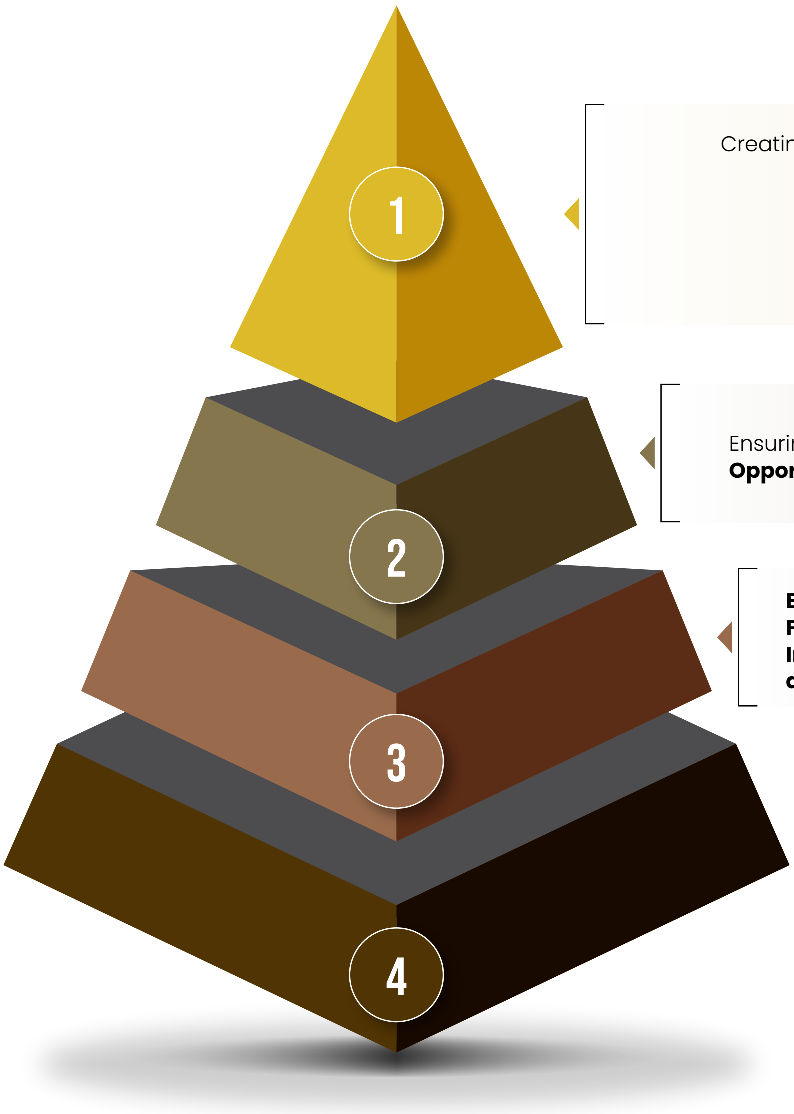
BUSINESS MODEL AND VALUE CHAIN

The Matrix's Value Creation Business Model articulates the Group's integrated value creation journey, providing a clear and holistic view of how Matrix transforms resources across multiple capitals into sustainable value for stakeholders. Anchored in a multi-capital framework, the model illustrates how strategic inputs, business activities, and key relationships leverage financial, human, social, and environmental capitals to generate long-term outcomes that support stakeholder interests and drive sustainable growth.

VALUE CREATION AND STRATEGIC REVIEW

VALUE CREATION AND PERFORMANCE

In essence, Value Creation is placed at the apex of the Group's business philosophy. However, the strategic approach commences from the fundamental base of remaining attuned to the external operating environment and accordingly scaling up the strategy pyramid towards the effective mitigation and management of risks and opportunities and ultimately realisation of the Group's Vision and Mission.



Creating Value through Robust Performance and Continuous Realisation of the Corporate Vision and Mission

Mission **Vision** **Values**

Ensuring Effective Strategic Response to **Risks and Opportunities** through a Resilient Business Model

Establishing Financial Materiality Including SRROs and CRROs | RISK & OPPORTUNITIES | SWOT ANALYSIS

Understanding Our PESTLE Operating Landscape and Ensuring Impacts/Influence on the Business Model and Value Chain

Political **Economic** **Social** **Technology** **Legal** **Environmental**

SRROs - Sustainability-related Risks & Opportunities

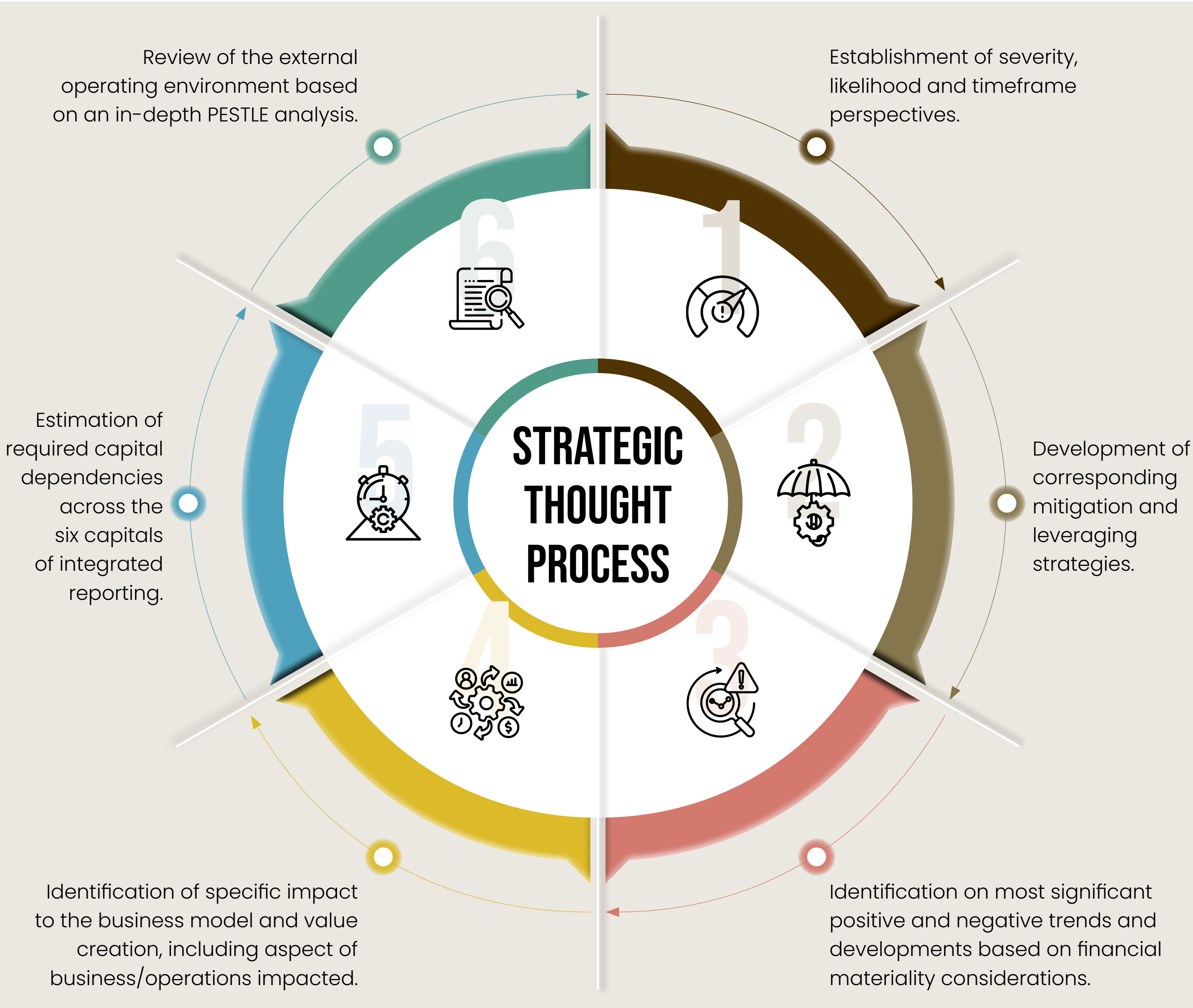
CRROs - Climate-related Risks & Opportunities

Value Creation is a shared, collective journey that comprises both financial values for the Group and its investors, but also non-financial values including ESG values that are of importance to our customers, regulators, the community at large and other stakeholders. Matrix continues to subscribe to an integrated or expanded perspective of value creation.

OUR OPERATING ENVIRONMENT

Value Creation commences with a strategic overview of the external operating environment in which Matrix operates. The establishment of such macro-perspectives is essential as SRROs and CRROs that impact and influence value creation typically arise due to inherent, existing and emerging external trends and developments.

Below is the description of the various stages of the processes involved:-



OUR OPERATING ENVIRONMENT

Applying the abovementioned integrated thinking driven process, Matrix in FY2026 has identified the following external trends and developments as being the most pertinent to its business model and operations, including its value chains:

RELATED CAPITALS:

F Financial | M Manufactured | I Intellectual | H Human | S Social | N Natural

TOPIC	EXTERNAL FACTORS (TRENDS & MARKET DEVELOPMENTS)	IMPACT TO MATRIX
Domestic Economic Growth and Robust Industry Performance Link to our business:	In 2024, Malaysia's economy grew robustly with annual gross domestic product ("GDP") growth recorded at 5.1%, driven by robust domestic demand and a rebound in exports. The Malaysian construction sector recorded robust double-digit expansion of 20.2% in 2024 (2023: 8.4%) with all sub sectors recording double-digit growth: Special trade activities: 35.9%, Residential buildings: 24.5%, Non-residential buildings: 15.5% and civil engineering: 17.3%. In 2025, Malaysia's property sector continued to demonstrate resilience, with the total transaction value increased by 4.1% to RM241.87 billion, despite a marginal 1.0% decline in transaction volume to 416,413 transactions, compared with 420,545 transactions valued at RM232.30 billion in 2024.	Robust domestic economic growth typically translates into improved domestic consumption and increased wages and purchasing power. This leads to an increased propensity for buyers to transact in property, thus auguring well for property developers, with market-attuned products such as Matrix. Improving socio-economic conditions also inspires improved confidence in buyers to look for bigger or higher-end properties or properties with niched attributes as opposed to typical cautiousness and opting to buy more affordably priced properties. Beyond residential properties, improved economic conditions also supports the demand for other property types notably commercial and industrial properties.
Government Incentives and Financiers' Support for Property Buyers Link to our business:	Continued provision of various governmental incentives and reliefs such as stamp duty waivers for first-time homeowners, new mortgage interest tax relief, extension of the housing credit guarantee scheme and other measures provided strong support in driving momentum in transactions. Banks and other lenders continued to adopt a buyer-friendly policy in the provision of loans, especially for first-time homeowners and those purchasing properties priced RM500,000 and below.	The continued provision of incentives and financial support stimulates demand for residential properties and enables lower-to middle-income demographic segments to have increased ability to buy properties. This leads to an expanded pool of buyers for property developers to market to and thus improves prospects for increased sales.

BUSINESS DIVISIONS:
Property Development **Construction** **Hospitality** **Education** **Healthcare**

MATERIAL TOPICS	MATRIX'S RESPONSE
Product Quality Branding and Reputation Direct Economic Performance Indirect Economic Performance Local Procurement and Supply Chains Related Capitals F M S	Continued aggressive market launch of property products with more than RM1.5 billion in cumulative GDV brought to market in FY2026. The Group also continued to adjust its mix of value for money homes and higher price properties in tandem with the changing appetite of buyers. This includes expanding its portfolio of non-residential properties in FY2026. In addition, there were continued efforts to develop innovative rebates and promotion packages to attract property buyers i.e. free maintenance fees, passive income or guaranteed rental return schemes, and other strategies for selected property products.
Direct Economic Performance Indirect Economic Performance Related Capitals F M	Continued and intensified strategies targeted at first-time homebuyers and property buyers looking for well-built, high quality homes at exceptional value. Use of specific sales and marketing strategies to target young families upgrading, first-time homeowners, government servants and the B40 and M40 segments were also implemented throughout FY2026.

OUR OPERATING ENVIRONMENT

TOPIC	EXTERNAL FACTORS (TRENDS & MARKET DEVELOPMENTS)	IMPACT TO MATRIX
Increased Regulatory (Environmental and Social) Compliance Link to our business:	Several changes introduced by the government to the OSH Act (Occupational Safety and Health (Amendment) Act 2022 (Act A1648). These amendments are aimed at enabling safer work conditions for higher risk workers such as those performing manual labour tasks on operational sites.	The amendments are positive as it will lead to improved operational site safety, which will promote a continued excellent OSH track record in terms of zero fatalities and reduced loss time incidents ("LTI"). However, costs of compliance have increased and there is also a higher requirement to be fulfilled to ensure regulatory compliance with Department of Occupational Safety and Health ("DOSH") Malaysia and other regulatory bodies.
Implementation of Higher Minimum Wages Link to our business:	The upwards revision in minimum wages, which came into effect on 1 February 2025, led to a new salary scale of a minimum of RM1,700 for workers. This translated into a cost pass-through effect as suppliers passed on the cost of increased wages to property developers. The new ruling stipulates that employees paid RM4,000 and below monthly are entitled to overtime pay for hours worked beyond normal working hours has also led to increased wages. This includes companies adjusting salaries above the RM4,000 level. In addition, the stipulation for mandatory EPF contributions for foreign workers also had a further cost increase effect on operations.	Rising wages typically lead to increased domestic consumption and spending, especially for retail purchases including big-ticket items such as properties. However, businesses face higher labour costs, which can strain profit margins-particularly in labour-intensive industries like construction and services. To remain competitive, Matrix shall adopt automation, adjust pricing, or streamline operations.

MATERIAL TOPICS	MATRIX'S RESPONSE
Human and Labour Rights Regulatory Compliance Occupational Health and Safety Local Procurement and Supply Chains Related Capitals M H S N	Matrix reinforced its commitment to regulatory compliance by investing in governance systems, strengthening policies, and enhancing internal controls in response to evolving regulations. This proactive approach supports operational integrity and stakeholder confidence across its business divisions — Property Development, Construction, Hospitality, Education, and Healthcare. These efforts contribute to multiple capitals: Financial, Manufactured, Intellectual, Human, Social, and Natural, ensuring sustainable value creation. By aligning compliance with strategic growth, Matrix positions itself as a responsible, forward-thinking organisation ready to meet the demands of a dynamic regulatory landscape.
Human and Labour Rights Regulatory Compliance Talent Development and Management Local Procurement and Supply Chains Related Capitals F I H	Matrix continued to ensure compliance with the regulatory requirements which have had an impact on payroll costs. However, in mitigating the effects, the Group has also looked for longer-term solutions such as machine automation, leveraging technology and digitalisation and also focusing on employee retention. This prevents loss of intrinsic company knowledge due to staff attrition. The Group has also looked at reviewing employment contracts and has also looked to strengthen collaboration with suppliers to better manage manpower requirements.

TOPIC	EXTERNAL FACTORS (TRENDS & MARKET DEVELOPMENTS)	IMPACT TO MATRIX
Stipulation of Provision of Social Housing For New Property Projects Link to our business:	In a move to provide more supply of social housing in urban locations, more stringent requirements were introduced for the provision of social housing, notably for townships and larger projects.	Increased requirements for social housing provision is welcome towards promoting more equitable socio-economic development and shared value creation and prosperity. However, the direct impact is property developers having to make changes in their project masterplans to accommodate additional or larger social housing components or to even alter development plans. These may have direct or indirect value creation impacts for projects, including commercial feasibility i.e. prices of units to cross subsidise the provision of additional social housing components.
Rising Operational Expenditures ("OPEX") Link to our business:	A key development was the removal of diesel subsidies and hikes in electricity tariffs. In addition, rising building material costs had also led to increased OPEX. These were in addition to the above-mentioned inflationary pressures arising from higher wages and labour costs coupled with the rising diesel prices have affected the operational costs.	Higher fuel costs especially diesel prices leads to higher operational costs, as diesel is used not just consumed by Matrix, but also by subcontractors and suppliers across the value chain. Hence, a pass-through effect was felt as higher energy prices translated into increased OPEX. This either would necessitate absorbing the increases which would erode operational profits or passing on the cost to property buyers through higher prices, which may affect the appeal and affordability of properties, notably among more cost-sensitive buyers i.e. the B40 and M40 segments. Continued exploration of use of temporary solar installation for operational sites to offset dependence on diesel-fuelled generators.

MATERIAL TOPICS	MATRIX'S RESPONSE
Regulatory Compliance Direct Economic Performance Indirect Economic Performance Branding and Reputation Product Quality Community Development Related Capitals F M S	Matrix has embraced this requirement consistent with its position as a responsible, community property developer. In addressing the change in regulatory requirements, Matrix has adjusted its masterplanning—including optimising spatial usage, cost management, and other aspects of the property development process—with a focus on sustainability and long-term value creation. This enables more efficient approaches to construction and development, higher build density ratios to reduce per unit ownership costs, and improved integration of community needs within urban design frameworks.
Raw Materials Consumption Direct Economic Performance Indirect Economic Performance Product Quality Local Procurement and Supply Chains Related Capitals F M H N	Undertaking a comprehensive review of existing construction and development processes towards identifying energy saving opportunities across the cradle-to-grave process. Reviewing building and construction methodologies to reduce energy consumption. This includes increasing the use of more resource-efficient design and construction methodologies such as aluminium formworks and increased the use of Building Information Modelling ("BIM"). These enable the prevention of design conflicts; support more accurate forecast of raw materials required for projects and reduce environmental/carbon footprint and wastages. Progressively transitioning to increased use of site electrification, where feasible and continued encouragement of subcontractors and suppliers to undertake the same. Increased use of price lock-in and hedging mechanisms with suppliers based on a fixed duration and established price ranges towards reducing cost escalation risks. Also, increasing emphasis on selection of material and workmanship while undertaking continuous, stringent quality checks on building structural integrity.

OUR OPERATING ENVIRONMENT

TOPIC	EXTERNAL FACTORS (TRENDS & MARKET DEVELOPMENTS)	IMPACT TO MATRIX
Evolving Customer Preferences and Market Shifts Link to our business:	Since the COVID-19 pandemic, coupled with the emergence of new demographic segments (and changes in preferences of existing customer target markets), FY2026 saw continued shifts/changes in the needs and wants of property buyers. These changes are driven by new lifestyle trends such as more buyers aiming to work from home (which blurs the lines between living and workspaces), the rise of home-based businesses such as baking and cooking and various others. Another prevalent trend is Malaysia's continued march towards ageing nation status. This has led to the increased demand for elderly-friendly residential dwellings.	Changes in consumer trends present both risks and opportunities. Risks arise from outdated or unsuitable property products that do not meet evolving buyer lifestyle preferences. Yet it is also an opportunity to capture new market share and to further establish the Matrix brand name among new customer demographic segments. The extent of success achieved can be leveraged towards developing a new segment of lifelong customers i.e. upgraders, as well as brand ambassadors going forward.
Increasing Market Competition Link to our business:	Malaysia's property sector comprises a large number of property developers, with various product types and offerings. Property buyers have ample choice at varying price ranges and locations. The market continues to see new entrants, including international brand names, which further increases supply of new homes and non-residential units. The same applies to the hospitality, healthcare, and education segments where customers have a large choice. Innovative approaches in medical technology, patient care, and accessible learning platforms are setting new standards that force Matrix to evolve or risk falling behind. This dual-sector progress is reshaping public expectations and creating ripple effects—spurring competition in tech, insurance, and even infrastructure—as markets scramble to match the pace of impact and trust these industries are commanding. In a world driven by knowledge and well-being, healthcare and education are fast becoming the benchmarks for purposeful growth.	Stiff and increasing competition requires effective go-to-market strategies notably towards retaining market share and existing brand traction. This includes continued focus on the overall marketing mix of price, product, services, location, and overall promotional/ownership packages. Increasing competition also necessitates innovativeness in developing a distinctive value proposition that would distinguish the Matrix brand from its competitors. The focus is on developing and retaining brand loyalty by focusing on customer experiences and service levels.

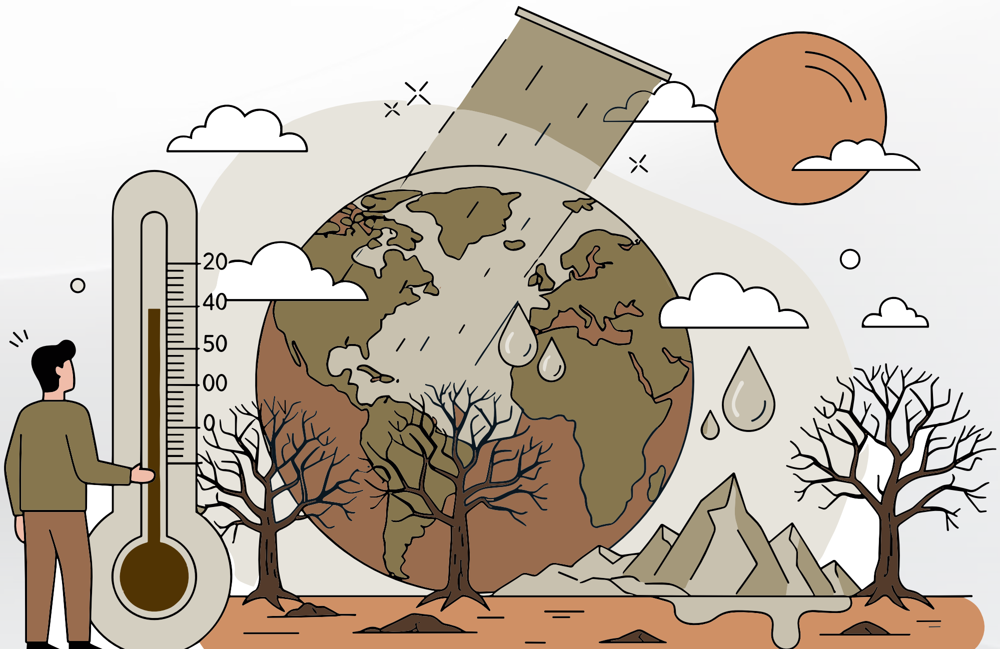
MATERIAL TOPICS	MATRIX'S RESPONSE
Branding and Reputation Product Quality Direct Economic Performance Related Capitals F M I S	Increased focus on market research activities to better comprehend changing customer preferences and aspirations towards deriving insights to develop more relevant and market-attuned property products. Emphasising increased customer engagement and relationship building as part of developing in-depth market understanding of present and upcoming trends. This includes more personalised and one-to-one-based customer engagement leveraging digital communication channels. Redesigning products based on collected customer feedback and market insights. Closely monitoring customer response to products to identify improvement opportunities that would allow increase resonance with changing customer patterns. Inclusion of lifestyle or design features that appeal to specific age segments or demographic groups. This includes catering to cultural preferences.
Branding and Reputation Direct Economic Performance Community Development Related Capitals F I H S	Beyond pricing and product quality, to also emphasise ancillary benefits such as surrounding facilities and amenities, personalised services, financial advisory and more. Leverage cost-effective digital channels like social media, SEO, and email marketing as well as data-driven marketing to track and maximise efficiency. This includes personalised customer retention through loyalty programmes, customer relationship management ("CRM") systems and more. Foster community engagement through events, webinars, and forums. Continued use of partnerships or co-branding opportunities to expand market reach. Leveraging festive/cultural events seasons to entice customers i.e. d'Sora and d'Tempat. Continued leveraging of the existing proven track record of established products i.e. the BSS township, the d'Tempat. Participating in award platforms (and securing) notable industry awards across FY2026. Enhancing existing physical infrastructure and investing in the preservation and improvement of physical landscapes. Targeting niche customer segments i.e. MMC's strategy to attract local communities. Implementation of data analytics to track campaign performance towards maximising marketing spend and optimising Return on Investment ("ROI").

OUR OPERATING ENVIRONMENT

TOPIC	EXTERNAL FACTORS (TRENDS & MARKET DEVELOPMENTS)	IMPACT TO MATRIX
ESG and Climate Change Link to our business:	Increasingly, ESG has evolved into a mainstream force that exerts both direct and indirect influence on corporate reputation, brand credibility, and stakeholder trust. It also shapes access to financing and capital markets, while significantly affecting a company's ability to attract, hire, and retain top talent in a competitive environment. Beyond these dimensions, ESG considerations are now intertwined with long-term business resilience, operational efficiency, and regulatory compliance. On a related note, physical and transition risks — ranging from climate-related disruptions to policy and market shifts — pose varying degrees of impact across short, medium, and long-term horizons, requiring businesses to adopt proactive strategies and adaptive frameworks to safeguard value creation and ensure sustainable growth.	Matrix's SRROs and CRROs are provided from pages 98-116.

Kindly refer to the Matters Material to Value Creation section for specific information.

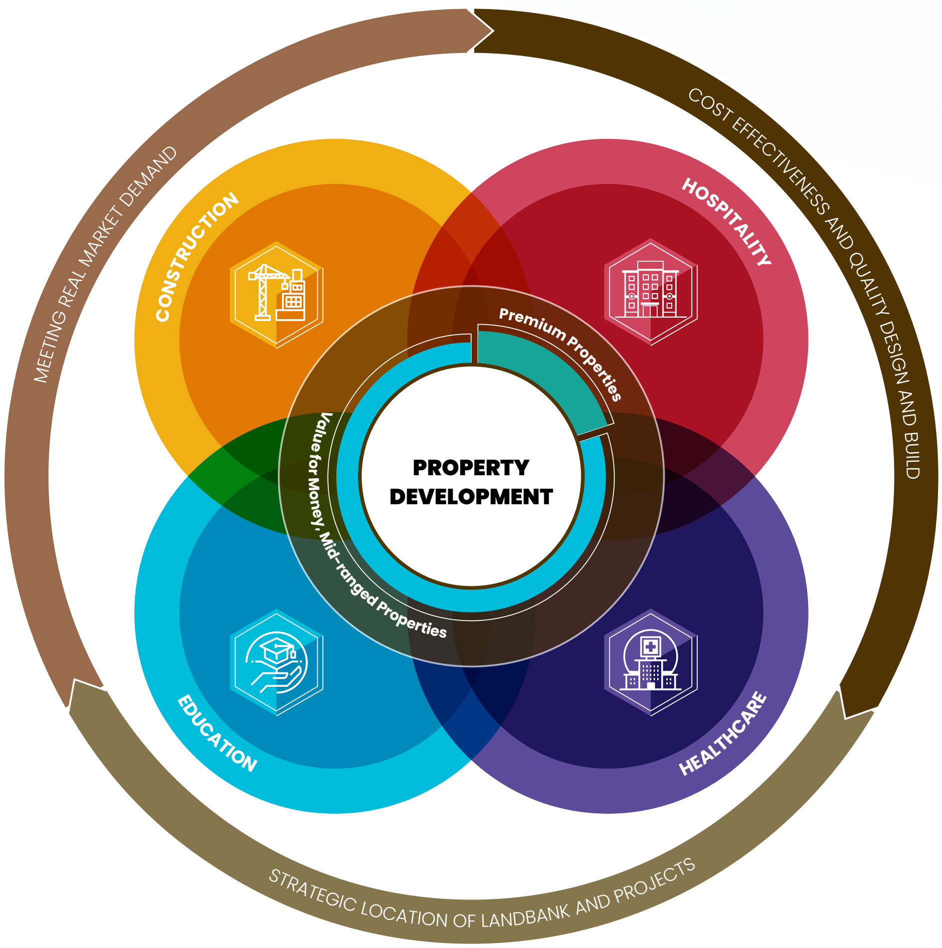
MATERIAL TOPICS	MATRIX'S RESPONSE
Climate Change and Emissions Direct Economic Performance Indirect Economic Performance Energy Consumption Related Capitals F M I S N	Continuing to adopt a comprehensive and strategic management approach based on the four (4) IFRS pillars of Governance, Strategy, Risk Management and Metrics and Targets. In essence, Matrix continues to strengthen its oversight, ownership of material sustainability topics, further refines its approach in the identification, understanding and prioritisation of material topics towards uncovering risks and opportunities and the development and implementation of strategies and frameworks to develop effective systems and controls to mitigate risks and to drive improved performance based on managing and reducing environmental and social impacts.



VALUE CREATION AND STRATEGIC REVIEW

RESPONDING PROACTIVELY THROUGH OUR BUSINESS MODEL

Matrix's business model is designed to enable an effective strategic response to the risks and opportunities (including SRROs and CRROs) arising from the external operating environment.



AFFORDABLE PROPERTIES
17.8%
(<RM350,000)

MID-RANGED MARKET
22.7%
(RM350,000 - RM600,000)

ATTAINABLE PROPERTIES
49.5%
(RM600,000 -RM1,000,000)

PREMIUM PROPERTIES
10.0%
(>RM1,000,000)

The aforementioned strategic responses provided on pages 79-89 is feasible due to the robustness of the Matrix business model, which remains market-relevant and market-resilient.

The business model continues to be strengthened and enhanced towards ensuring its ability to adapt and thrive towards optimising value creation potential over the short, medium and long-term horizons.

In essence, the Matrix business model is centred on its property development operations where it constitutes the bulk of revenues and earnings. In FY2026, property development and construction segments collectively contributed 95.4% and 93.5% of the Group revenue and profit after taxation respectively.

While the strategy for property development has been typically centred on the Group's flagship development of Bandar Sri Sendayan township, progressively, the segment's presence has expanded to the Klang Valley via boutique, vertical developments such as Chambers Residence in the Kuala Lumpur city centre and Levia Residence in Cheras, Kuala Lumpur, as well as in Australia via M. Greenvale, M333 St. Kilda and M. Carnegie.

The expansion is part of the Group's strategy to reduce dependency on a single flagship product, to tap the lucrative potential of Klang Valley's urbanised property space and more affluent property buyers and to further strengthen the Matrix brand profile. The goal is to continue driving improved revenues through a balanced mix of Negeri Sembilan based developments as well as Klang Valley, Australia and Johor based projects. A future catalyst for the Group's property development segment is its 2,382-acre landbank within the up-and-coming MVV City, where the MVV City is a game-changing, transformative masterplan for the Southern Klang Valley.

RESPONDING PROACTIVELY THROUGH OUR BUSINESS MODEL

While property development is the Group's primary generator of financial values (revenue and earnings), the business segment is ably supported by the operations of complementary business divisions. These are the Construction, Hospitality, Healthcare and Education segments.

PROPERTY DEVELOPMENT

- Comprises a diverse range of properties, including affordable homes in meeting market demand and enabling better living standards. Buyers benefit from rental yields and capital appreciation, while commercial and industrial developments support local businesses. Beyond sales, Matrix's core value lies in delivering quality, affordable residential properties that form the foundation for broader societal benefits.

CONSTRUCTION

- Comprising Matrix's subsidiary, Matrix Excelcon Sdn Bhd, the construction division enables the design and development of properties at the desired quality and cost and support on-time development. This segment provides Matrix with better project management and cost control towards realising the desired project masterplan.

HEALTHCARE

- Comprises the operations of Mawar Medical Centre ("MMC") across Negeri Sembilan.
- The healthcare segment enhances the value proposition of Matrix's business model, providing local communities with access to quality, affordable healthcare, which is an integral component in the continued sustainability and growth of the Bandar Sri Sendayan township.

EDUCATION

- Comprising the Adcote Matrix Schools ("AMS"), the segment provides another complementary component to complete the Bandar Sri Sendayan lifestyle proposition.
- Access to quality education is a prerequisite for any township and AMS brings international syllabus to the local communities.

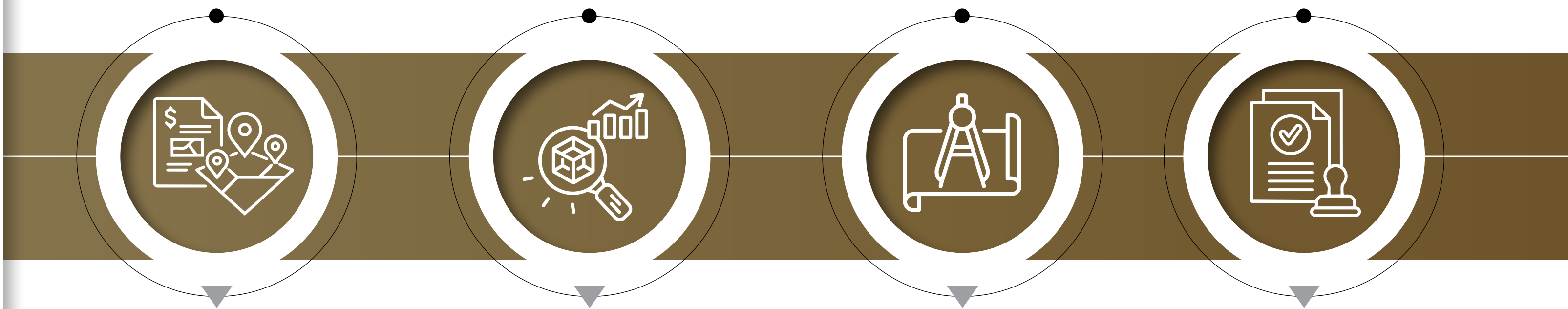
HOSPITALITY

- Comprising the d'Sora Hotel and d'Tempat Club. Serves the recreational and leisure needs of the local Bandar Sri Sendayan community.
- By prioritising quality service, inclusivity and accessibility, both d'Sora Hotel and d'Tempat Club contribute to the well-being of the community, strengthening connections and enriching communal expertise.

VALUE CHAIN AND BUSINESS PROCESSES

In providing an additional, more in-depth perspective of the Group's business model, IAR2026 delves into the specific business processes of the Group's value chain, namely the integrated value chain of the property development and construction divisions.

The objective of depicting the value chain and key processes is to enable providers of capital to garner a clearer perspective of how capitals are consumed and utilised from cradle to grave towards enabling value creation. In doing so, it is possible to also establish linkages between business processes and capital dependencies as well as financially material sustainability topics.



Landbank Acquisition and Replenishment

Key aspects include acquiring land prices at appropriate pricing based on set valuation ratios. Considerations include land size, location, land status and any regulatory approved plot ratios. Increasingly, exposure to physical climate risks, such as flash floods, sea level rise ("SLR"), water scarcity and rising temperatures is becoming more significant considerations.

Market Research/ Feasibility Study

Establishing a clear understanding of market preferences and trends, buyer behaviour and appetite is essential towards establishing present market conditions. This guides the next stage - product design and development and enables the development of a strategic, sustainable property launch pipeline.

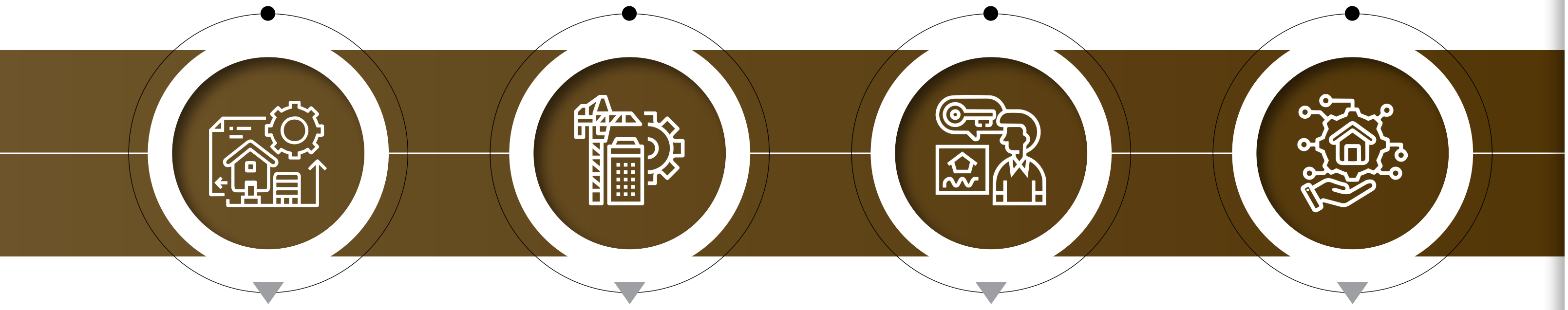
Design and Masterplanning

Drawing from past successful products, knowledge of market trends and customer feedback, products are developed accordingly. This includes considerations for physical limitations, surrounding topographical conditions and existing developments in the vicinity, existing transportation infrastructure, facilities and amenities and other factors.

Regulatory Approval

Focus is on achieving regulatory compliance and full and swift approvals. This will enable projects to be launched on time or ahead of schedule.

This enables a more insightful understanding that supports the validation of the extent of financial materiality of specific sustainability topics. The diagram below illustrates the cradle-to-grave value chain process commencing from landbanking up to project completion and handover and, where relevant, project management for owned assets that are retained for recurring income. By mapping sustainability touchpoints along this process, stakeholders can better identify where significant environmental, social, and governance impacts arise, and assess their financial implications. This holistic view strengthens decision-making, enhances transparency, and ensures that sustainability priorities are integrated meaningfully across each stage of the business lifecycle.



Project Launch

Products are typically sold off the plan and hence, brand and product appeal is essential in creating the desired commercial appeal and market traction. This includes number of units and unit sizes, flexible payment terms, total ownership cost as well as addressing any challenges, especially financial challenges faced by buyers.

Construction Works

Upon commencement of construction works, the focus is ensuring completion of works at the desired quality and cost, and well within schedule. This necessitates managing supply chains to ensure timely supply of material, manpower and services as required.

Climate change and inclement weather may cause disruption to site works and must be factored into the overall process. This also includes any disruptions to the supply of raw materials due to supply chain constraints. Managing cost towards preventing overruns is also essential.

Vacant Possession

Once the project reaches completion, purchase units can be formally handed over to buyers. Effective management of the handover process is essential for ensuring customer satisfaction, building trust, and maintaining long-term relationships. This stage also entails thorough defect rectification, timely resolution of issues, and clear communication with stakeholders to guarantee a smooth transition and reinforce confidence in the overall quality of the development.

Project/Township Management

Matrix continues to play a role in ensuring the long-term sustainability of the project by undertaking asset and property management, where relevant. This ensures that the project continues to develop and mature as intended to fulfil its value creation potential throughout its lifecycle.

VALUE CHAIN AND BUSINESS PROCESSES

Landbank Acquisition and Replenishment

STAGE	CAPITALS UTILISED	MATERIAL MATTERS/RISKS	BUSINESS DIVISIONS
Land	N	• Raw Materials Consumption • Biodiversity • Climate Change and GHG Emissions • Community Development • Indirect Economic Performance • Corporate Governance and Integrity	
Land Acquisition Cost	F		

Market Research/Feasibility Study

STAGE	CAPITALS UTILISED	MATERIAL MATTERS/RISKS	BUSINESS DIVISIONS
Undertaking research, strategy development, etc.	I	• Community Development • Indirect Economic Performance • Branding and Reputation • Product Quality	
Stakeholder engagement and relationships	S		

Design and Masterplanning

STAGE	CAPITALS UTILISED	MATERIAL MATTERS/RISKS	BUSINESS DIVISIONS
Concept development, town planning, design innovation	I	• Community Development • Branding and Reputation • Product Quality • Regulatory Compliance • Digitalisation and Innovation • Climate Change and GHG Emissions • Energy Consumption • Biodiversity	

Regulatory Approval

STAGE	CAPITALS UTILISED	MATERIAL MATTERS/RISKS	BUSINESS DIVISIONS
Relationships, good governance and protocols	S	• Regulatory Compliance • Environmental Compliance • Climate Change and GHG Emissions • Energy Consumption • Community Development • Corporate Governance and Integrity	
Securing loans and other forms of project financing	F		

VALUE CHAIN AND BUSINESS PROCESSES

Project Launch

STAGE	CAPITALS UTILISED	MATERIAL MATTERS/RISKS	BUSINESS DIVISIONS
Development of marketing plans, sales packages, promotion of the product's value proposition, etc.	I	• Talent Development and Management • Digitalisation and Innovation • Branding and Reputation • Corporate Governance and Integrity	

Construction Works

STAGE	CAPITALS UTILISED	MATERIAL MATTERS/RISKS	BUSINESS DIVISIONS
Operations of factories, machinery, etc.	M	• Digitalisation and Innovation • Local Procurement and Supply Chains • Regulatory Compliance • Human and Labour Rights • Occupational Safety and Health ("OSH") • Climate Change and GHG Emissions • Energy Consumption • Raw Materials Consumption • Water Consumption • Waste Management & Recycling • Biodiversity • Environmental Compliance • Corporate Governance and Integrity	
Purchase of construction materials and other capital expenditure ("CAPEX") and operation expenses ("OPEX")	F		
Consumption of various resources	N		

Vacant Possession

STAGE	CAPITALS UTILISED	MATERIAL MATTERS/RISKS	BUSINESS DIVISIONS
Excellent customer service, relationship and rapport building	H S	• Digitalisation and Innovation • Branding and Reputation • Talent Development and Management • Product Quality	
Comprehensive system for handing over properties and defects management	I		

Township/Project Management

STAGE	CAPITALS UTILISED	MATERIAL MATTERS/RISKS	BUSINESS DIVISIONS
Continued relationship and rapport building with residents and other stakeholders	S	• Indirect Economic Performance • Regulatory Compliance • Climate Change and GHG Emissions • Energy Consumption • Community Development	
Systems and processes for effective management	I		
Maintenance costs	F		

VALUE CREATION AND STRATEGIC REVIEW

VALUE CREATION MODEL

The Matrix IAR2026 Value Creation model is a summation of the Group's value creation narrative. It provides a concise and integrated view of how Matrix's business model progresses from the consumption of resources across a multi-capital perspective into ultimately, generating values for stakeholders, which is also reflected across a multi-capital perspective.

SIX CAPITALS	INPUT
FINANCIAL Efficient utilisation of funds generated from operations/investments including retained profits, capital and operational expenditures, borrowings and shareholders' funds as well as joint-venture investments	- Share Capital: **RM961.3 mil** - Gross Borrowings: **RM541.9 mil** - Assets: **RM3,245.0 mil** - Liabilities: **RM1,033.2 mil** - Deposits and Cash Balance: **RM187.0 mil** - Operating expenditure: **RM194.9 mil** - Finance costs: **RM12.7 mil**
MANUFACTURED Our physical assets across all business divisions: Property Development, Construction, Hospitality, Education and Healthcare	- **380,000 sq ft** d'Tempat clubhouse - **20,000 sq ft** d'Sora Boutique Hotel - **20 acres** Adcote Matrix Schools - All plant, machinery and equipment under Matrix Group valued at **RM188.5 mil** - **2,382 acres** of land obtained in the Malaysia Vision Valley Corridor
NATURAL Sustainable consumption of land, water and energy in the operation of the Group's business divisions Greater emphasis on recycling and other environmental-friendly practices in line with adoption of UN SDGs	- **640,839.99 litres** of diesel - **99,023.89 litres** of petrol - **9,379.15 MWh** of electricity - **1,467.70 MWh** of solar-based electricity - **65,182.44 GJ** total energy consumed from fuel and electricity - **620,448 m³** water consumption - **5,485,490 pieces** of paper - **30,706.80 tonnes** of cement - **6,630.10 tonnes** of steel - **876.4 tonnes** of timber - **176,157.40 tonnes** of sand - **536,234.50 tonnes** of ready mix concrete - **347,203.50 tonnes** of quarry products - **1,478** trees planted - **172 m³** rainwater harvested
HUMAN The Group's repository of human capital, which includes our staff's skills, experience, ideas, morale, professional qualities as well as a conducive corporate culture that is centred on strong corporate governance, competence and sustainability	- **1,242** employees - **98.07%** Malaysians - **RM10.1 mil** employee retirement and statutory benefits paid out - The stakeholders across our value chain such as vendors, suppliers and customers
INTELLECTUAL Our business strategies, inherent industry experience and expertise, Management's skills and proprietary industry knowledge, techniques and intellectual property	- **30 years** of property development experience and knowledge - Domain expertise across a diverse portfolio of industries such as Property Development, Construction, Education, Hospitality and Healthcare - **16,298** total training hours - **RM675,210** spent on training
SOCIAL Strengthening of existing relationships through a wide range of engagement activities towards continuously ensuring alignment of our value creation approach with the aspirations of stakeholders	- Robust investor relations through dialogues and engagement activities with shareholders, customers, suppliers, employees, government and regulators, industry affiliations and local communities - **99.5%** spent on local procurement

BUSINESS MODEL

MEETING REAL MARKET DEMAND

COST EFFECTIVENESS AND QUALITY DESIGN AND BUILD

STRATEGIC LOCATION OF LANDBANK AND PROJECTS

Property

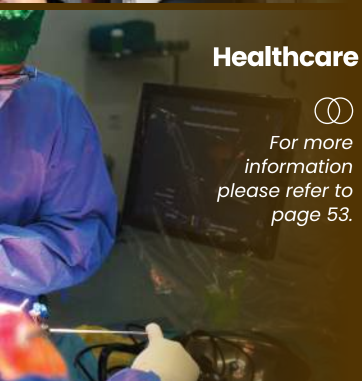
For more information please refer to pages 48-52.

Construction

For more information please refer to page 55.

Education

For more information please refer to page 54.



Healthcare

For more information please refer to page 53.

Hospitality

For more information please refer to pages 54-55.

PREMIUM PROPERTIES
10.0% (>RM1,000,000)

ATTAINABLE PROPERTIES
49.5% (RM600,000 – RM1,000,000)

MID RANGE MARKET
22.7% (RM350,000 – RM600,000)

AFFORDABLE PROPERTIES
17.8% (<RM350,000)

OUTPUTS / OUTCOMES

F

Outputs
- Revenue: **RM1,373.8 mil**
- PBT: **RM290.9 mil**
- PAT: **RM222.5 mil**
- New property sales: **RM1,505.3 mil**
- Unbilled sales **RM1,505.8 mil**
- Borrowings: **RM1,053.6 mil**

Outcomes
- Assets: **RM4,098.7 mil**
- Liabilities: **RM1,765.0 mil**
- Deposits and Cash Balance: **RM197.9 mil**
- Retained profits: **RM1,360.7 mil**
- **RM114.5 mil** dividend payout
- **RM51.2 mil** paid in taxes

M

Outputs
- Completed and delivered **2,153 properties** Provision of **1,081 units** supply of mid-ranged priced homes
- High quality standards—average.
- **968 student** enrolment, **13.9%** increase
- **13,412 clubhouse** memberships, **6.4%** decrease
- **52.4%** hotel room occupancy rate (7.1% drop)

Outcomes
- High customer satisfaction levels and direct contribution to nation-building and economic growth, job creation and acquisition of intellectual property and technology
- Average QLASSIC score of 77.8% across 17 projects

N

Outputs
- **2,569.52 tCO_2e** Scope 1 emissions
- **5,167.91 tCO_2e** Scope 2 emissions
- **2,725.99 tCO_2e** Scope 3 emissions
- **808.70 tCO_2e** carbon avoided
- **515.85 tonnes** of waste recycled
- **57.54 tonnes** of waste sent to incinerators
- **9,117.98 tonnes** of waste sent to landfills
- High compliance with environmental regulatory standards for effluent, noise and air pollution monitoring

Outcomes
- Improved sustainability performance in line with UN SDGs.

Refer to our SR2026 for more information

H

Outputs
- **10.79%** increase in number of employees from FY2025
- **384 new hires**, 6.57% decrease
- **254 turnovers**, 7.63% increase
- **58.78% women employees** (10.94% increase)
- **37.5%** of Board of Directors comprises women
- **85.9%** Employee satisfaction (AMS)

Outcomes
- Higher employee satisfaction and morale
- Creation of various high-paying jobs for local talents, development of local talent pool for the construction, property development, education, healthcare and hospitality sectors

I

Outputs
- Received 10 industry awards and accolades.
- Adoption of various industry best practice or globally recognised standards for quality excellence
- Fostering of mutual relationships with industry experts for better achievements via synergy

Outcomes
- Growing brand appeal and market share
- Stronger stakeholder relationships
- Various property awards and accolades secured in FY2026

S

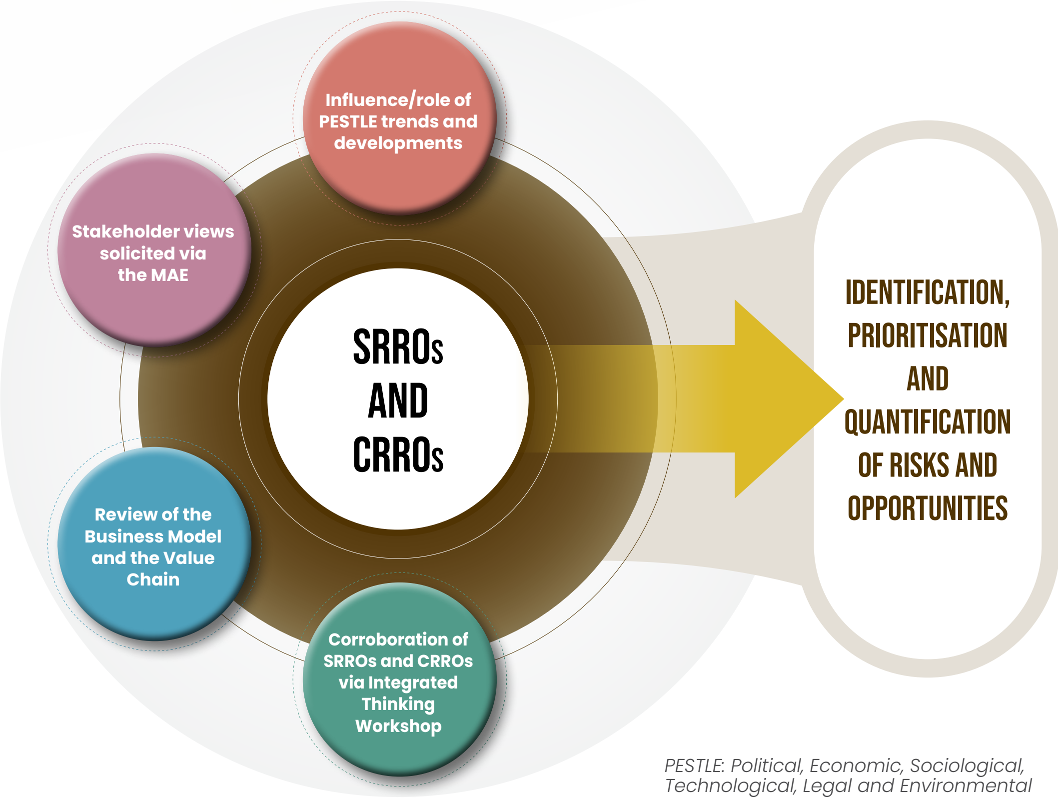
- High compliance with social regulatory standards for human rights and labour, community rights and more
- **RM15.2 mil** contributed to CSR and community projects
- **97%** community and customer satisfaction
- Continued development of a close and effective relationship with the government and regulatory authorities
- Improved understanding of stakeholders' concerns and aspirations
- Further improving medical quality by reinforcing ISO 9001:2015 QMS certification and other health related quality accreditations
- Improved ability to play an effective role as a good corporate citizen
- Stronger investor and customer confidence

VALUE CREATION AND STRATEGIC REVIEW

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES

Matrix's Sustainability-Related Risks and Opportunities ("SRROs") and Climate-Related Risks and Opportunities ("CRROs") have been identified through a robust and comprehensive assessment process.

This includes mapping risks and opportunities to sustainability topics considered financially material. Beyond insights from the Group's Materiality Assessment Exercise ("MAE"), the evaluation incorporates several strategic dimensions: the influence of external macro factors through the PESTLE framework, the nuances of Matrix's business model - particularly its value chain - and the integration of IFRS S1 and IFRS S2. Together, these elements form a holistic approach to validating and prioritising financially material sustainability topics.



PESTLE: Political, Economic, Sociological, Technological, Legal and Environmental

Upon distilling the above components, the Group is able to develop preliminary disclosures on its SRROs and CRROs, which will be further strengthened progressively going forward. This includes eventual financial quantification of identified SRROs and CRROs. Disclosures include information on the Governance Structure established by Matrix pertaining to SRROs and CRROs as well as efforts to develop increased visibility and oversight on risk management. This includes ongoing efforts to progressively integrate SRROs and CRROs into the mainstream business operational risk management approach of the Group, including the Risk Register.

GOVERNANCE

Pertaining to corporate integrity, ethical behaviour and sustainability, Matrix, since its inception, has established a robust governance structure that enables comprehensive, effective oversight, two-way communication and engagement and decision-making on sustainability matters. This includes on SRROs and CRROs.

In essence, the governance structure drives vigilance and informed action in advancing the Group's over-arching sustainability agenda and its sustainability strategies. The structure ensures Board and Management roles and responsibilities pertaining to sustainability including identification of sustainability champions, clear definitions of duties, identified levels of leadership and accountability and also facilitates regular and meaningful reporting and feedback to be cascaded or escalated across the governance structure.

Matrix's governance structure is frequently reviewed against regulatory requirements and best practices as stipulated by reporting standards and frameworks as well as regulatory bodies. This is to ensure that the governance structure continues to adhere to best practices and remains regulatorily compliant.

APPROACH TO MATERIALITY

In determining its material SRROs and CRROs, Matrix had undertaken a thorough review of its business model and value chain. The review was undertaken in FY2026.

Matrix has conducted a review on reporting requirements in relation to the NSRF and IFRS S1 and IFRS S2 to serve as strategic preparation programme towards reviewing the Group's identified relevant material topics and in determining the most material based on two parameters as described below:-

- Severity of impact: extent to financial, business and operational ("FBO") performance arising from an incident or development associated with the material topic.
- Likelihood of occurrence: The expected probability of such events or incidents associated with the material topic occurring in the current financial year, as well as over the short, medium and long-term perspectives as defined by the Group.

- Undertaking of IFRS review.
- Development of preliminary findings of material SRROs and CRROs.
- Refinement based on Management's feedback and inputs.
- Finalisation of findings and presentation to Sustainability Committee for approval.
- Approved and adopted with preliminary disclosures made.
- Progressing towards further refinement and improvement including financial quantification of SRROs and CRROs based on impacts to financial performance and financial position over short, medium and long-term ("SML") timeframes.

Beyond consideration of the Group's business model and value chain, participants also referred to the Group's materiality matrix for guidance. This matrix and the material topic identification process can be found in the Group's SR2026.

Eka Biz, Bandar Sri Sendayan

IFRS S1 and IFRS S2 Review

- The review was designed to solicit the collective perspective of senior and middle Management with regard to how SRROs and CRROs may have financial and operational impacts on Matrix's business model. This entailed considering in depth what impacts could arise over the SML time horizon, and where would these impacts be felt i.e. on the business model itself or in terms of access to markets or resources, or across the value chain.

Severity and Likelihood Scores

- The use of Group-specific severity and likelihood of impact scoring systems, applied across SML perspectives, establishes a consistent and transparent framework for risk evaluation. Tailoring these systems to the Group's unique context ensures that potential threats and opportunities are captured with greater accuracy. This structured approach enhances accountability, strengthens decision-making, and aligns risk assessments with strategic priorities. Applying the methodology across multiple horizons further supports resilience, enabling proactive responses and safeguarding long-term sustainability.

Time Horizons

Defined as follows:

- **Current anticipated financial effects** (for January-December 2026)
  - Short term (0 to 24 months)
  - Medium term (3-5 years)
  - Long term (6-10 years)
- **Group Materiality Matrix** Reference to Group materiality matrix as a starting point for identification and prioritisation of SRROs

Business Model and Value Chain Review

- Considerations for capital dependencies, resource use, and value chain chokepoints must be carefully assessed to ensure operational resilience and long-term sustainability. These factors influence financial stability, supply chain continuity, and organisational adaptability. By identifying vulnerabilities and dependencies early, businesses can prioritise mitigation strategies, optimise resource allocation, and strengthen overall competitiveness in dynamic markets.

The review was pivotal in enabling Matrix to develop a refined and focused set of material topics or SRROs and CRROs. This set as provided below has been leveraged for the development of SRRO and CRRO disclosures in alignment with the Securities Commission Malaysia ("SC")'s guidelines. Following are SRROs and CRROs deemed material for disclosure based on a financial impact perspective:

Topics from the previous materiality matrix and topics identified in the Group's existing Enterprise Risk Management Framework

ISSB Disclosure requirements

SASB industry specific standards

Referencing industry peers and use of company developed metrics

GRI/Bursa, CDSB, FTSE and others

Consideration for the Group's business model, business activities

Drawing from the Integrated Reporting framework, the risk assessment exercise was also driven by other strategic considerations such as trends and developments (and ensuing impacts) on the Group's business model, the Group's value chain as well as forward-looking plans. As part of the workshop, external operating trends and developments were also considered in the determination of SRROs.

APPLICATION OF MATERIALITY JUDGEMENT

In the development of risk severity and likelihood criteria for SRROs, Management has exercised judgement with certain basis of assumptions and conclusions made. These include utilising climate scenarios as well as other business scenarios and taking into account existing business plans and strategic decision-making.

In essence, Management has made informed decisions based on the following:

- No major changes to the Group's property development business model.
- No major changes or pandemic magnitude developments in the external operating environment.
- Existing governmental policies and development plans at both Federal and State levels.
- Based on set future plans including property launch pipeline.

Where possible, to complement and substantiate perspectives, past data and information, including past precedents such as past OSH incidents, past rainfall patterns and flooding have been used to drive more informed decision-making and determination of SRROs and CRROs. In addition, estimations have been made where the sustainability information relates to an entity in the value chain and needs to be estimated, is related to forward-looking information, or involves data limitations.

For this Report, only SRROs deemed to be more financially material with higher financial risk severity and likelihood of occurrence have been disclosed. This is based on the material judgement of Management based on the risk severity and likelihood scores developed and validated for all identified SRROs.

MEASUREMENT UNCERTAINTY

The following quantification has been determined by Management to have a high degree of uncertainty:

	Description
Climate-related transition risk - regulatory and market pressure to decarbonise embodied carbon construction materials and emissions from construction activities	The measurement of anticipated financial effects for any additional capital expenditure beyond the Group's current plan is subject to high measurement uncertainty over the short and medium term, and significant measurement uncertainty over the long term. With limited data on the effects related to the new scheme of carbon taxes introduced locally and the evolution of supplier material markets and customers' reactions, there is a wide range of potential outcomes for the anticipated financial effects of this risk over the short to long term.
GHG-related metrics	The Group measures its GHG emissions in accordance with the GHG Protocol unless otherwise stated as required by IFRS S2. The related disclosed metrics are subject to inherent high uncertainties arising from reliance on activity data and emission factors obtained from third parties. Where activity data and emission factors cannot be obtained on a timely basis, or are incomplete, estimation is used.

PREVENTIVE MEASURES, MITIGATION ACTION AND REMEDIATION PLANS

For all SRROs and CRROs, Matrix has provided comprehensive information on its mitigation strategies and the effectiveness of these measures. These are disclosed as part of the specific reporting for each SRRO and CRRO, ensuring transparency and accountability. In addition, Matrix outlines preventive steps to minimise risks before they materialise, coupled with proactive mitigation actions that address potential challenges in real time. Where issues do arise, detailed remediation plans are implemented to restore compliance and operational integrity. Collectively, these efforts demonstrate Matrix's commitment to responsible governance, sustainable practices, and continuous improvement in managing both strategic and critical risk-related objectives.

RISK MANAGEMENT

Beyond ascertaining and determining risks (which includes SRROs and CRROs), Matrix has developed strategic approaches that enable effective management and mitigation of risks.

Matrix in essence has developed a group-wide or enterprise risk management ("ERM") framework. The ERM draws from the best practices of the globally recognised ISO 31000 Risk Management framework. Leveraging the framework, Matrix has been effective in establishing a clear, Group-wide approach that enables effective coverage of risks as well as development of monitoring mechanisms, establishment of risk severity and likelihood criteria and the identification of and mitigation of risks.

In recent years, with the increasing prominence of SRROs and CRROs, notably in having direct or indirect impacts on financial value creation and business operations, Matrix has applied its ERM methodologies to the identification of sustainability risks (please refer to Our Approach to Materiality section for more information). The Group also intends to integrate SRROs and CRROs into its existing Risk Register towards creating a unified view on risks.

Specific information on Matrix's ERM, its internal controls and processes pertaining to risk management are detailed in the Statement of Risk Management and Internal Control ("SORMIC") of IAR2026.

PROCESS OF DETERMINING RISKS

Risk Management

01 Risk Identification

- Risk topics identified through risk workshops, stakeholder discussions, incident reviews, inputs from Board committees and benchmarking industry peers.
- Data sources: operational data, regulatory updates, market trends, and external events, industry players' annual reports, etc.

02 Risk Assessment

- **Likelihood Assessment:** Based on historical frequency, predictive modelling, and views of internal risk owners.
- **Severity Assessment:** Assessed based on potential/ actual extent of financial, operational, Health, Safety, Security and Environment ("HSSE"), and reputational impacts.

03 Risk matrix development

- Risks are plotted on a severity and likelihood matrix to enable ascertainment of risks. Critical risks are escalated to Management for immediate action.

04 Risk Mitigation

- Detailed mitigation measures are developed for high and critical risks, focusing on elimination, reduction, or transfer of risk.

05 Constant Review

- Risks are monitored continuously, with periodic reviews to ensure relevance and effectiveness of controls.
- Changes in external or internal factors are incorporated into updated risk evaluations.

STRATEGY

In the previous financial year, Matrix had made preliminary disclosures on its identified and prioritised SRROs and CRROs. In IAR2026, the Group has expanded its disclosures referencing the disclosure approach and examples provided in the SC's ISR.

TIMEFRAME:

Short (0-2 years) Medium (3-5 years) Long-Term (6-10 years)

OCCUPATIONAL SAFETY AND HEALTH ("OSH")

DESCRIPTION AND EFFECTS ON BUSINESS MODEL AND VALUE CHAIN

The Property Development and Construction sector typically has a higher risk to OSH, given the nature of operations and business activities. However, OSH is also a material topic for Matrix's other business divisions i.e. Education, Hospitality and Healthcare. In essence, constant vigilance through a robust precautionary management approach is vital towards ensuring safe and secure operations as safety is paramount towards ensuring smooth, non-disrupted business operations.

OSH incidents can range from less impactful, smaller incidents with little to no disruptive business or operational impacts, to major events, which could lead to site or operational shutdowns for a day or longer periods. Such occurrences may have significant financial or business impact such as loss of productivity, damages to assets and equipment, production delays, exposure to regulatory enforcement action such as fines or legal action and may also arise in higher insurance premiums going forward.

EFFECTS AND DECISION MAKING

Given the importance of ensuring safe and secure operations, the topic of OSH looms large in terms of Matrix's approach. In essence, OSH is akin to a licence to operate and such, requires a continued proactiveness in prioritising prevention by adhering to regulatory requirements, implementing OSH protocols and systems and developing a safety-first, no-compromise organisational culture Group-wide.

In essence, prioritising OSH is imperative as a key aspect of sustainable business operations. This would entail financial costs, mostly in terms of prevention-related costs in terms of provision of training, personal protection equipment, maintenance and upgrade of assets and facilities where necessary, obtaining and retaining certification status and more.

From a positive perspective, continued focus on OSH can lead to cost and operational efficiencies across the value chain. It contributes to improved morale among workers, which reduces attrition rates and also strengthens the Group's reputation, particularly among regulatory stakeholders.

Best practices applied can also be shared with industry peers through industry bodies towards elevating the collective standards of property and construction players.

MITIGATION AND ADAPTATION

Matrix's governance of OSH is driven by ensuring a continued high level of compliance with the following:

- Occupational Safety & Health Act ("OSHA") 1994 With Regulations
- MS 1722: Occupational Safety & Health Management System
- ISO 45001: Occupational Safety & Health Management System
- Occupational Safety Health Environment Management
- Group Health and Safety Policy. The policy covers all employees and extends to workers, employed on sites owned or controlled by Matrix

OSH comes under the purview of the Board and Senior Management, with OSH committees established at all operational sites. Workers are represented on OSH committees. The Board closely reviews OSH-related data including data on leading and lagging indicators i.e. Unsafe Act Unsafe Conditions ("UAUCs"), lost-time incidents ("LTI"), injuries, incident rates and fatalities, if any. Directors and Management may visit sites where incidents have occurred to obtain first-hand information and details.

As in previous years, the Board has reviewed information pertaining to OHS as per the following:

- Health, Safety and Environment ("HSE") management system performance
- Legal compliance and HSE contractual requirements
- OSH training and awareness
- Environmental and sustainability requirement
- Emergency Response and Preparedness, this includes business continuity planning, crisis management and disaster recovery systems

Matrix implements the best practice Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") system towards preventing OSH incidents and ensuring a higher standard at all operational sites. The approach includes toolbox and safety kit meetings, use of both lagging and leading indicators and other preventive and precautionary approaches to preventing OSH incidents. Matrix also has implemented the CIDB recommended Safety and Health Assessment System in Construction ("SHASSIC").

SHASSIC is an independent method to assess and evaluate the safety and health performance of a contractor in construction works/projects. Further details on Matrix's governance structure and risk management approach for OSH are provided in SR2026.

METRICS ON OSH

	FY2024	FY2025	FY2026
Fatalities incurred	Nil	Nil	Nil
No. of loss time incidents	4	3	3
Loss time Incidents Frequency rate ("LTIFR")	0.8	0.5	0.4
Fines incurred for OSH Non-Compliance (RM'000)	Nil	Nil	Nil

Matrix has not incurred any costs in relation to OSH incidents in FY2026. The Group has also not made any provisions for fines in relation to accidents, injuries or OSH non-compliance.

HUMAN AND LABOUR RIGHTS

DESCRIPTION AND EFFECTS ON BUSINESS MODEL AND VALUE CHAIN

Human and Labour Rights is a highly material topic given the dependence of Matrix's business model and value chain on manual labour, particularly for construction operations. While digitalisation, automation and new building and construction technologies have to an extent, enabled reduced dependence on manual workers, construction activities across the value chain continues to be reliant on the availability of human labour.

The dependence becomes more apparent when taking into account the use of labour throughout the supply chain; that is not just within Matrix's direct business operations but also how labour scarcity or infringement of labour rights by Matrix's suppliers may have direct or indirect impacts on the Group's ability to undertake business operations.

EFFECTS AND DECISION MAKING

The focus on ensuring adherence to human rights requirements is towards preventing disruptions on site works and the availability of materials and supplies. Continued focus on ensuring compliance is also vital towards preventing fines and other forms of legal action.

A strong human rights track record enables Matrix to continue having access to workers, especially foreign workers who are primarily hired for work on construction sites. Given the present foreign labour crunch, the ability to ensure a sufficient labour pool supports timely progress of works on sites and ultimately, timely completion.

In recent years, labour standards continue to become more stringent, supported by increased regulatory enforcement and monitoring by authorities. Requirements for provision of statutory payments for foreign workers and other changes contribute to higher labour-related compliance costs.

The focus for Management is to ensure compliance by staying abreast with the latest changes and requirements and where strategic, to reduce reliance or dependence on human labour. At the same time, Management must continue to also develop oversight on its supply chains to ensure reduced exposure from indirect impacts due to non-compliance by suppliers.

Developing such oversight is a progressive journey, given the extensive number of suppliers hired by Matrix to support its respective business divisions. The varying sizes, nature of suppliers' operations also poses further complexities. However, Matrix remains committed in ensuring supply chains are compliant not just in terms of labour practices, but in terms of environmental, social and governance practices. Within the Group's operations, Matrix's focus is on operations where the risks may be higher i.e. construction operations that employ foreign workers.

MITIGATION AND ADAPTATION

Matrix's management approach on matters pertaining to human and labour rights is firstly to ensure adherence to regulatory requirements; this includes compliance with changes in laws and requirements by established authorities/enforcement bodies.

Matrix adheres to the Employment Act 1995 and all relevant labour laws of Malaysia. The Group aligns with the International Labour Organization ("ILO"), the Universal Declaration of Human Rights, and the UN Global Compact's 10 Principles, including human rights, labour, environment, and anti-corruption, UN Guiding Principles on Business and Human Rights, International Labour Law, prohibiting child and forced labour. Matrix continues to work closely and in full co-operation with relevant government bodies and authorities.

All workers employed by Matrix are legally sourced workers. The Group applies the same standard to its supply chains and compliance with labour laws is pre-requisite for tendering and securing contracts with Matrix. In 2026, no suppliers were censured by the government or faced punitive action by Matrix for non-compliance with human and labour rights requirements set by the government.

HUMAN RIGHTS PRINCIPLES

Matrix supports relevant human rights principles as follows:-

- **Human rights, labour, environment and anti-corruption**
- **Ensuring non-discrimination and equal opportunity**
- **UN Guiding Principles on Business and Human Rights**
- **Supporting a harassment-free and violence-free workplace**
- **Malaysian Labour Law**
- **Prohibiting retaliation or any form of physical and mental disciplinary practice**
- **Prohibiting child and forced labour**
- **Respecting workers' rights to freedom of association**

METRICS ON HUMAN AND LABOUR RIGHTS

Matrix has not incurred any fines, penalties, or punitive measures from authorities related to human and labour rights non-compliance over the past three years. This outcome reflects the Group's strong commitment to upholding ethical labour practices, safeguarding employee welfare, and ensuring compliance with all relevant regulations and standards. Matrix continues to prioritise transparency and accountability in its operations, embedding human rights considerations into its policies and procedures. The absence of violations underscores the effectiveness of its governance framework and proactive monitoring mechanisms, reinforcing Matrix's reputation as a responsible corporate citizen dedicated to sustainable and socially conscious growth.

DEFECT MANAGEMENT/BUILD QUALITY

DESCRIPTION AND EFFECTS ON BUSINESS MODEL AND VALUE CHAIN

With property development and construction being the key business divisions of the Group, prevention and management of defects in finished properties and overall build quality is material to customer satisfaction and ultimately financial and business performance.

Quality is also intrinsically linked to brand perception and credibility with customers. The delivery of consistently good quality supports customer trust and confidence but can also translate in repeat buyers for products. Hence, full and swift rectification of defects is a strategic matter that has short, medium and long-term strategic relevance for Matrix.

Prioritising defect prevention and management also leads to reduced defect rectification costs and expedites the handover of units to buyers. This promotes faster revenue recognition from property projects, thus enabling replenishment of cashflows and ensuring sufficient availability of funds to acquire landbank and to undertake new property launches.

EFFECTS AND DECISION MAKING

Given the direct linkage between quality and brand perceptions, it is imperative that Matrix as a property developer focuses steadfastly on not just addressing defects at the end of the construction process, but in designing and constructing its properties towards reducing the occurrence of defects. This entails adopting a more comprehensive approach to quality or defect management, where each aspect or phase of the construction process requires close scrutiny to identify deficiencies and improvement opportunities.

Raw Materials and Design Selection

Quality control starts with the careful selection of building materials and use of designs that promote better build quality.

Adherence to Industry Best Practices

Committing to quality by adoption of QLASSIC, aluminium formworks and other construction standards.

Project Management Excellence

Strong emphasis on project management, fiscal and time discipline as well as quality control to ensure optimum building quality, reduction in defects and reduction in waste.

Customer-Focused

Implementation of stringent checks to ensure overall quality of finished units.

Empathy in Engagement

Prioritising customers' needs and concerns during vacant possession handover.

Continued Vigilance

Post completion and handover, continuing to play an active role in managing project quality and being customer responsive.

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES

In improving overall performance, strategies to be employed include focusing on selection of materials and improvements in workmanship while also emphasising continuous, stringent quality checks on building structural integrity. Other considerations include implementation of a real-time defect tracking system, formation of an inter-departmental Quality Assurance and Quality Control ("QAQC") to audit products/services delivered and continued upscaling of construction capabilities through investments in cutting-edge construction technologies and high-quality materials that are resilient to climate change impacts and other environmental factors. In addition, Matrix will also look at undertaking research and development activities towards adopting innovative building solutions that enhance durability and reduce occurrence of defects. Suppliers will also come under increased scrutiny via more frequent and stringent audits, comprising desktop as well as physical site audits.

Matrix continues to leverage its reputation for quality build and excellent customer service in promoting its products to customers. The focus on product quality is customer- and cost-centric. The focus is on strategising quality control towards enhancing customer satisfaction. Hence, beyond elimination and reduction of defects, the focus is also on speed of rectification, overall management of issues as well as focusing on intangible such as aspects of customer communication and experience.

In essence, the continued focus on product quality provides opportunities to review the entire value chain process towards uncovering areas for further improvement. This includes considerations for materials used, choice of suppliers, building designs and construction methods used as well as management of interactions with customers upon handover of vacant possession.

MITIGATION AND ADAPTATION

While Matrix has achieved high quality standards, reflected in its comparatively low and decreasing number of defects and successful resolution of the same (to customers' satisfaction), defects due to a wide range of uncontrollable factors such as climate risks, weather conditions and others are unlikely to be totally prevented.

Hence, while the Group continues to strive for zero defects across its operations, it also continues to focus on strengthening its existing response in managing and resolving defects. Future possibilities may include homes built with EV chargers or infrastructure-ready for solar panels installation, and more.

Increasingly, the Group is exploring how technological innovations can play a strategic role in improving defect prevention and rectification.

MITIGATION AND ADAPTATION (CONT'D.)

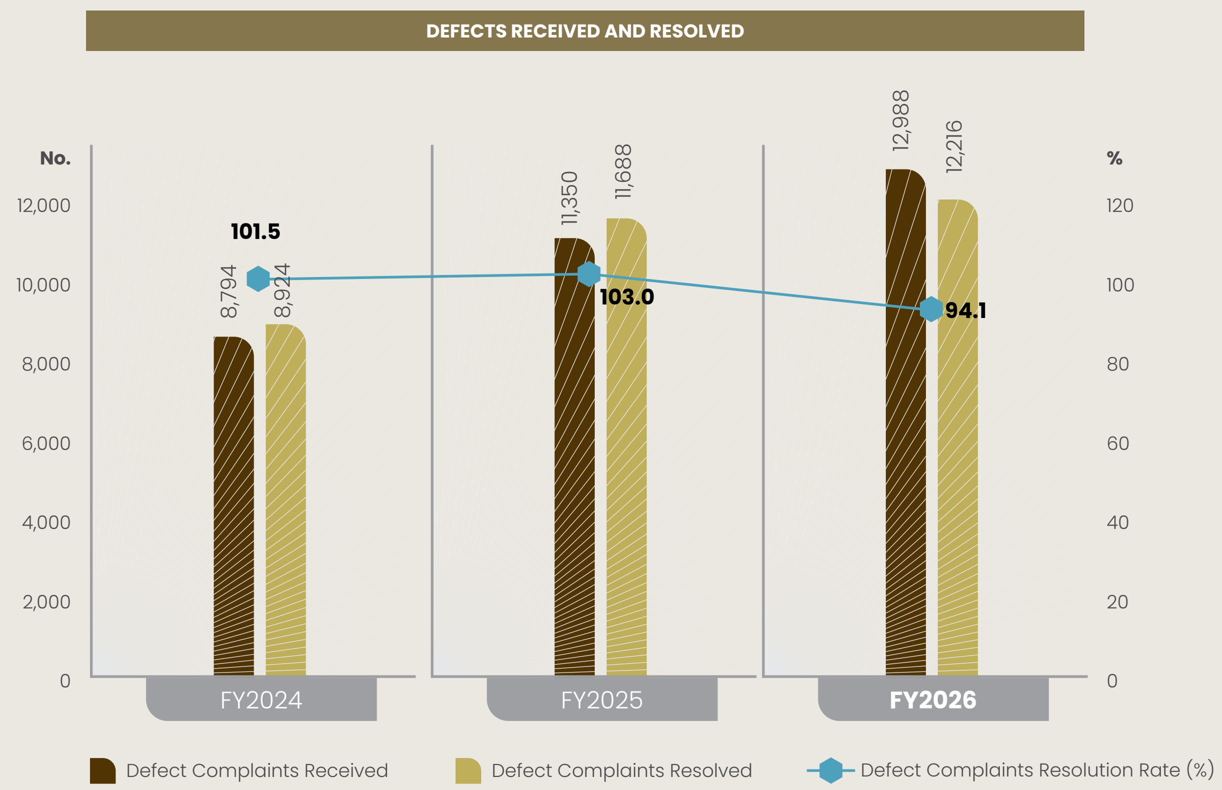
The property development and construction divisions use CIDB's QLASSIC system to assess the finished quality of built products. Defect management, including number of defects per product and speed and extent of defect resolution and related costs are also considered. The implementation of the ISO system via certification of operations group-wide is also part of the governance approach to upholding product and service quality.

In previous years, Matrix has looked at IBS-based systems as an approach for incorporating resource efficiency into home design. The use of IBS has led to the implementation of the aluminium formworks system. The use of aluminium formworks has enabled an expedited pace of construction while supporting improved absolute build quality as well as the consistency of build quality across property projects.

MATRIX EXCELCON	FY2024	FY2025	FY2026
AVERAGE QLASSIC SCORE (%)	72.4	74.0	77.8

Note: All scores exceed the Group's internal Key Performance Indicators ("KPIs") of 70%

METRICS ON DEFECT MANAGEMENT/BUILD QUALITY



REGULATORY COMPLIANCE

DESCRIPTION AND EFFECTS ON BUSINESS MODEL AND VALUE CHAIN

The property development and construction sector typically has a higher requirement for regulatory compliance across the business model. The nature of operations and the extensiveness of the value chain entails achieving a stringent level of regulatory compliance for a wide range of aspects or matters. These include environmental aspects such as air quality, effluents, noise levels and more as well as social aspects which include the aforementioned requirements for OSH, labour and human rights compliance, as well as safeguarding the interest and wellbeing of local communities and stakeholders.

Again, compliance here is akin to a licence to operate. Hence, continued stringent adherence towards achieving a high-level of compliance at all times would help to prevent financial material impacts such as fines, legal actions, delays in project approvals, short or longer-term operational site shutdowns and also reputational impacts. Particularly, regulatory compliance needs to be achieved at all times in alignment with the varied requirements of diverse authoritative bodies.

While the threshold for compliance has increased in tandem with new requirements introduced by regulatory enforcement bodies, the continued focus on good governance achieved through regular and comprehensive oversight mechanisms at both Board and Management levels, the implementation of Group-wide policies and procedures and the implementation of robust internal control systems and processes has significantly reduced the risk of non-compliance.

EFFECTS AND DECISION MAKING

Given the strategic importance of ensuring good regulatory compliance towards achieving smooth business operations, it is imperative for Management to continue adopting a vigilant, pre-emptive approach.

Compliance costs are frequently embedded in overall business process and operational cost. This includes training costs, costs related to regulatory stakeholder engagement, costs related to internal audits, external inspections and more. This necessitates expenditure on all aspects required for strong compliance such as employee training and equipment, application of licences, permits and approvals, maintenance of assets, machinery, equipment and more. The cost of compliance continues to rise as more stringent requirements are imposed by authorities coupled with progressive inflationary pressures.

MITIGATION AND ADAPTATION

Matrix ensures strong regulatory compliance by first ensuring adherence to laws, and requirements imposed by relevant authorities and enforcement agencies. This is the basis of the Group's management approach, which entails developing a clear understanding of the legal context and from there, establishing fundamental internal controls, systems and procedures to ensure adherence. Such internal standards are communicated and implemented across the Group as relevant and form part of the standard operating procedures ("SOP").

In going further, Matrix adopts a secondary level of defence or adherence, that is looking to establish operating benchmarks that exceed the basic regulatory requirements and enable the Group to realise best practices.

METRICS ON REGULATORY COMPLIANCE

Matrix has continued to maintain a track record of zero incidents of regulatory non-compliance in FY2026, including zero incidents of non-compliance with social and environmental requirements. Matrix is committed to full regulatory compliance, adhering to all applicable laws and regulations.

CLIMATE CHANGE AND EMISSIONS

DESCRIPTION AND EFFECTS ON BUSINESS MODEL AND VALUE CHAIN

The effects of climate change are becoming more severe and frequent, with Malaysia experiencing torrential rains, flash floods, heatwaves, droughts, and other disruptive weather patterns in recent years. These physical risks pose direct challenges to construction activities, asset resilience, and project timelines. At the same time, transition risks, which include energy tariff revisions, subsidy removals, renewable energy requirements, and potential carbon taxes, are emerging from regulatory changes, evolving investor expectations, and new government policies. Collectively, these CRROs can significantly affect the Group's financial performance and business model.

To identify these risks, Matrix conducted a Climate Risk Assessment ("CRA") workshop in 2025 as part of its MFRS and IFRS S1 & S2 disclosure alignment. The workshop brought together cross-functional management teams to identify and profile the Group's primary physical and transitional CRROs.

The CRA applied climate scenario analysis to evaluate the likelihood and severity of selected CRROs. Severity ratings were linked to the Group's overall risk register, reflecting both historical and potential financial impacts. Likelihood was assessed across the short-term (2024-2026), medium-term (2027-2035), and long-term (2036-2050) horizons.

EFFECTS AND DECISION MAKING

The following were identified as being the most materially relevant to Matrix's operations. For more comprehensive details on each CRRO and its specific impact on the Group's business activities, please refer to the SR2026:

Physical Risks

Risk	Timeframes	Impact on Matrix
Flash Flooding	**Short Term (2024-2026)**	Low – Past flooding incidents were rare and well-managed with minimal financial impact. Current business continuity plans ("BCPs") are robust enough to ensure swift response, so operational disruption remains low.
	Medium Term (2027-2035)	Low – The likelihood of flooding may rise, leading to greater site disruption and higher financial exposure. While preparedness helps contain severity, impacts on construction schedules and costs could increase.
	Long Term (2036-2050)	Moderate – Climate scenarios project heavier rainfall and more unpredictable weather. Flooding could carry significant operational and financial consequences, requiring investment in stronger prevention infrastructure, advanced monitoring, and revised SOPs. These adaptations may involve higher upfront costs to safeguard long term resilience.

Physical Risks (cont'd.)

Risk	Timeframes	Impact on Matrix
Rising Temperatures	**Short Term (2024-2026)**	Low – Rising temperatures remain within expected ranges, and historical incidents have been minimal. Current safeguards are sufficient, so operational disruption is low.
	Medium Term (2027-2035)	Moderate – Intensifying surface temperatures may increase Heat-Related Illnesses ("HRIs"), potentially slowing construction progress. Additional worker protections and adjustments to work schedules (e.g., staggered or evening shifts) may be required to sustain productivity.
	Long Term (2036-2050)	Moderate – Higher temperatures are increasingly likely, with greater operational impact. Matrix will need to adopt best practices from hotter regions, invest in protective infrastructure, and revise SOPs to maintain safe and continuous operations.
Drought/ Water Scarcity	**Short Term (2024-2026)**	Very Low – Disruption risk is very low. Historical incidents have been minimal, and existing reserve capacity provides sufficient buffer to sustain operations during short shortages.
	Medium Term (2027-2035)	Low – Frequency of disruptions may rise, but impacts remain manageable. Any delays can be recovered once supply resumes, with limited effect on overall business continuity.
	Long Term (2036-2050)	Moderate – Risks become more pronounced, with potential for significant operational disruption. To safeguard resilience, Matrix will need to expand reserve capacity, reduce reliance on utility-supplied water, and invest in advanced water-saving technologies.

Transitional Risks

Risk	Timeframes	Impact on Matrix
Changes to Policies and Regulations	**Short Term (2024-2026)**	Moderate – Policy changes and tariff revisions are already increasing energy and compliance costs, but the overall business model remains intact. Financial exposure is noticeable yet manageable, with impacts contained by industry-wide adjustments.
	Medium Term (2027-2035)	Moderate – Cumulative regulatory developments, such as higher energy costs, carbon taxes, and expanded disclosure requirements, will raise compliance expenses. While industry-wide, these pressures may erode margins unless Matrix accelerates renewable energy adoption and achieves full Scope 3 emissions reporting.
	Long Term (2036-2050)	Moderate – Regulatory landscapes are expected to become more complex, potentially requiring restructuring of supply chains and business practices. Compliance costs could rise further, demanding sustained investment in adaptation strategies to preserve competitiveness.

Transitional Risks (cont'd.)

Risk	Timeframes	Impact on Matrix
Energy Tariff Revisions	**Short Term (2024-2026)**	Low – Fuel and electricity tariff increases are already visible. For FY2026, fuel costs rose to nearly RM2.0 million, with potential exposure up to RM2.46 million if subsidies were fully removed. Electricity tariffs have also increased by 14.2% under RP4, raising base costs to 45.62 sen/kWh. While current solar installations generated savings of about RM747,633 and avoided 808.70 tonnes of CO_2e, the overall financial impact remains manageable but noticeable.
	Medium Term (2027-2035)	Moderate – Further tariff hikes could significantly raise operating expenses. Projections show electricity cost savings could reach RM980,000 under RP6, but only if renewable adoption scales up. Without additional investment, higher energy costs may erode margins in property development and construction.
	Long Term (2036-2050)	High – Further tariff hikes and subsidy removals are expected, especially with stricter decarbonisation requirements. In the case of full subsidy removal, reliance on conventional energy could drive fuel costs well above RM2.4 million annually, while electricity tariffs under RP8 may push savings potential to RM1.13 million, achievable only with expanded solar and efficiency measures. Failure to adapt could result in substantial financial strain, regulatory penalties, and reduced competitiveness.
Carbon Taxes	**Short Term (2024-2026)**	Low – At a carbon tax rate of RM35/tCO_2e, Matrix's exposure would be about RM270,810. This represents a small fraction of Group profitability and causes limited operational disruption. Current solar adoption and efficiency measures help contain costs.
	Medium Term (2027-2035)	Low – If rates rise to RM50/tCO_2e, projected exposure increases to RM386,872. While higher than short-term levels, this remains modest relative to earnings. Continued investment in renewable energy and emissions tracking will keep risks low.
	Long Term (2036-2050)	Low – At RM75/tCO_2e, exposure could reach RM580,307 annually. Even at this level, the impact remains limited relative to overall profitability. Proactive decarbonisation, through solar expansion, energy efficiency, and sustainable sourcing, ensures the Group remains resilient under stricter policies.
Transition to Low-Carbon Business Model	**Short Term (2024-2026)**	Moderate – Early decarbonisation efforts entail CAPEX and opportunity costs associated with investments in renewable energy and efficiency systems. These upfront expenses may temporarily divert funds from growth initiatives, but do not disrupt the business model. Financial exposure is contained and manageable.
	Medium Term (2027-2035)	High – As Scope 3 decarbonisation requirements intensify, supply chain disruptions may emerge. Suppliers could struggle to meet stricter environmental criteria, leading to operational delays, higher procurement costs, or the need to onboard new partners. Regulatory and financial pressure to demonstrate progress in carbon reduction adds to risk exposure. This period represents the highest risk to operations and margins.
	Long Term (2036-2050)	Moderate – Over time, supplier alignment with sustainability standards and Matrix's diversification of its supply base will reduce exposure. Operational efficiencies and mature low-carbon initiatives will stabilise costs, lowering risk back to moderate levels. Financial impacts remain manageable as investments yield long-term resilience.

METRICS ON EMISSIONS

	FY2024	FY2025	FY2026
Scope 1 emissions (tCO_2e)	1,521.18	1,724.59	2,569.52
Scope 2 emissions (tCO_2e)	4,153.60	4,559.50	5,167.91
Scope 3 emissions (tCO_2e)	1,270.46	10,552.08	2,725.99
Emissions intensity as measured for Scope 1 and Scope 2	Intensity/ Revenue *(tCO_2e/RM' million)*: 4.20 Intensity/ Operational Size *(tCO_2e/sq ft)*: 0.12	Intensity/ Revenue *(tCO_2e/RM' million)*: 5.50 Intensity/ Operational Size *(tCO_2e/sq ft)*: 0.19	Intensity/ Revenue *(tCO_2e/RM' million)*: 5.63 Intensity/ Operational Size *(tCO_2e/sq ft)*: 0.23