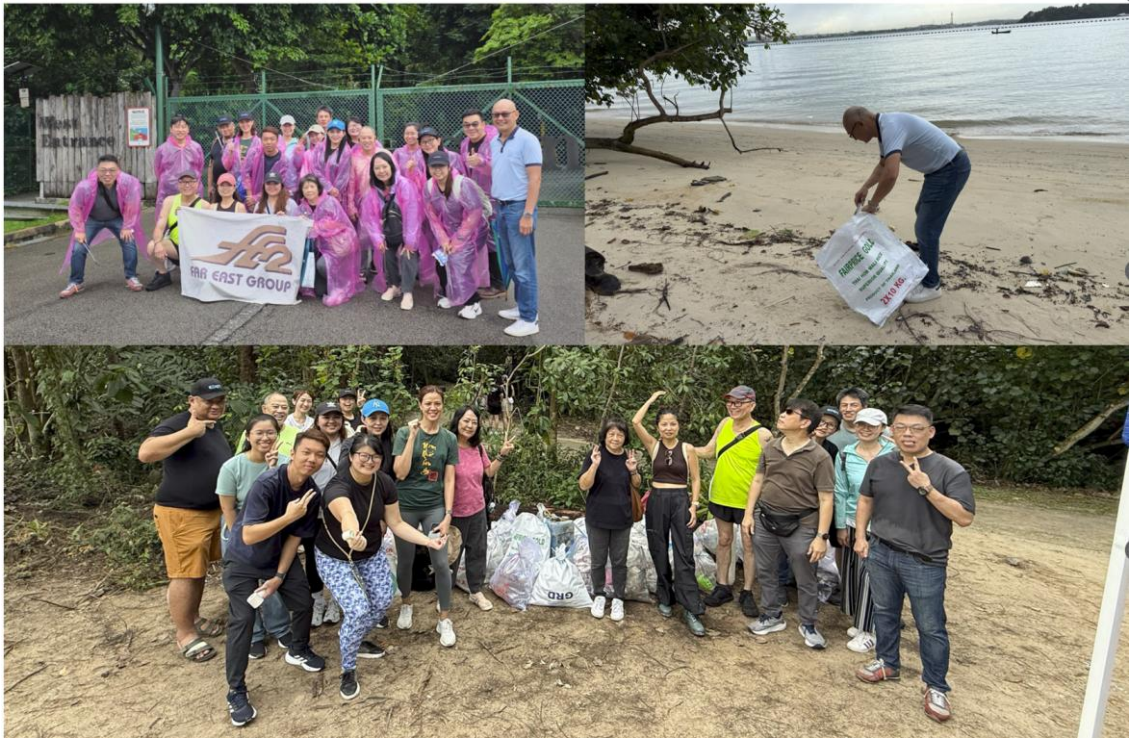
Non-Hazardous Waste (kg)	FY2024	FY2025
Singapore - General Waste	138,970	137,120
China – Recovered and General Waste	NA	83,297
Total Waste Generated	138,970	220,417

** Waste generated from operations in China is newly included in this Report. Accordingly, there is no comparison for FY2024.*

Environmental Stewardship - Voluntary Environmental Initiative

In FY2025, as part of the Group's Corporate Social Responsibility ("CSR") initiatives, we conducted our first beach cleaning exercise at Coney Island, covering an area of 500 meters of the beach. A total of 89kg of waste was collected, of which 87kg are plastics and 2kg are debris and styrofoam. This exercise achieved the objectives of (1) raising awareness of the impact of marine waste on marine biodiversity, environmental and ecosystem health, and (2) highlighting the significant amount of waste that can accumulate even within a small area, and thereby reinforcing the importance of environmental stewardship. The waste collected were disposed by National Environment Agency (NEA) by incineration. The activity involved 20 staff, contributing approximately 80 volunteer hours in total.

The waste collected does not add to the Group's computation of waste in this Report as it is not waste generated from the Group's operations.



Targets

The Group aims to start creating awareness within the Group by highlighting the importance of effective waste management to our staff. Examples of certain sustainability observances to create such awareness may be World Earth Day, World Nature Conservation Day, etc.

9. People

9.1. Human Capital Development

Why it is material [3-1]

The Group recognises that human capital development is essential for business sustainability and long-term success. Since the Group operates within the technical industry, it faces ongoing challenges such as a shortage of skilled and talented employees, with in-depth industry knowledge and technical expertise. In addition, there are risks associated with employee attrition, whether voluntary or involuntary, and rising recruitment costs. These can impact operational efficiency, succession planning, and workforce morale.

Headcount of employees for the Group as of 31 December 2024 and 2025 [2-7, 2-8, 401-1]

	Male		Female		Total	
	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025
Permanent Contract	271	209	91	91	362	300
Temporary Contract	53	63	21	20	74	83
Total	324	272	112	111	436	383

	Male		Female		Total	
	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025
Full-time	323	271	112	110	435	381
Part-time	1	1	0	1	1	2
Total	324	272	112	111	436	383

Management Approach [3-3]

As we believe that human capital is the driving force to our Group's success, the Group has implemented structured career development programs, skills training, and competitive benefits to attract and retain our talents. The Group is committed to managing human capital through a structured approach that includes training, employee engagement, and workplace safety initiatives.

Training and Development

The Group recognises that training and development are vital to human capital development. Investing in our employees' skills and career progression ensures a highly competent and motivated workforce, allowing us to achieve our business goals and success. The company has implemented several programs aimed at upgrading employee skills and providing transition assistance to ensure continued employability and smooth career endings. These initiatives include comprehensive training workshops, online learning modules, and mentorship programs designed to enhance both technical and soft skills. Each employee has their individual development plans, with various training programs and annual appraisals. These programs are tailored to equip our employees with technical knowledge, leadership skills, and other competencies, to ensure they are well-prepared to navigate their roles and increase overall productivity. Regular performance reviews are conducted to evaluate the progress of our employees and recognise individual contributions to the Group.

Additionally, the company offers career counselling, job placement services, and financial planning workshops to support employees during transitions such as retirement or termination. These programs are integral to fostering a skilled workforce and maintaining employee morale and retention.

Some of the trainings attended by our employees in FY2025:

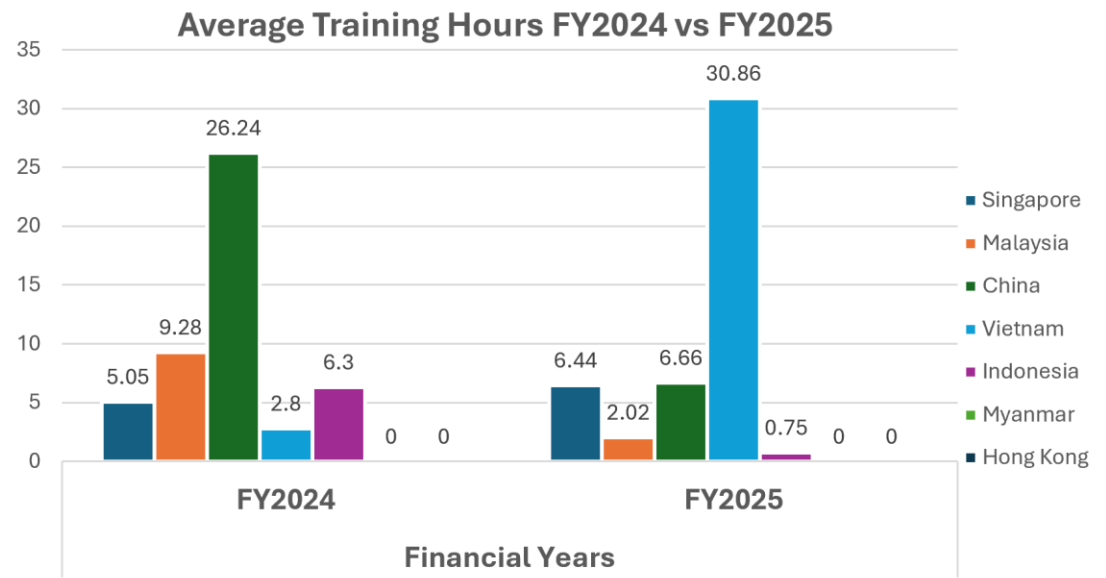
- Apply workplace safety and health in construction sites
- Safety Operating Procedures Training
- Hazardous Chemicals Handling Safety Training
- Risk Identification and Control Training
- ESG Sustainability Reporting in Accordance to International Sustainability Standards Board (ISSB) for Audit & Regulatory Compliance
- ESG Gap Analysis Training
- Maximizing Group & Personal Insurance
- Building a Sustainable Workforce

Performance [404-1 and 404-2]

To track the effectiveness of these initiatives, the Group monitors key indicators such as training hours per employee, employee turnover rates, and participation in upskilling programs. Annual performance appraisals and employee feedback mechanisms help assess the impact of these initiatives, ensuring continuous improvement.

Since FY2024, training programs were expanded, with senior management and even the Board attending courses and company visits to further their understanding of and to add value to the Group's business.

The average training hours based on geographical region in for FY2024 and FY2025 are as follows:



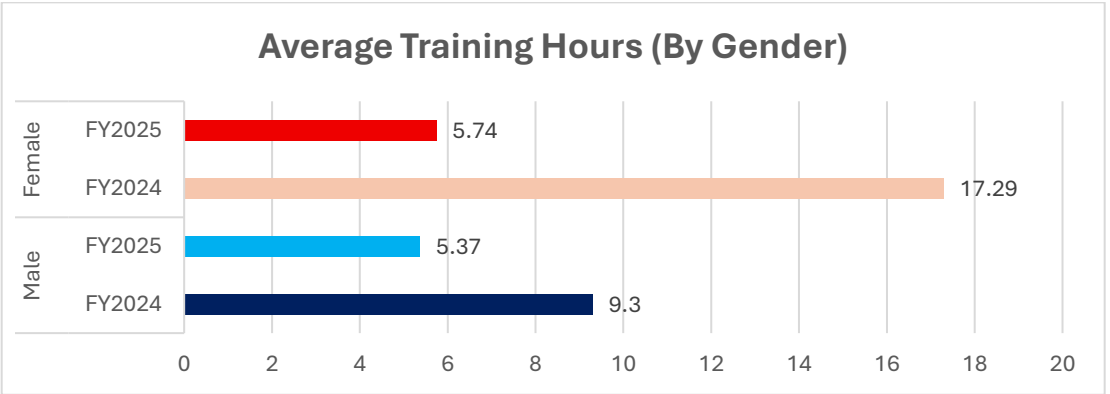
*Average training hours is computed as total training hours of the country divided by the number of employees from that country.

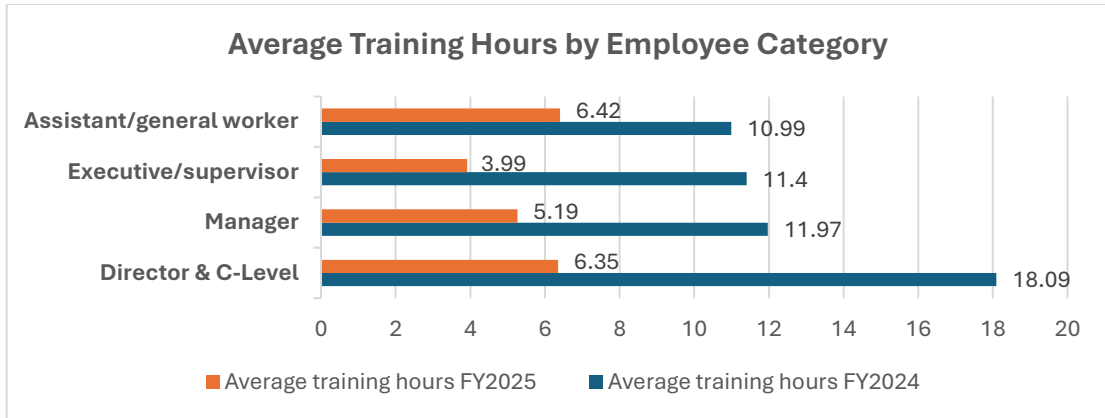
Reasons for the significant fluctuation in training hours:

The reduction in training hours in China was primarily driven by several company-wide training program conducted in FY2024 which were non-recurring and not delivered on an annual basis. This contributed to a reduction of more than 2,000 training hours in China in FY2025. In Malaysia, training hours declined mainly due to the completion of mandatory training related to the nationwide e-invoice system implemented in FY2024 which contributed 240 hours. Malaysia and Indonesia had also participated in Groupwide training program in FY2024, which were not repeated in FY2025.

Vietnam increased its training hours in FY2025 mainly due to a significant number of new staff who joined in FY2025. The key types of training involved technical training and product training, each contributing 96 hours.

The average training hours based on gender and employee category in FY2024 and FY2025 are as follows:





Performance [401-1]

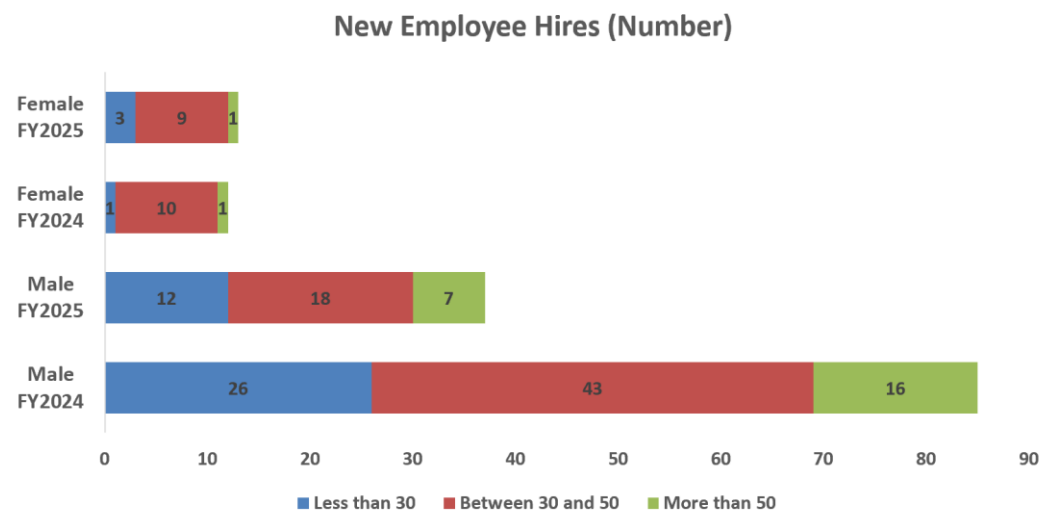
The Group recognises the importance of its employee’s well-being, and has implemented various programs to support a positive and supportive work environment. Competitive remuneration packages and benefits programs, such as comprehensive health and insurance benefits, are offered to promote employee satisfaction. In addition, employees are given flexible work arrangements, including work-from-home option and staggered work hours, depending on the nature of the work.

With the enforcement of the Workplace Safety and Health Safety Act and implementation of the Flexible Work Arrangement (“FWA”) Requests in Singapore, the Group has reviewed staff benefits and safety standards of the respective entities to ensure compliance with the Act. The Group has enacted a FWA Policy in compliance with the requirements in Singapore.

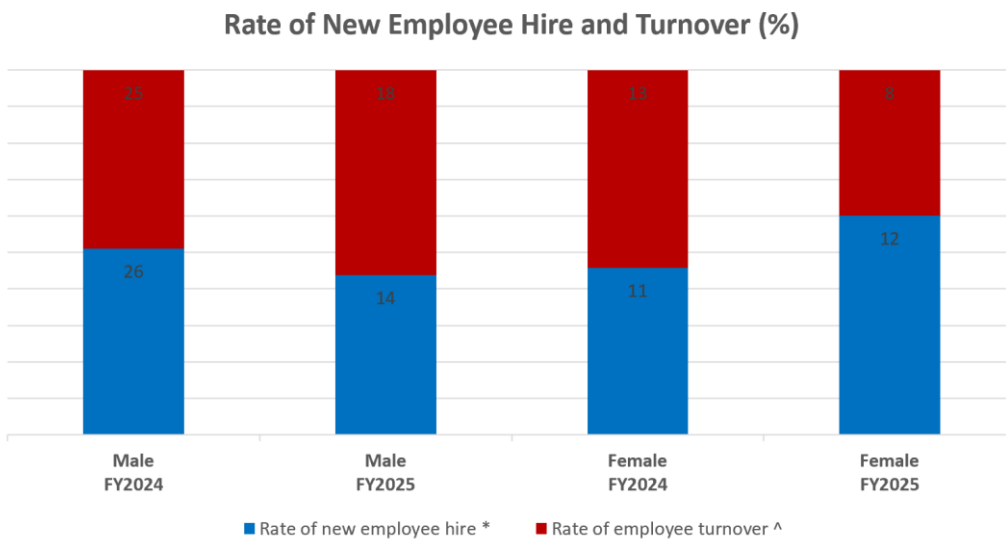
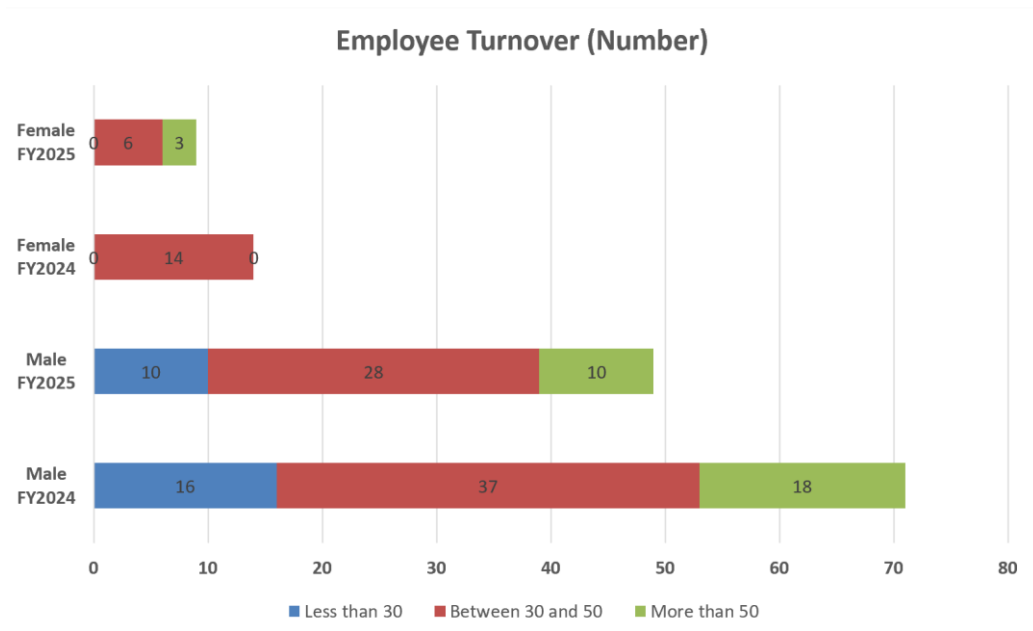
Targets

The Group aims to strengthen its succession planning, expand technical training programs, and improve workforce retention strategies. The Group continues to review its long-term targets for employee development, including its benefits and wellness programs. By continuously investing in human capital, Far East Group remains committed to fostering a skilled, engaged, and resilient workforce that supports sustainable business growth.

Our **new hire and turnover rates** are as follows:



**The rate of employee hire is computed by dividing the number of new hires in each age group by the total number of employees in each age group at the end of the financial year.*



*The rate of employee hire is computed by dividing the number of new hires of each gender by the total number of employees of each gender at the end of the financial year.

^The rate of employee turnover is computed by dividing the number of employee turnover of each gender by the average number of employees of each gender in the financial year.

10. Occupational Health and Safety [403-9]

Why it is material [3-1]

Workplace safety is a fundamental responsibility and a core part of our values of the Group. We recognise that any failure in this area can result in significant reputation risk and operational disruption. By fostering a safe and conducive working environment through our support in employee growth and development, it enhances overall productivity and ensures compliance with regulatory requirements. We strive to uphold our efforts in maintaining high standards of occupational health and safety to minimise the risk of work-related injuries and liabilities.

Management Approach [3-3]

The Group is ISO 45001:2018 (Occupational Health & Safety Management System) certified. The Group enforces strict compliance with safety regulations and government standards in all our facilities. There are regular safety briefings, training sessions, and audits conducted to reinforce best practices to ensure compliance with regulatory requirements. We designate key personnel to oversee workplace safety, such as dedicated onsite safety officer along with an outsourced fire safety manager. These individuals are responsible for implementing and monitoring safety protocols, conducting regular toolbox meetings, inspections and facilitating defibrillator and fire drills. Safety policies are regularly assessed and reviewed to ensure ongoing effectiveness. Preventive measures are implemented, and issues are proactively addressed. To further enhance workplace safety, new safety protocols for high-risk operations were introduced to mitigate potential risks effectively.

Performance [403-9]

No high-consequence or fatal injuries were recorded in FY2025 (FY2024: Nil), reflecting the effectiveness of ongoing safety initiatives. Continuous improvement measures, including enhanced training and safety inspections, were implemented to reinforce the Group's commitment to workplace safety. Safety officers are also deployed to oversee and ensure adherence to all safety protocols. Our workers have also been sent for courses in workplace safety and health, especially metal works and on construction sites. Additionally, certain safety training courses include assessments to verify participant understanding, with successful completion required to pass the course.

All sub-contractors are engaged on a back-to-back basis in accordance with the terms and conditions imposed by the main contractors. These contracts include specific clauses requiring full compliance with applicable Workplace Safety and Health (“**WSH**”) regulations and guidelines.

Targets

We are committed to strengthening our safety culture by continuously developing, implementing, and refining campaigns that educate and empower employees on best safety practices. Through these initiatives, we aim to reinforce awareness, enhance workplace safety, and sustain our target of zero high-consequence or fatal injuries.

11. Marketplace

Product Quality, Health and Safety

Why it is material [3-1]

Maintaining product quality and safety are critical to the Group's reputation and business success. Compliance with health and safety standards ensures consumer trust, reduces legal and financial risks, and aligns with regulatory requirements. Any issues regarding the functionality of our products or any harm to the health and safety of our customers on product usage can result in a significant loss of customers.

Management Approach [3-3]

The Group adheres to stringent quality assurance protocols to ensure product safety. Regular audits and supplier assessments are conducted to uphold quality standards, and a dedicated response mechanism is in place to address customer concerns efficiently.

In addition, the Group invests heavily in research and development to drive continuous innovation, align with market trends, advancing HVAC&R technologies and integrate sustainable technologies that address evolving customer needs. This includes developing eco-friendly products and solutions that align with our sustainability goals.

To uphold our commitment to sustainability and achieving our long-term goal of Net Zero emissions, we introduced a series of industrial unit coolers designed to operate using natural refrigerants such

as carbon dioxide and ammonia in 2023. These refrigerants offer significant advantages, including low GWP and zero ODP, making them instrumental in addressing climate-related challenges.

Furthermore, these efforts align with international agreements, including the Montreal Protocol and the Kigali Agreement, where the Montreal Protocol is focused on ozone depletion, the Kigali Amendment targets climate change through the control of HFC emissions. We remain committed to minimising our operational impact and contributing to a more sustainable future.

Performance [416-2]

In FY2025, no recorded cases of non-compliance were reported in relation to product health and safety (FY2024: Nil). The Group also expanded its range of eco-friendly refrigerant solutions to align with sustainability goals.

Traditional equipment offered by the company is generally not associated with significant safety risks. However, newer technologies—such as refrigeration systems using CO₂ or ammonia as refrigerants—may present potential hazards due to the high pressure of CO₂ or the toxicity of ammonia. To mitigate these risks, the Group ensures that such systems are equipped with appropriate safety features, including sensors for leak detection and real-time alert mechanisms. Comprehensive training is provided to contractors for proper installation and to end-users for the safe operation of these systems.

In the event of product failures or customer complaints, concerns are escalated internally through established protocols. The company ensures that all customer issues are addressed promptly and effectively to maintain product safety and customer satisfaction.

Targets

We will continue to strengthen health and safety measures in our products, refining our approach to ensure compliance and uphold our target of zero non-compliance incidents in FY2026.

12. Corporate Governance and Business Ethics

12.1. Ethical Business Conduct and Anti-Corruption [205-1, 205-2, 205-3, 2-23, 2-24, 2-25, 2-26, 2-27]

Why it is material [3-1]

Maintaining ethical business practices is essential for protecting stakeholder trust and ensuring long-term business integrity. Corruption, bribery, and unethical behavior pose significant risks to businesses, including legal penalties, reputational damage, and financial losses.

The Group is committed to transparency, accountability, and enforces anti-corruption measures in all markets where we operate. We ensure robust policies, risk management, and reporting mechanisms in place.

Management Approach [3-3, 2-23]

We uphold a zero-tolerance policy on corruption and bribery, guided by our Code of Ethics and Conduct (the “**Code**”) and Whistleblowing Policy. All employees are briefed on the Code when they join the Group and are required to strictly adhere to it. Disciplinary action will be taken against any employee who is found to have violated the Code. In addition, we also have a Whistleblowing Policy for any stakeholder to report any suspected fraudulent acts or non-compliance confidentially without fear of reprisals. Such reports will be made to the Chairman of the Audit Committee. Any complaints received will be reviewed and an investigation carried out with appropriate follow-up actions taken.

Performance [205-3, 2-24, 2-25, 2-26, 2-27]

Training programs are regularly conducted to raise awareness and refresh knowledge on data security, environmental compliance, and ethical business conduct, reinforcing the company’s

commitment to responsible business practices and long-term corporate integrity. In FY2025, we enhanced our anti-corruption framework, strengthening risk assessments, training, and reporting channels. There has been no incidence of whistleblowing and corruption in FY2025 (FY2024: Nil) and no reports of non-compliance with applicable environmental and socioeconomic laws and regulations in FY2025 (FY2024: Nil). As part of the Group's ESG compliance, training on anti-bribery and corruption compliance, all key executives of the Management team have been trained on the United States' Foreign Corrupt Practices Act 1977 ("**FCPA**").

Targets

Far East Group Limited remains committed to strengthening ethical governance and anti-corruption measures. Our key priorities include:

- Conducting 100% corruption risk assessments across all operations to ensure compliance.
- Enhancing anti-corruption training for all employees and business partners to reinforce ethical practices.
- Strengthening our whistleblowing mechanism to encourage transparency and accountability.
- Regularly reviewing and updating policies to align with international best practices and regulatory requirements.

By maintaining a strong ethical foundation, we uphold our commitment to responsible business practices, stakeholder trust, and long-term corporate integrity. We strive to prevent the occurrence of fraud and corruption in our operations by continually reviewing and updating our internal controls and procedures.

12.2. **Cybersecurity and Data Protection [418-1]**

Why it is material [3-1]

As the Group handles sensitive business and customer information, data protection and cybersecurity are critical to maintaining trust and ensuring compliance with privacy regulations. With increasing digital transactions and reliance on technology, businesses face growing threats from data breaches, cyberattacks, and regulatory non-compliance. We prioritise data security, privacy protection, and risk mitigation to prevent breaches and unauthorised access.

Management Approach [3-3]

The Group implements strict cybersecurity measures, regular system monitoring, and employee training to safeguard sensitive data. We are guided by the Personal Data Protection Act in Singapore to protect the privacy of our customer data. Our data is stored in an Enterprise Resource Planning ("**ERP**") system which runs on a cloud server and is protected under network security which only accessible by our own employees. We conduct regular internal audits and risk assessments to ensure compliance with relevant privacy regulations. By continuously strengthening our IT infrastructure and security protocols, we reduce cyber risks and enhance data protection.

Performance [418-1]

We have not received any substantiated complaints concerning data leakages or breaches of customer personal data in FY2025 (FY2024: Nil).

We have proactively engaged a professional external party to conduct penetration tests to check the vulnerability of our IT systems to provide the management with an assessment of areas for improvement in terms of our IT hardware, software and systems as in the previous year. While we faced cybersecurity threats such as spam and phishing mails, these were promptly addressed and blocked by the security systems in place, preventing access to our systems. We enhanced firewall protection, access controls, and monitoring systems while conducting threats.

In FY2025, we continued to proactively tackle issues focusing on key areas such as endpoint security, email security and web security. In addition, training was also provided to the employees of the Group to raise security awareness and to refresh their knowledge of data security and protection and digital threats. Our commitment to safeguarding our systems and data remains unwavering.

Targets

We strive to maintain our zero high risk breach record by being vigilant in our review of our risk exposure to cyberattacks and taking the necessary steps to upkeep our system security. We aim to continuously improve cybersecurity by investing in advanced security technologies, regular system upgrades, and compliance with evolving regulations. Our commitment is to maintain data security, prevent breaches, and uphold the highest standards of privacy protection.

12.3. Executive Compensation and Pay Structure [2-21]

The Group ensures that its remuneration framework is fair, competitive, and aligned with business performance, supporting long-term value creation and corporate governance principles. The Remuneration Committee (“RC”) oversees compensation policies, ensuring they balance fixed pay, performance-based incentives, and market benchmarks while promoting sustainable business growth.

We remain committed to transparency and responsible pay practices. Moving forward, we will continue to align compensation with performance including the achievement of ESG related targets, enhance disclosure clarity, and ensure fair and sustainable remuneration policies. Please refer to pages 26-27, 109, and 111 of the Annual Report for more information.

13. Financial Resilience [201-1, 201-2, 201-3, 201-4]

Why it is material [3-1]

We recognise that financial resilience is the key to ensuring long-term success and strong economic performance is more than just maintaining stability—it is about adaptability, strategic growth, and the ability to turn challenges into opportunities. A strong financial foundation allows us to adapt to market changes, invest in innovation, and continue delivering value to our employees, customers, investors, and the communities we operate in.

In today’s uncertain economic climate, with rising costs, evolving regulations and climate-related financial risks, we remain focused on staying agile. By managing our financial resources effectively, we ensure that we not only withstand challenges but also leverage opportunities for sustainable growth.

Financial resilience enables us to maintain operational efficiency, explore new markets, and invest in sustainability initiatives, ensuring that our business leads in the transition toward a more sustainable, energy-efficient future while also creating lasting value for all our stakeholders.

Management Approach [3-3]

The Group ensures financial resilience through strong governance, prudent and efficient cost management, and strategic investments. We optimise resources, maintain liquidity, and assess risks to sustain profitability while adapting to market changes. Our focus includes investing in energy-efficient solutions, expanding revenue streams, and exploring green financing to align growth with sustainability. Through disciplined financial planning, we strengthen our ability to navigate challenges and create long-term value.

Performance [201-1, 201-2, 201-3, 201-4]

In FY2025, the Group navigated a challenging economic landscape. Revenue dropped to \$89.20 million from \$98.74 million in FY2024 mainly due to the Engineering Solutions

segment where key projects approaching completion during the year while the ramp up of the newer awarded contracts had not commenced. Economic value stood at S\$70.2 million, ensuring sufficient resources to reinvest in business development and sustainability initiatives.

13.1. Economic Value Generated & Distributed [201-1]

	FY 2024 S\$'000	FY 2025 S\$'000
Economic value generated (Sales)	98,743	89,197
Economic value distributed:	14,491	14,432
- Salaries and wages	669	785
- Taxes	5,675	5,356
- Operating costs *		
Economic value retained	77,908	68,624

* Operating costs refer to the operating expenses incurred in the financial year by the Group other than the salaries and wages as disclosed in the table above.

13.2. Employee Benefits & Retirement Plans [201-3]

We remain committed to ensuring financial security for our employees through competitive compensation and retirement benefits. We fully comply with Singapore's Central Provident Fund ("CPF") scheme and continue to explore additional financial wellness programs to support long-term workforce resilience.

13.3. Government Financial Assistance [201-4]

The Group continue to actively explore sustainability-linked loans and government grants to fund future investments in low-carbon technologies and operational efficiency projects.

Targets

Moving forward, we aim to strengthen financial resilience, grow revenue, and align investments with sustainability goals. We will expand into new markets, enhance cost efficiency, and scale up renewable energy adoption to manage rising carbon costs. Additionally, we will explore green financing and government incentives to support long-term growth across our operations.

Our Memberships, External Initiatives and Charters [2-28]

The Group actively participates in various industry associations and membership organisations, reflecting its commitment to sustainability and industry standards. These memberships enable the company to stay abreast of industry developments, adhere to best practices, and contribute to collective efforts in the industry. Participation in these associations also facilitates networking, knowledge sharing, and collaboration with peers, enhancing the company's ability to implement and advocate for best practices within the HVAC&R industry. Key memberships include the following:

1. ASHRAE (American Society of Heating, Refrigerating and Air-conditioning Engineers)
 - Chapter Singapore and Indonesia
2. BizSAFE Level 3
3. Singapore Chinese Chamber of Commerce and Industry
4. Chongqing Association of Refrigeration (重庆制冷协会)
5. China Association of Warehousing and Distribution (中国仓协央厨工业链分会)
6. Chengdu Cold Chain Logistics Commercial Association (成都市冷链物流商会)

GRI Content Index

Statement of Use: Far East Group has reported the information cited in this GRI content index for the period January 1, 2025 - December 31, 2025, with reference to the GRI Standards.		
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