Synergy Four Sdn Bhd

Private Company Report
Consumer Products & Services
Rating: Not Rated
Tuesday, July 14, 2026

Building Malaysia's Affordable Premium Champion

Oxwhite is a Malaysian apparel and lifestyle brand officially launched in 2018 by CK Chang, to bridge the gap in the local market for affordable, premium quality essentials designed specifically for Asian body proportions. The maiden launch of its brand only comprised of a single SKU, a white dress shirt which have been sold through a pre-order model. Today, the Company's product portfolio has expanded, ranging from menswear, womenswear, innerwear, loungewear and towels, operating an omnichannel model with six physical stores/consignment counters in Malaysia. Notably, the Company had successfully raised RM5.0m from 485 investors in 2019, a record ECF for Malaysia at the time, and is currently listed on the private secondary market through pitchIN's PSTX platform.

Business profile. Oxwhite operates a direct to consumer (DTC) model supported by an omnichannel distribution strategy. 75% of its revenue is contributed through online channels, comprising of its own website and e-commerce platforms such as Tik Tok Shop, Shopee and Lazada, with the remainder spread across its physical stores and consignment counters concentrated in Klang Valley and Sarawak. Since its inception, the company had expanded from one single SKU to over 200 SKUs, focusing on daily casual wear essentials, ranging from menswear, womenswear, innerwear and towels. The company positions itself within the affordable premium segment, offering high quality products with competitive pricing, tailored to Asian body proportions. Evidently, c.70% of its revenue comes from Klang Valley, with the remainder from Penang and Johor, highlighting that most of its customers concentrated in the urban market.

Investment highlights. Its affordable premium positioning is supported by rising disposable incomes and a growing preference for durability and value in everyday apparel, underpinning repeat purchases and customer loyalty. The DTC model also enhances margin efficiency by bypassing traditional retail intermediaries while enabling direct access to customer data for improved demand forecasting and targeted marketing. In parallel, its expansion into physical retail strengthens brand trust and conversion by allowing customers to experience product quality firsthand, complementing digital channels where discovery is increasingly driven by marketplaces and social commerce platforms.

Financials. Oxwhite has demonstrated strong growth, with revenue expanding at a robust CAGR of 21.6% from FY19 to FY24 to reach RM19.4m. This top-line performance is primarily driven by the e-commerce and marketplace platform segment, which contributes 75% of total revenue, followed by corporate sales at 15%, with the remainder derived from physical retail stores and consignment counters. Geographically, the Group maintains a concentrated footprint, with 75% of revenue originating from the Klang Valley. The balance sheet remains healthy, characterized by a disciplined gross gearing ratio of 0.14x, while operational efficiency is highlighted by an optimized average collection period of 7 days and a narrowing average age of inventory.

Key risks include: (i) intensifying competition and pricing pressure in fragmented market, (ii) macroeconomic sensitivity and discretionary demand exposure and (iii) retail expansion execution risk.

Company Logo

Business Overview

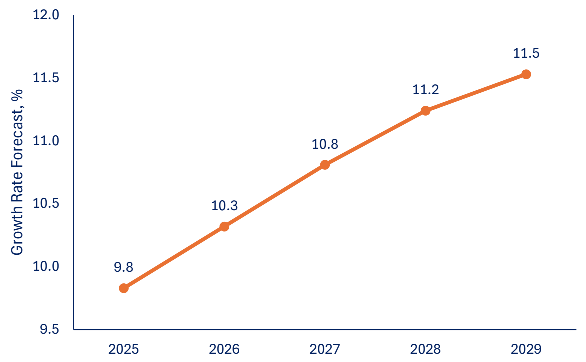
Oxwhite or Synergy Four Sdn Bhd is principally engaged in the business of wholesaling and online retailing in all kinds of garment, accessories, fashion and designer merchandise.

Company Information

Established	2010
Official Launch	2018
Founder	CK Chang
Headquarters	Cheras, WP Kuala Lumpur
Flagship Store	OXWHITE LaLaport

FYE Dec (RM m)	FY22A	FY23A	FY24A
Turnover	18.5	16.2	19.4
GP	8.3	7.0	6.0
EBITDA	0.9	0.1	0.2
EBIT	0.5	(0.3)	(0.2)
PBT	0.1	(0.9)	(1.0)
Net Profit	0.0	(1.0)	(1.0)
Core Net Profit	0.0	(1.0)	(1.0)
Net Gearing	*Net Cash*	*Net Cash*	*Net Cash*
ROA (%)	0.8	0.0	(6.1)
ROE (%)	2.3	0.1	(30.2)

Malaysia Apparel Market Growth Rate Forecast (%)



Source: 6Wresearch, Mercury Research

COTTON (USD/lb)

Source: Bloomberg, Mercury Research

Company Background

Oxwhite is a Malaysian direct to consumer (DTC) apparel and lifestyle brand operated under Synergy Four Sdn Bhd, a private company incorporated in 2010. Officially launched in 2018 by founder CK Chang, the brand was built on a straightforward yet compelling proposition: to bridge the gap in the local market for affordable, premium quality essentials designed specifically for Asian body proportions.

Rather than entering the market with an extensive product catalogue, Oxwhite adopted a disciplined and focused approach. Its debut offering consisted of a single SKU, a white dress shirt crafted from Supima cotton, sold through a pre-order model that enabled the company to validate demand before committing significant capital to inventory. The response exceeded expectations. Approximately 2,500 units were sold within hours of launch, while cumulative sales surpassed 10,000 shirts within the first month. More importantly, this early momentum provided clear evidence of product market fit and highlighted the untapped demand for digitally native essentials within Malaysia's mid premium apparel segment.

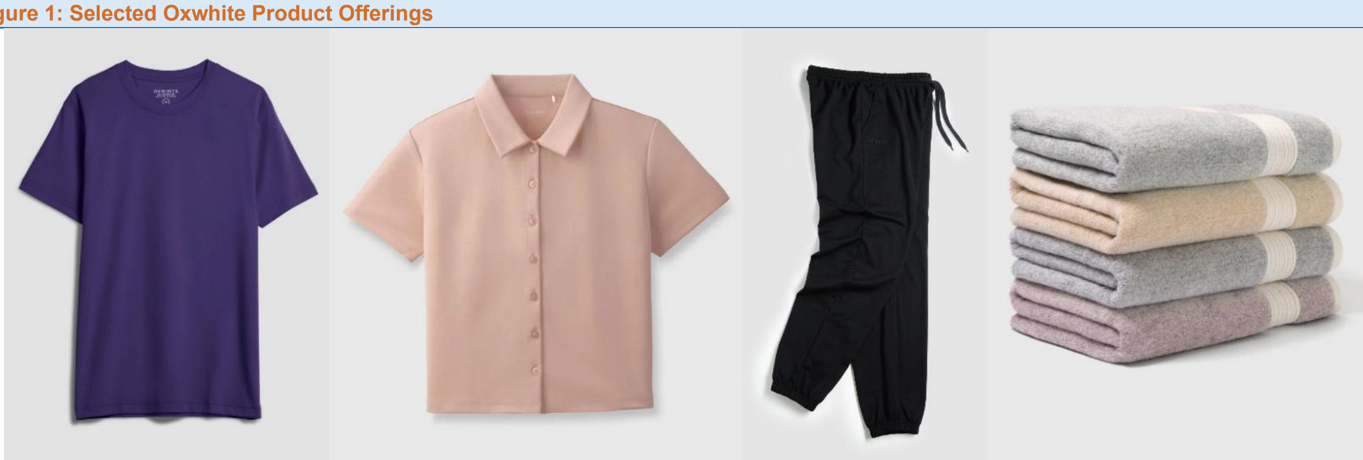
A defining milestone in Oxwhite's corporate journey came in 2019 through its participation in Malaysia's equity crowdfunding ecosystem via pitchIN. The campaign successfully raised approximately RM5.0m from 485 investors, making it one of the most heavily backed ECF deals in the country at the time. Beyond providing growth capital, the exercise elevated Oxwhite's profile within the local startup and investment community, transforming early supporters into a broad base of stakeholders with a vested interest in the brand's success. Based on campaign disclosures, the fundraising was conducted at an implied post money valuation of approximately RM22m, underscoring investor confidence in the scalability of its DTC business model and the strength of its brand proposition.

The RM5.0m equity crowdfunding proceeds raised via pitchIN in 2019 were primarily deployed toward growth-oriented initiatives. Based on company disclosures and management commentary, the capital was largely allocated to working capital requirements to support inventory scaling, alongside investments in marketing and customer acquisition to accelerate brand awareness and platform traffic. A portion of proceeds was also directed towards product development and category expansion beyond the initial core offering, as well as general operating expenses including team expansion and platform enhancements. Overall, the utilisation of proceeds reflects a typical early-stage direct-to-consumer capital deployment strategy, prioritising demand generation and inventory support rather than fixed asset investment.

Although Oxwhite remains privately held and is not listed on Bursa Malaysia, the company has some exposure to Malaysia's developing private secondary market through pitchIN's PSTX platform, which facilitates the trading of equity crowdfunding shares in private companies. While this should not be viewed as equivalent to a conventional public listing, it does provide a degree of indicative price discovery and limited liquidity for early investors, offering an additional reference point for market sentiment towards the business.

From these modest beginnings, Oxwhite has evolved into a multi category essentials platform. Its product portfolio today extends beyond shirts to encompass menswear, womenswear, innerwear, loungewear and towels, all unified by a philosophy centred on quality, functionality and everyday utility. In tandem with this expansion, the company has transitioned from a purely digital business into an omnichannel retailer, with distribution spanning its own e-commerce platform, major online marketplaces such as Shopee, Lazada and TikTok Shop, as well as selected physical retail locations in key Malaysian shopping malls. This progression reflects a deliberate evolution from digital validation to integrated retail execution, positioning Oxwhite to broaden its reach while balancing scalability, customer accessibility and conversion efficiency.

Figure 1: Selected Oxwhite Product Offerings



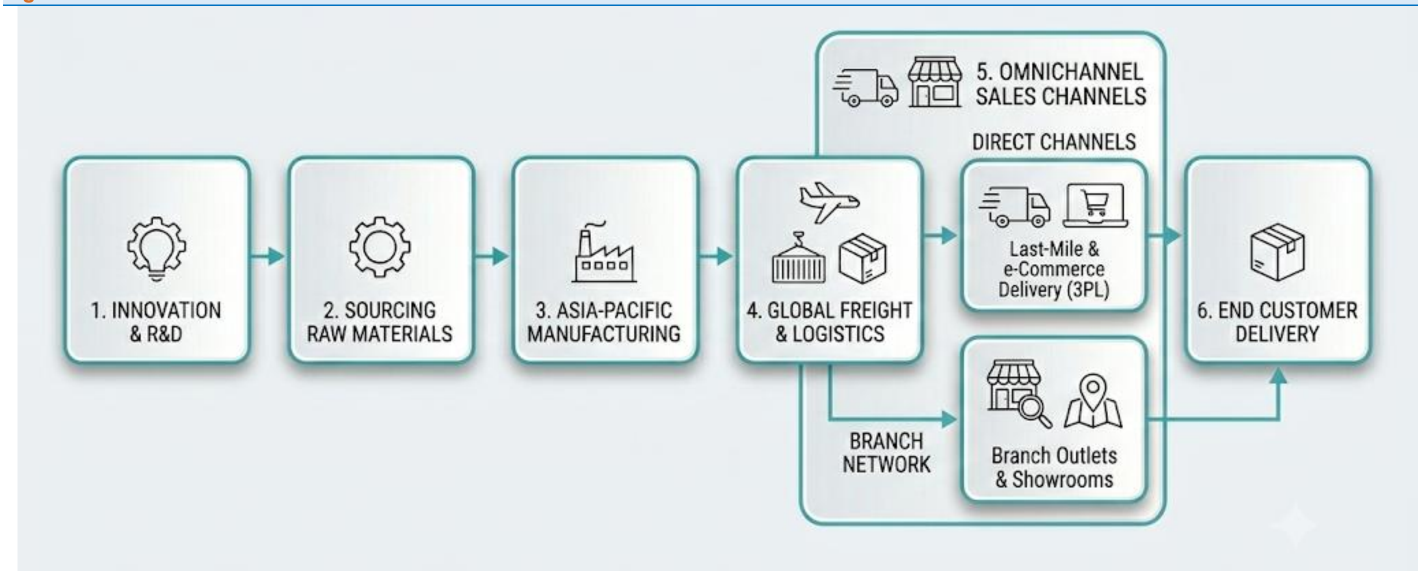
Source: Company

Business Overview

Oxwhite operates a vertically integrated direct to consumer (DTC) model, allowing the company to oversee the entire value chain from product conceptualisation and sourcing to marketing, sales and fulfilment. By reducing reliance on traditional intermediaries, the company is able to exercise greater control over product quality, brand positioning and customer experience, while maintaining competitive pricing within the affordable premium segment. This integrated structure also provides direct access to consumer insights and purchasing data, enabling management to respond more effectively to evolving customer preferences and optimise its product offering.

The company's distribution strategy is anchored by an omnichannel approach that integrates its proprietary e-commerce platform, third party marketplaces such as Shopee, Lazada and TikTok Shop, alongside a growing network of physical retail stores and consignment counters. Approximately 75% of total revenue is generated through digital channels, reflecting the continued strength of its online first operating model. Nevertheless, management views physical retail as a strategic complement rather than simply an additional sales channel. Beyond contributing incremental revenue, physical stores allow customers to experience product fit, fabric quality and comfort firsthand, strengthening brand trust and improving conversion, particularly among first time customers. Management also expects a larger retail contribution to improve pricing discipline, reduce reliance on paid digital customer acquisition and support healthier long-term margins. As illustrated in Figure 2, Oxwhite's integrated distribution network enables the company to deliver a consistent customer experience across both digital and physical touchpoints.

Figure 2: Oxwhite's Distribution Flow



Source: Company, Mercury Research

Oxwhite's product portfolio centres on everyday essentials rather than trend driven fashion. Its offerings span menswear, womenswear, innerwear, loungewear, towels, socks and home essentials, all designed around quality, durability and affordability. This focus on wardrobe staples results in higher repeat purchase frequency, lower markdown intensity and more predictable demand compared with seasonal fashion retailers. Management adopts a balanced portfolio strategy whereby essentials serve as the primary driver of customer acquisition, repeat purchases and long-term customer retention, while fashion-oriented products typically command higher gross margins and contribute disproportionately to profitability. This complementary product mix allows the company to optimise both customer lifetime value and overall margin performance.

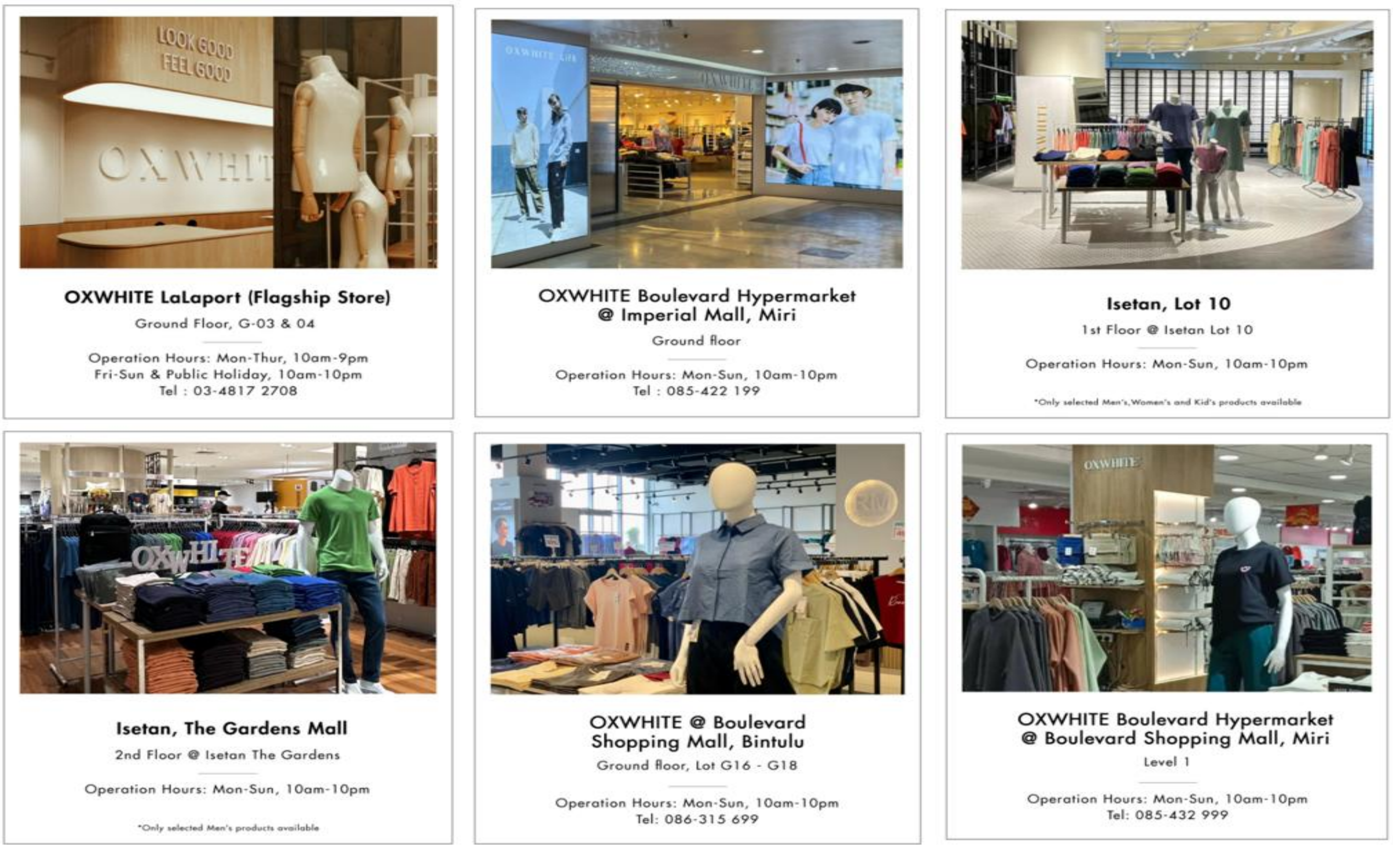
At the heart of Oxwhite's customer proposition is its positioning within the affordable premium segment. The brand bridges the gap between value oriented domestic retailers such as Padini and F.O.S, and premium international players including Uniqlo and Muji, by offering quality everyday essentials at accessible price points tailored to Asian body proportions. While larger global competitors benefit from greater scale and sourcing advantages, Oxwhite differentiates itself through localised product design, direct customer engagement and a compelling value proposition that balances quality, affordability and functionality. This positioning has enabled the company to cultivate a loyal customer base while appealing to consumers seeking an upgrade from fast fashion without paying premium international brand prices.

Operationally, Oxwhite has evolved significantly since inception. The company initially adopted a pre order model whereby customers paid upfront before production commenced, minimising inventory risk and creating favourable working capital dynamics during its early growth phase. As the business expanded into omnichannel retailing, it transitioned towards a conventional inventory model to support immediate product availability across both digital and physical channels. At the point of writing, management maintains an inventory buffer of approximately four to six months, balancing product availability against working capital efficiency while mitigating supply chain disruptions and stockout risks.

Customer acquisition is driven through a diversified mix of marketplace traffic, digital marketing, social commerce and affiliate programmes, with creator led commerce, particularly through TikTok Shop, becoming an increasingly important acquisition channel. Customer acquisition costs remain relatively low across marketplace platforms due to platform generated traffic and promotional support, while Oxwhite's proprietary website requires higher marketing investment but enables stronger ownership of customer relationships and lifetime value. Importantly, management disclosed that approximately 70% of customers are repeat purchasers, underscoring the stickiness of the company's essentials focused product strategy and providing a resilient base of recurring demand.

Geographically, revenue remains concentrated within the Klang Valley, which contributes approximately 70% to 80% of total sales. This reflects the company's current stage of market development, with brand awareness, digital penetration and physical distribution strongest within Malaysia's principal urban consumption centres rather than any limitation in affordability or market appeal. The remainder of revenue is generated primarily from Penang and Johor, suggesting that the company has established a strong foothold in its core markets while retaining considerable headroom for further nationwide expansion as its physical footprint and brand recognition continue to grow.

Figure 3: Oxwhite's Physical Retail Stores and Consignment Counters



Source: Company

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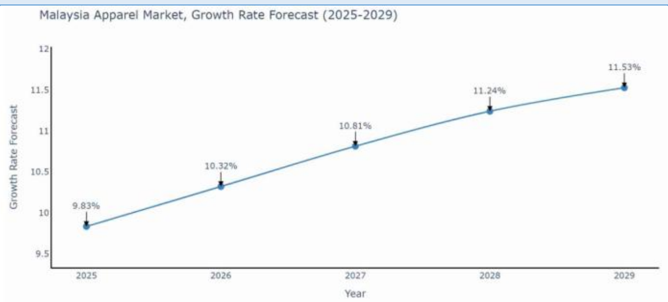
Industry Overview

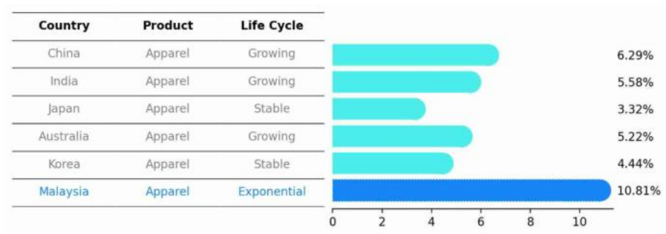
Robust industry growth. According to 6Wresearch, the Malaysian apparel market is projected to expand at a CAGR of 11.5% through 2029. This robust trajectory is underpinned by rising disposable income among the growing middle class, which is driving a structural shift toward premium and fashionable apparel segments. Furthermore, the rapid proliferation of e-commerce platforms has dismantled geographical barriers, facilitating broad market penetration across both urban and rural demographics. From a comparative perspective as shown in Figure 2, Malaysia's apparel industry is currently in an exponential growth phase, characterized by a growth rate of 10.8%. This significantly outperforms the 3–6% growth observed in mature regional markets such as China, India, Japan, Australia, and South Korea, highlighting Malaysia as a high-potential market for both domestic and international expansion.

Figure 4: Malaysia Apparel Market Size Growth Rate (%)



Source: 6Wresearch

Figure 5: Malaysia vs Top 5 Major Asian Economies in 2027 Growth Rate (%)



Source: 6Wresearch

Evolving retail landscape. The rapid rise of social commerce is reshaping Southeast Asia's retail landscape, with Google, Temasek and Bain & Company reporting that video commerce accounted for approximately 20% of regional e-commerce GMV in 2024, compared with less than 5% in 2022. This reflects a broader shift towards digitally influenced purchasing behaviour, where social platforms increasingly serve as channels for both product discovery and transaction. At the same time, physical retail remains relevant within the apparel sector by enabling consumers to assess fit, fabric quality and product authenticity firsthand. Consequently, the industry is progressively converging towards an omnichannel model that integrates the reach of digital channels with the experiential benefits of offline touchpoints.

Industry headwinds. Competition within Malaysia's apparel industry has intensified as global fast fashion brands such as Uniqlo and Muji continue to strengthen their omnichannel presence, while marketplace native brands and local direct to consumer (DTC) players expand aggressively through digital channels. At the value end of the market, established domestic retailers such as Padini and F.O.S maintain extensive physical retail networks and compete aggressively on price, further intensifying pressure on customer acquisition, pricing and brand differentiation. Beyond competitive dynamics, apparel retailers remain exposed to volatility in raw material costs, foreign exchange movements and supply chain disruptions, all of which can compress gross margins and complicate inventory planning. Consumer demand also remains sensitive to macroeconomic conditions, with persistent cost of living pressures potentially weighing on discretionary spending despite rising household incomes. Against this backdrop, sustained success will increasingly depend on brands' ability to differentiate their value proposition, execute efficiently across both digital and physical channels, and build lasting customer loyalty.

Figure 6: Competitive Positioning of Oxwhite

Brand	Target Consumer	Positioning	Store Count (Malaysia)	Distribution Model
Oxwhite	Young professionals, urban middle income	Affordable premium essentials	~6	Emerging omnichannel (DTC-led, marketplaces + early physical stores)
UNIQLO	Mass premium consumers	Functional premium essentials	~61	Mature omnichannel (store-led SPA + digital)
MUJI	Lifestyle premium segment	Minimalist lifestyle products	~23	Mature omnichannel (retail-led + digital)
Padini	Mass market families	Value to mid-market fashion	~160	Mature omnichannel (large retail network + online)
F.O.S	Budget conscious consumers	Value apparel	~107	Store-led omnichannel (brick-and-mortar dominant + online presence)

Source: Company, Mercury Securities

Investment Thesis

Affordable premium brand positioning addresses an underserved market segment. Oxwhite is well positioned within the affordable premium segment, offering quality essentials at accessible price points to consumers seeking an upgrade from fast fashion without paying premium international brand prices. This positioning benefits from rising disposable incomes and increasing consumer preference for better quality and durability in everyday purchases. Coupled with its focus on essentials rather than trend driven fashion, the company is able to foster repeat purchases and customer loyalty while maintaining broad market appeal.

High customer retention underpins recurring revenue visibility. Oxwhite's essentials focused product strategy has translated into strong customer stickiness, with management reporting an overall customer retention rate of approximately 70% across its e-commerce channels. Unlike fashion retailers that rely heavily on seasonal collections and continuous customer acquisition, the company's focus on replenishment driven products encourages repeat purchases and increases customer lifetime value. This recurring demand profile provides a more resilient revenue base while improving marketing efficiency over time.

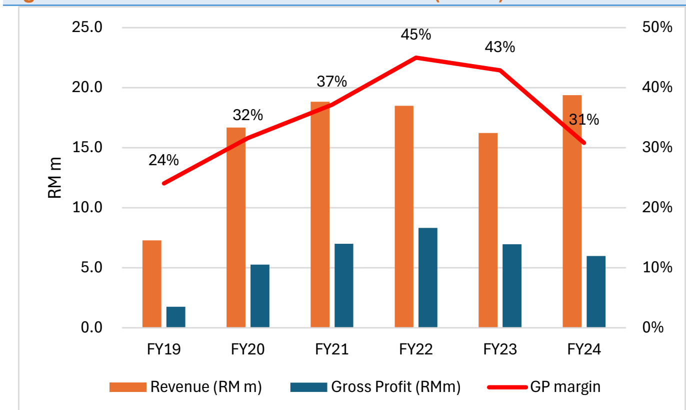
Direct to consumer model supports margin expansion and customer ownership. The company's vertically integrated direct to consumer model enables Oxwhite to capture greater value across the supply chain by eliminating traditional retail intermediaries while maintaining ownership of customer relationships and purchasing data. This facilitates more targeted marketing, improved demand forecasting and faster product development. As the business continues to scale, management expects gross profit margins to normalise at approximately 35%, supported by a more balanced sales channel mix, product mix optimisation and continued cost discipline.

Omnichannel expansion strengthens brand equity and supports profitability. Following the successful establishment of its digital first platform, Oxwhite has begun expanding its physical retail presence to complement its online ecosystem. Physical stores serve an important strategic role by allowing customers to experience product quality, fit and fabric firsthand, thereby strengthening brand trust and improving conversion, particularly among first time customers. Beyond enhancing customer engagement, management expects a larger retail contribution to support healthier pricing discipline, reduce reliance on paid digital customer acquisition and improve long term profitability. The company currently operates six outlets and plans to expand by a further 15 stores by FY30, subject to the successful completion of its fundraising exercise.

Exposure to rising social commerce and digital consumption trends. The company benefits from broader shifts in consumer behaviour, particularly the rapid rise of social commerce, influencer driven marketing and short form video platforms. These channels have shortened the path to purchase by enabling direct conversion from content consumption to transaction. This trend has lowered barriers for digitally native brands to reach new customers and diversify acquisition channels beyond traditional paid advertising, improving scalability of demand generation.

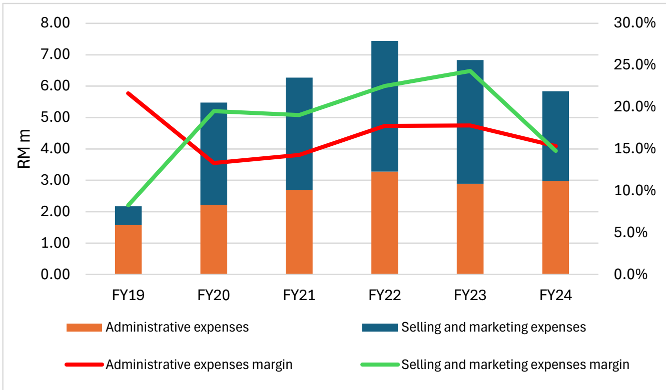
Financial Highlights

Figure 5: Revenue and Gross Profit Trend (RM m)



Source: Company, Mercury Research

Figure 6: Operating Expense Breakdown (RMm) and margin (%)



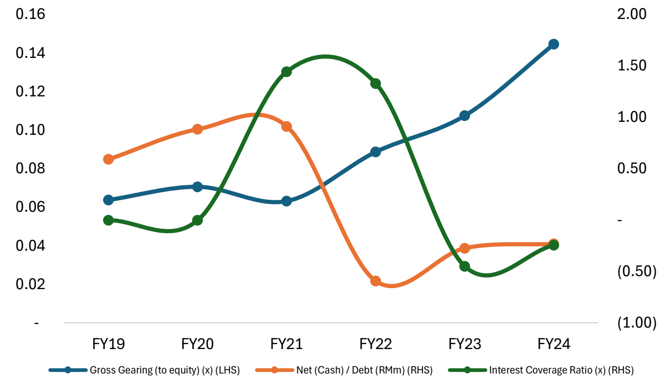
Source: Company, Mercury Research

Oxwhite's revenue grew from RM7.3m in FY19 to RM19.4m in FY24, representing a six-year CAGR of 21.6%. The business remains predominantly digital, with approximately 75% of revenue generated through its e-commerce platform and online marketplaces, while corporate sales contribute approximately 15–20% and the remainder is derived from its physical retail stores and consignment counters. Geographically, revenue remains concentrated in the Klang Valley, which accounts for an estimated 70–80% of total sales, supported by the region's dense urban population, higher purchasing power and stronger brand awareness. The balance is contributed primarily by Penang and Johor, providing early evidence of the brand's ability to expand beyond its core market while highlighting significant runway for further domestic penetration.

Beyond topline growth, the business has demonstrated improving unit economics, with gross profit margin expanding from 24% in FY19 to above 40% during FY21–FY23, driven by stronger operating scale, improved sourcing efficiencies, favourable product mix and the benefits of its DTC operating model. Gross profit margin subsequently moderated to 31% in FY24, primarily due to heightened price competition across e-commerce marketplaces, which pressured average selling prices, alongside higher raw material and freight costs that increased the overall cost base. Nevertheless, management expects gross profit margin to normalise at approximately 35% over the medium term through continued cost optimisation, channel diversification and product mix enhancement.

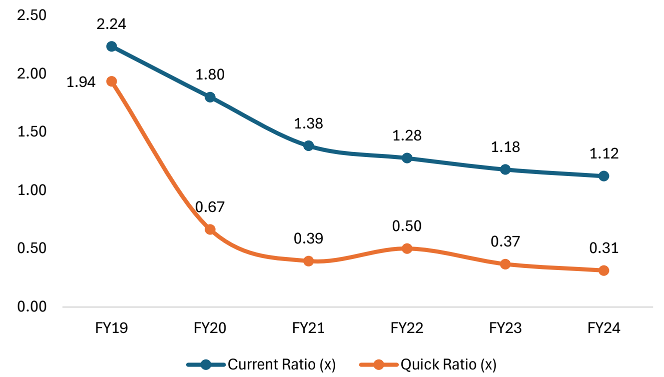
While the company returned to a loss-making position in FY23 and FY24, management attributed the earnings decline primarily to a substantial increase in customer acquisition, platform related fees and digital marketing expenditure, with e-commerce platform costs increasing approximately sixfold over the two-year period. Rather than reflecting structural weakness in the underlying business, these investments were made to strengthen brand awareness and accelerate customer acquisition during a period of intensifying online competition. Looking ahead, management is pursuing an omnichannel growth strategy by expanding its physical retail network, which offers more stable operating costs, stronger pricing discipline and healthier gross margins relative to pure e-commerce channels. Combined with improving operating expense discipline, this strategy is expected to enhance margin resilience, reduce reliance on paid digital acquisition and support a return to sustainable profitability over time.

Figure 7: Balance Sheet Strength and Leverage Profile



Source: Company, Mercury Research

Figure 8: Liquidity Ratios

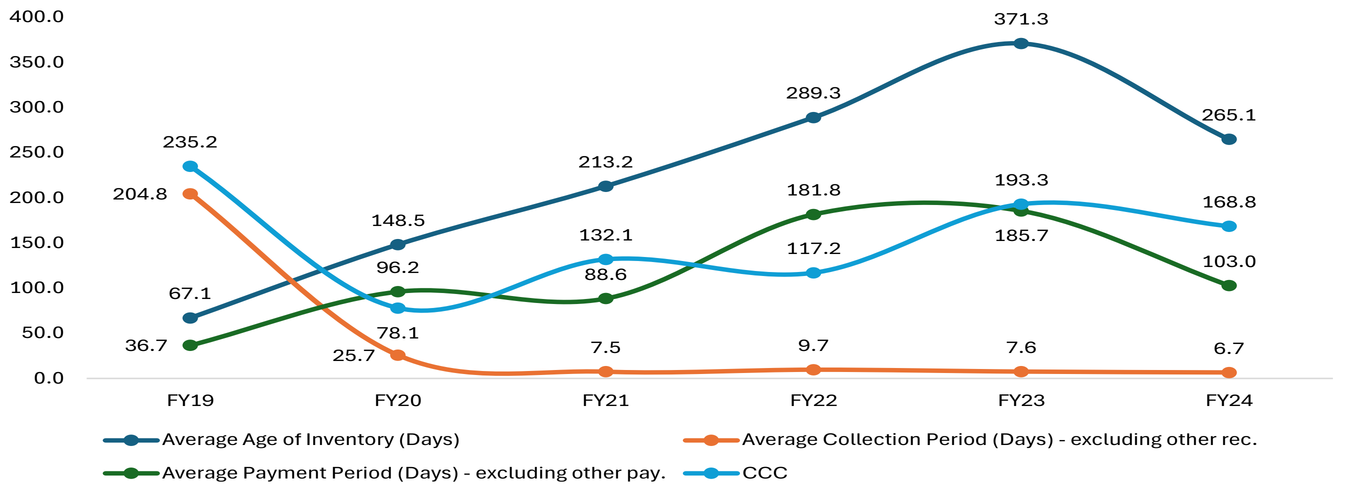


Source: Company, Mercury Research

The company maintains a prudent capital structure, characterized by low financial leverage. As illustrated in Figure 7, the gross gearing ratio has remained consistently low, edging up slightly from 0.06x in FY19 to 0.14x in FY24, which underscores a disciplined approach to debt financing. While the interest coverage ratio has moved into negative territory in recent years, this is a function of the company's deliberate growth-at-scale strategy rather than structural debt distress. The company turned net cash in FY22 and has maintained a net cash position through FY24, providing a solid liquidity buffer to support ongoing operations and strategic investments.

The company's liquidity profile, as shown in Figure 8, indicates a **focus on optimizing working capital to support rapid scaling**. The current ratio has moderated from 2.24x in FY19 to 1.12x in FY24, reflecting the utilization of liquid assets to fuel operational expansion. Similarly, the quick ratio, which stood at 1.94x in FY19, has adjusted to 0.31x in FY24, suggesting a higher concentration of inventory within the current asset base. We interpret these trends as a natural evolution of a growing business that is prioritizing the deployment of capital into inventory and production capacity to meet rising demand, rather than holding excess cash. Management remains focused on maintaining this balance, ensuring that working capital efficiency continues to support the company's roadmap toward sustainable earnings profitability.

Figure 9: Working Capital Cycle (Days)



Source: Company

The company's working capital cycle, as illustrated in Figure 9, reflects a **disciplined evolution toward improved operational efficiency**. Notably, the company's average collection period have tightened drastically, dropping from 204.8 days in FY19 due to its initial pre-order model which required customers to pay upfront with a 120 delivery lead time, to 6.7 days in FY24, driven by the shift towards its omnichannel retail model, combining the immediate cash realization of physical point-of-sale transactions with the high-velocity nature of modern e-commerce fulfillment. While the average age of inventory peaked at 371.3 days in FY23, the subsequent reduction to 265.1 days in FY24 indicates a more proactive approach to stock turnover as the business scales. Furthermore, after peaking at 185.7 days in FY23, the average payment period was moderated to 103.0 days in FY24, showcasing a balanced strategy in managing supplier obligations. Collectively, these movements resulted in a cash conversion cycle of 168.8 days in FY24, underscoring management's ongoing efforts to optimize liquidity and support the broader roadmap toward earnings profitability.

Future Plans & Business Strategies

Scaling physical presence. Oxwhite is aggressively scaling its brick-and-mortar footprint to solidify brand equity and capture market share from dominant brands such as Uniqlo and MUJI. Management recognizes that apparel remains a "tactile category," where physical interaction—assessing fabric quality and fit—is the primary driver of customer trust and long-term brand loyalty. To execute this, the company has outlined a roadmap to open 15 new outlets over the next five years. From our perspective, while the initial rollout is expected to be concentrated in the Klang Valley to optimize logistics and brand density, there is significant potential for the company to expand into emerging markets such as Penang and Johor. We believe these regions align well with Oxwhite's value-proposition, providing a clear pathway for secondary growth phases, where favorable demographics and rising disposable incomes present untapped growth potential. To mitigate the significant capital intensity of this expansion, the company intends to leverage strategic profit-sharing partnerships. This asset-light approach allows Oxwhite to accelerate its physical penetration across key urban centers while preserving balance sheet liquidity, a critical lever as the company balances rapid growth against the high overheads of traditional retail.

SWOT Analysis

S STRENGTHS	W WEAKNESS
Distinct affordable premium positioning. Oxwhite occupies the niche between value driven fast fashion and premium international brands, offering quality essentials at accessible price points that appeal to Malaysia's growing middle income consumer base. **Asset light DTC model with omnichannel capabilities.** The company's direct to consumer model supports stronger gross margin potential, customer data ownership and agile product development, while its omnichannel strategy enhances customer engagement across digital and physical channels. **Essentials focused product portfolio.** Concentration on wardrobe essentials supports higher repeat purchase frequency, lower markdown intensity and more predictable demand than trend driven fashion retailers.	**High revenue concentration.** Approximately 70–80% of revenue is derived from the Klang Valley, indicating limited geographic diversification and relatively low brand penetration beyond major urban markets. **Limited brand recognition relative to incumbents.** Despite strong digital traction, Oxwhite continues to compete against well-established international and domestic brands with significantly larger marketing budgets, broader retail footprints and stronger brand equity.
T THREATS	**O OPPORTUNITIES**
Intensifying competitive landscape. Competition from global fast fashion retailers, regional DTC brands and marketplace native sellers is likely to increase pricing pressure and marketing costs while making customer acquisition more challenging. **Execution risk in scaling omnichannel operations.** As the physical retail footprint expands, the company faces greater execution risk in site selection, inventory management and maintaining consistent store level profitability. **Cost inflation and margin pressure.** Volatility in cotton prices, foreign exchange rates, labour and logistics costs could compress margins if higher input costs cannot be fully passed on to consumers.	**Growing affordable premium apparel market.** Rising disposable incomes and increasing consumer preference for quality and durability create a favourable backdrop for brands positioned within the affordable premium segment. **Expansion of physical retail network.** Continued rollout of stores and consignment counters can strengthen brand awareness, improve customer trust and support penetration into new geographic markets beyond the Klang Valley. **Product and geographic expansion.** Further expansion into adjacent essentials categories and underpenetrated domestic markets presents opportunities to diversify revenue streams and increase customer lifetime value.

Key Risks

Intensifying competition and pricing pressure in fragmented market. The apparel industry in Malaysia is highly competitive, with participation from global fast fashion brands, regional DTC players and marketplace native sellers. This competitive intensity increases pricing pressure and raises customer acquisition costs, particularly in digital channels where visibility is auction driven. As a result, maintaining brand differentiation and marketing efficiency becomes increasingly challenging over time.

Macroeconomic sensitivity and discretionary demand exposure. Apparel remains a discretionary consumption category and is therefore sensitive to macroeconomic conditions. Inflationary pressures, rising cost of living and weaker consumer sentiment can directly impact purchasing behaviour, particularly within the affordable premium segment. In addition, volatility in raw material costs, labour and freight expenses may further compress margins and introduce earnings variability.

Retail expansion execution risk. Oxwhite currently operates approximately five stores and consignment counters, with further expansion planned. While this supports brand visibility and customer engagement, it introduces higher fixed costs through rent, staffing and fit out capex, increasing operating leverage versus its asset light online model. Store economics are highly sensitive to location quality, particularly in high-cost Klang Valley malls where rental expenses are elevated. Profitability depends on accurate assumptions around footfall, conversion and basket size, making site selection and rollout discipline critical. As the network expands, execution risk also rises in managing store level performance and inventory allocation, with potential variability in returns across locations impacting overall portfolio efficiency.

Sustainability Review

Overall ESG Performance. Oxwhite's ESG practices remain early stage but increasingly embedded across its operations, with sustainability driven more by practical implementation than formal reporting frameworks. Environmentally, the company has transitioned its e commerce packaging to recyclable materials, introduced eco-friendly product inputs such as bamboo derived fibres and recycled polyester, and initiated a garment donation and recycling programme at its Lalaport flagship store, alongside a broader product philosophy emphasising durability and reduced consumption turnover. On the social front, the company promotes inclusivity through modest fashion offerings and expanded sizing, supports local manufacturing partnerships with Malaysian suppliers, and maintains a young workforce culture with internal mobility and skills development, while also emphasising consumer empowerment through transparent pricing and sizing information. From a governance standpoint, the availability of secondary trading via pitchIN's PSTX platform provides limited liquidity and indicative price discovery for early investors but does not equate to public market governance standards. Disclosure transparency is therefore constrained by the absence of mandatory recurring public financial reporting, with external assessment of performance largely dependent on management updates, investor communications and platform disclosures.

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Income Statement

FY Dec (RM m)	2020A	2021A	2022A	2023A	2024A
Revenue	16.67	18.83	18.48	16.22	19.38
Gross Profit	5.27	7.00	8.32	6.95	5.97
EBITDA	(0.11)	0.86	0.90	0.15	0.22
Depreciation &Amortz	-	(0.39)	(0.42)	(0.42)	(0.42)
Operating Profit	(0.11)	0.47	0.48	(0.27)	(0.19)
Interest Inc/(Exp)	(0.33)	(0.32)	(0.36)	(0.61)	(0.80)
Profit Before Tax	(3.00)	0.14	0.12	(0.88)	(1.00)
Taxation	(0.44)	(0.05)	(0.12)	(0.08)	-
Net Profit	0.01	0.09	0.00	(0.96)	(1.00)
Core PATAMI	**(0.43)**	**0.09**	**0.00**	**(0.96)**	**(1.00)**

Balance Sheet

	2020A	2021A	2022A	2023A	2024A
Fixed Assets	0.4	0.3	0.4	0.3	0.1
Intangible Assets	2.7	2.4	2.1	1.8	1.5
ROU Assets	-	-	-	-	-
Other Fixed Assets	0.0	0.0	0.0	-	-
Inventories	4.6	6.9	8.1	9.4	10.1
Receivables	1.2	0.8	1.3	0.8	1.0
Other Current Assets	0.0	1.6	2.3	2.7	2.2
Cash	1.5	0.4	1.6	0.7	0.7
Total Assets	**10.4**	**12.4**	**15.7**	**15.7**	**15.5**
Payables	3.4	3.0	5.4	5.3	3.5
ST Borrowings	-	0.1	0.1	0.1	0.1
Other ST Liability	0.7	3.9	4.9	6.2	8.8
LT Borrowings	(3.0)	(2.0)	(1.0)	-	-
Other LT Liability	2.3	1.3	1.2	1.0	1.0
Net Assets	**4.0**	**4.1**	**4.1**	**3.2**	**2.2**
Shareholders' Equity	4.0	4.1	4.1	3.2	2.2
Minority Interests	-	-	-	-	-
Total Equity	**4.0**	**4.1**	**4.1**	**3.2**	**2.2**

Cashflow Statement

FY Dec (RM m)					
Operating CF	*n/a*	(1.7)	1.1	(1.5)	(3.4)
Investing CF	*n/a*	(1.6)	(0.7)	(0.4)	0.6
Financing CF	*n/a*	0.9	1.4	0.1	1.0
Change In Cash	*n/a*	(2.4)	1.8	(1.8)	(1.8)
Free CF	***n/a***	**(1.8)**	**1.1**	**(1.6)**	**(3.4)**

Financial Data & Ratios

FY Dec	2020A	2021A	2022A	2023A	2024A
Growth (%)					
Turnover	129.1	13.0	-1.9	-12.2	19.5
Gross Profit	201.3	32.8	18.9	-16.4	-14.1
EBITDA	-114.3	-861.9	5.0	-83.5	51.5
Operating Profit	-114.3	-516.2	1.9	-157.3	-28.8
PBT	-183.0	-132.4	-18.0	-845.6	13.3
Core Net Profit	-205.0	-122.0	-97.0	-33296.5	3.8
Profitability (%)					
Gross Profit Margin	31.6	37.1	45.0	42.9	30.8
EBITDA Margin	-0.7	4.5	4.9	0.9	1.2
Operating Margin	-0.7	2.5	2.6	-1.7	-1.0
PBT Margin	-2.7	0.8	0.6	-5.4	-5.1
Core Net Margin	-2.6	0.5	0.0	-5.9	-5.1
Effective Tax Rate	2.6	34.0	97.6	-9.1	0.0
ROA	-4.1	0.8	0.0	-6.1	-6.4
ROE	-10.7	2.3	0.1	-30.2	-37.2
Leverage					
Debt/Asset (x)	0.03	0.02	0.02	0.02	0.02
Debt/Equity (x)	0.07	0.06	0.09	0.11	0.14
Net (Cash)/Debt	0.89	(0.13)	(1.25)	(0.39)	(0.37)
Net Debt/Equity (x)	0.22	(0.03)	(0.30)	(0.12)	(0.17)

Source: Mercury Securities

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