



Matrix

FOR GREEN



Sustainability Pillars



Environmentally Conscious Approach

UNSDGs Supported



Material Topics in this Section

- M8** Resource Management
- M9** Water Consumption
- M10** Climate Change and Emissions
- M11** Waste Management and Recycling
- M12** Energy Consumption
- M13** Biodiversity

As a company whose core business involves shaping communities and building townships, Matrix recognises that our activities directly interact with natural ecosystems and resource use. Environmental sustainability is therefore not only about compliance, but also about managing risks such as climate change, resource scarcity, and regulatory pressures that could affect business continuity and stakeholder trust. By embedding environmental considerations into planning, design, and construction, Matrix ensures that growth is achieved in a way that protects ecological integrity while delivering resilient developments.

CLIMATE ACTION

M10

As climate change continues to intensify, Matrix recognises the increasing physical and transition risks arising from more frequent extreme weather events, evolving regulatory requirements, and the global transition towards a low-carbon economy. In response, the Group is committed to progressively decarbonising its operations, strengthening climate resilience, and supporting Malaysia's Net Zero Emissions aspiration by 2050 and the goals of the Paris Agreement.

Climate-related risks and opportunities are progressively integrated into the Group's strategic planning, investment evaluations, capital expenditure, land acquisition, project feasibility assessments, and enterprise risk management. While the Group does not currently maintain a dedicated climate-related investment budget, climate considerations are embedded within business planning and operational decision-making, with climate governance and transition planning continuing to be strengthened over time.

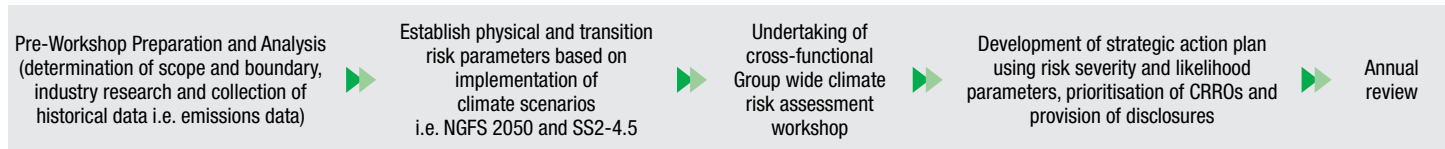
CLIMATE RISK ASSESSMENT

Given the significance of this topic, the Group undertook a Climate Risk Assessment ("CRA") exercise in FY2025. The CRA involved management and operational

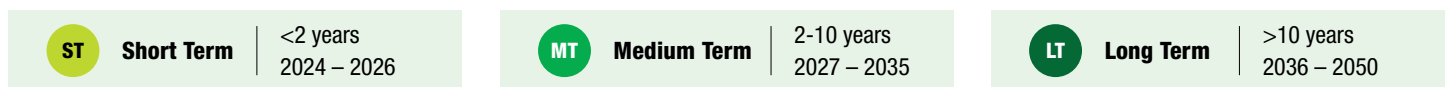
employees, ensuring that all relevant climate-related risks and opportunities were identified and assessed while strengthening the Group's overall governance oversight of climate change. This initiative aligns Matrix with the National Sustainability Reporting Framework ("NSRF"), which is based on the International Financial Reporting Standards ("IFRS") S1 and S2.

As part of the CRA, the Group assessed potential physical and transition CRROs across its operations. The assessment evaluated the potential impacts of climate change on the Group's business activities by considering both current conditions and future climate scenarios. Short-term assessments were based primarily on historical data and operational site insights, while medium- and long-term assessments incorporated climate scenario modelling to evaluate changes in the likelihood and severity of identified risks under selected climate scenarios.

To ensure a comprehensive and consistent assessment, the Group adopted a structured climate scenario analysis methodology. The assessment also incorporated different time horizons to capture both immediate and longer-term climate-related risks and opportunities, enabling the Group to make informed risk management, adaptation and investment decisions.



Following the methodology above, CRROs were assessed across three time horizons to reflect the varying nature and timing of potential climate impacts on the Group's operations.



The identification of potential physical and transitional risks was also achieved using the following climate scenarios:

The Intergovernmental Panel on Climate Change's ("IPCC") Shared Socioeconomic Pathway ("SSP"); SSP2-4.5	Network of Greening the Financial System ("NGFS") Net Zero 2050 Framework
- Projecting a "middle-of-the-road" development scenario where global progress balances sustainability goals with continued reliance on fossil fuels, representing a realistic trajectory for both global and regional climate impacts.¹ - SSP2-4.5 has been rated as one of the most probable scenarios in peer reviews and serves as a foundational basis for estimating future conditions.² - Under SSP2-4.5, moderate yet persistent GHG emissions lead to incremental warming, resulting in gradually intensified climate impacts projected for the years 2035 and 2050.	- Aligns with national and global aspirations to achieve net zero emissions by 2050 via the introduction of National Energy Transition Roadmap ("NETR") and the establishment of National Decarbonisation Committee³; and the international treaty of Paris Agreement signed by 195 countries,⁴ respectively. - It aims to guide financial institutions in aligning their portfolios with the goal of achieving net-zero GHG emissions by the year 2050. - This initiative is part of a broader global effort to limit global warming to 1.5°C above pre-industrial levels, as outlined in the Paris Agreement, via stringent climate policies and innovation.

¹ IPCC, 2021: *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, in press, doi: 10.1017/9781009157896.

² Scafetta, N. (2024). Impacts and risks of "realistic" global warming projections for the 21st century. *Geoscience Frontiers*, 15(2), 101774.

³ The Sun. (2024, June 20). Govt reaffirms commitment to net-zero emission by 2050 - Nik Nazmi. *thesun.my*. <https://thesun.my/malaysia-news/govt-reaffirms-commitment-to-net-zero-emission-by-2050-nik-nazmi-FP12597424>.

⁴ United Nations. (n.d.). The Paris Agreement | United Nations. <https://www.un.org/en/climatechange/paris-agreement>.

The climate scenarios provided base parameters and shared assumptions to support more focused and effective consideration and assessment of risks and opportunities, including severity and likelihood levels based on predetermined time horizons.

CLIMATE RISKS AND OPPORTUNITIES

Matrix has identified various CRROs based on the CRA, with the overview of the type of risk, impacted businesses, likelihood, and severity shown below:

Legend:

Business Divisions		Property Development	Construction	Healthcare	Hospitality
					
Likelihood		Severity			
					
Very Unlikely	Unlikely	Possible	Likely	Very Likely	
			Insignificant		Minor
			Major		Highly Significant
			Moderate		

Risk/ Opportunity	Impacted Business				Likelihood	Severity
						
Physical Risks						
Extreme Rainfall-Related Risks						  
Rising Temperature						  
Droughts/ Water Scarcity						  
Transition Risks						
Environmental and Energy Policy Shifts						  
Market and Reputational Risks						  
Risks Arising from Transitioning to a Low-Carbon Business Model						  
Opportunities						
Adoption of Renewable Energy Solutions						  
Purchase of Carbon Credits						

To facilitate risk prioritisation, the CRA utilises a dual-rating framework that interpolates the likelihood and severity of each identified risk into a single score in a 5x5 Risk Matrix. The risks are then categorised into five categories to facilitate the prioritisation of the development of mitigation and resilience strategies.

Risk Ratings				
 Very Low: Risks are insignificant and may be negligible. Intervention is not required and may be complemented with basic monitoring.	 Low: Risks in this category are minor and may require minimal intervention. Monitoring is recommended to ensure no escalation.	 Moderate: These risks require some mitigation measures but do not present immediate, severe impacts.	 High: High-priority risks that demand prompt and strategic intervention to avoid significant operational or financial consequences.	 Very High: Critical risks with severe implications, necessitating immediate and robust mitigation actions to protect assets and ensure continuity.

Physical Climate Risks

Extreme Rainfall-Related Risks

POTENTIAL IMPACTS	TIMEFRAME		
	ST	MT	LT
Operational site shutdown or major/ minor damages to the site		●	●
Delays in project delivery causing cost overruns			●
Damage to inventory, machinery, or equipment		●	●
Supply chain disruptions			●
The inability of the workforce to travel to work	●	●	●
Rise in vector-borne diseases		●	●

Increased precipitation from climate change raises the frequency and likelihood of flash floods, which is amplified further in the medium to long-term time horizons. This affects Matrix's operational sites through operational shutdown or damage to inventory and equipment, while also impacting suppliers and the Group's access to raw materials.

In the short term, Matrix faces a moderate possibility of flash floods at operating sites, though the historical severity has remained low. This risk is expected to escalate over medium-to-long-term horizons. The vulnerability of specific sites depends on geographical factors such as precipitation levels, land use cover, elevation, slope, and proximity to water bodies. A secondary phase of the CRA will be conducted to identify specific sites most susceptible to these factors.

Long-term mitigation may require significant infrastructure enhancements, including improved drainage systems and larger or more numerous retention ponds. A recent example occurred in June 2024 at Suria Heights, where a temporary sediment basin embankment failed due to heavy rain and mud flow, spilling into neighbouring Royal Malaysian Air Force land. While there were no injuries or damage to machinery, the clean-up cost was RM50,000. Due to a robust Business Continuity Plan ("BCP") and the expertise of Matrix Excelcon, the site was cleared quickly, and regulatory approval for resuming work was obtained without major disruption or liquidated asset damages ("LAD").

To prepare for future events, Matrix conducts annual employee training for designated personnel in charge ("PICs") on flood prevention Standard Operating Procedures ("SOPs") and the use of PPE.

The Group's financial quantification for flood impact is currently based on a realistic scenario of two lost workdays per year, with full details of the scenario planning shown in the following table:

OPERATIONAL DISRUPTION DUE TO FLASH FLOODS	2 DAYS/ YEAR	10 DAYS/ YEAR	20 DAYS/ YEAR
Severity			
Estimated cost overruns from operational downtime	Negligible	RM400,000	RM800,000
Estimated costs due to asset damage	1% increase in repair/ replacement costs	5% increase in repair/ replacement costs	10% increase in repair/ replacement costs
Estimated additional costs to compensate for lost time and productivity	Not Applicable	RM60,000	RM120,000

Vector-Borne Diseases

Vector-borne diseases are expected to increase during periods of heavy and prolonged rain. This includes risks such as the increased prevalence of puddling and still water that propagates the mosquito population, which in turn increases the likelihood of dengue fever among the workforce. While the likelihood is high, the impact on manpower is considered low as most cases are treatable within a short span of time. However, the risk becomes more severe regarding regulatory site shutdowns, as authorities may mandate closures until health hazards like water ponding are cleared and fogging is conducted.

Matrix Excelcon mitigates this through regular inspections, worker education, and outsourced fogging, which costs between RM1,800 and RM2,000 per session depending on facility size. These measures have effectively reduced the prevalence of dengue across all operational sites.

ST	Likelihood  Severity  Overall Risk Low	With only a single precedent of flooding/ excessive rainfall and with the incident well managed with minimal financial impact, flash flooding is expected to not have high severity levels, though the likelihood or possibility of future events remains. The current BCP established remains sufficiently robust to ensure a swift response to managing any incidents.
	Likelihood  Severity  Overall Risk Low	The possibility of incidents could increase thus causing more disruption to sites and increased business/ financial impact. However, given the level of preparedness, the severity factor may see a slight increase but continues to remain low.
	Likelihood  Severity  Overall Risk Moderate	With increased precipitation predicted under the SSP2-4.5 scenario, it is possible that likelihood of flooding and related incidents may increase with a higher level of impact. This may necessitate enhanced measures, such as strengthened flood-prevention infrastructure, advanced monitoring systems, or revised SOPs, to address increasingly unpredictable weather patterns. These adaptations could involve higher upfront investment costs if climate conditions become more extreme.

Rising Temperature

POTENTIAL IMPACTS	TIMEFRAME		
	ST	MT	LT
Rising heat affects the functionality of machinery			●
Worker health issues and increased OSH incidents	●	●	●
Heat reduces worker productivity and the overall productivity of operations		●	●
Delays in project delivery causing costs overrun	●	●	●

Rising temperatures may necessitate changes in working hours as mid-day temperatures become untenable for workers to undertake outdoor construction work, especially likely over the medium- to long-term. Matrix may eventually shift to staggered evening and night shifts to maintain bearable working conditions, which is expected to increase manpower costs. Additionally, extreme heat could remotely impact Industrialised Building System (“IBS”) works, such as the production of aluminium formworks, due to impacts on machinery performance.

For the Property Development division, rising heat requires homes designed with more heat-resistant materials and architecture to ensure conducive living conditions. The Group utilises greenescapes and water features as heatsinks, costing between RM200,000 and RM250,000 per project during the time of the CRA. In FY2025, Matrix spent over RM1 million planting more than 3,000 trees. In the Healthcare and Hospitality divisions, rising temperatures will increase energy consumption to maintain regulated internal temperatures. While operations like Mawar Medical Centre (“MMC”) and the hospitality assets utilise solar energy that offsets the additional costs from cooling demand, they remain exposed to rising costs and the future rationalisation of subsidies.

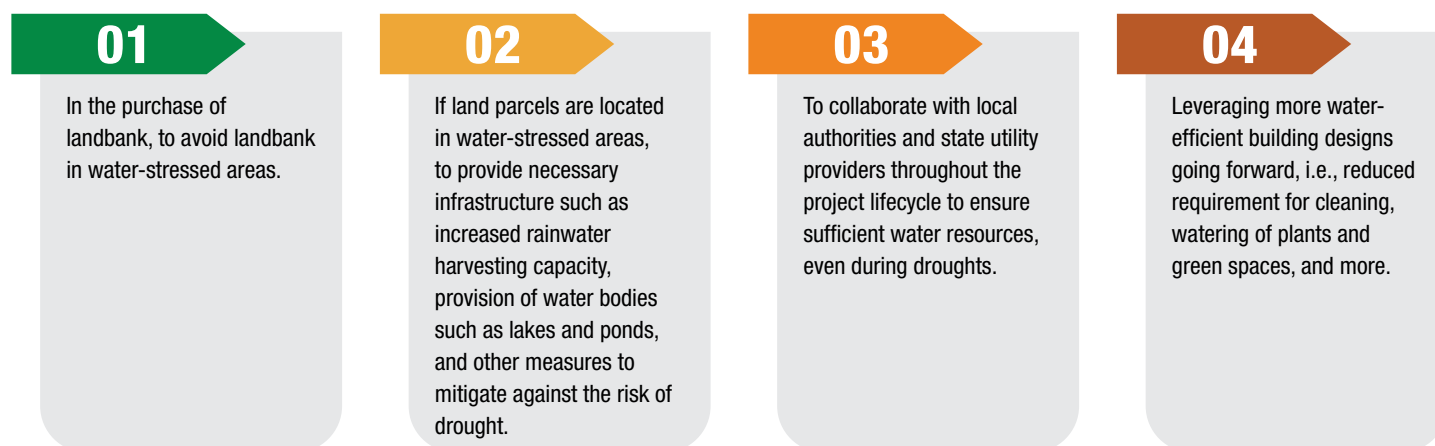
MITIGATION MEASURES	   			
Use of solar-derived electricity			●	●
Increased use of energy-saving/ energy-efficient equipment	●	●	●	●
Increased site electrification	●	●		

ST	Likelihood Severity Overall Risk Low	The minimal historical incident on Heat-related Incidents (“HRIs”) infers that the risk remains low and manageable as projected temperatures over the short-term remains within expected ranges. Current mitigation measures provide a robust buffer against potential impacts.
	Likelihood Severity Overall Risk Moderate	The moderate risk rating reflects the anticipated intensification of surface temperatures, which may cause increased HRI. This may necessitate additional safeguards for workers and a shift to staggered or evening/ night shifts to maintain the pace of construction works.
	Likelihood Severity Overall Risk Moderate	While the likelihood of rising temperatures becomes more apparent, the lessons learned over the medium-term should enable Matrix to respond effectively and mitigate impacts. Best practices from other regions such as the Middle East can be applied to mitigate the impact of heat while continuing to maintain business operations.

Drought/ Water Scarcity

POTENTIAL IMPACTS	TIMEFRAME		
	ST	MT	LT
Water supply cuts disrupt production operations	●	●	●
Delay in project timelines	●	●	●
Increased financial cost of alternative water sources	●	●	●

As a responsible property developer, Matrix is cognisant of the need to ensure its property projects have sufficient access to water over the medium to long-term horizons. While formal responsibility often lies upon the formation of a Management Committee, the Group maintains a social responsibility to ensure residents are not burdened by supply issues. In this regard, the optimum role that Matrix can play is as follows:



For the Construction division, past disruptions have been minor, but cost estimates under Matrix Excelcon predict an increase of RM5,000 per day for operations without water, while the cost of extracting groundwater as a contingency is approximately RM50,000. The Hospitality division is most vulnerable, as water cuts exceeding three hours significantly impact customer experience and F&B services. The following are potential business/ operational scenarios developed for the Hospitality business division of Matrix:

OPERATIONAL IMPACT OF WATER DISRUPTIONS		
1-3 HOURS	HALF DAY TO ONE DAY	2 DAYS AND MORE
Negligible impacts with existing water storage tanks are sufficient for operations.	Mild to moderate impacts with the possibility that some services, such as food and beverage, and facilities, i.e., swimming pool, may be affected, thus impacting guests/ customers.	Extremely rare possibility that has never occurred before.
Provision of plastic-bottled water to guests/ customers.	Provision of plastic-bottled water may not be sufficient, and additional measures, such as sourcing water tankers, may be required to sustain operations.	Besides sourcing of tankers, alternative arrangements may need to be made, i.e., hotel guests transferred to other hotels, for instance.
Informing all guests/ customers of the disruption in the water supply.	Informing all guests/ customers of the disruption in the water supply.	Significant impact on brand perception and the ability to sustain/ expand customer base.
No major impact on customer patronage.	May impact guest/ customer experiences and satisfaction, potentially leading to a loss of patronage.	

Given the increasing frequency of water scarcity events, adopting multiple mitigation measures is essential to ensure operational continuity and minimise financial impacts:

- Implement additional rainwater harvesting systems to capture and store rainwater for use in non-potable applications. Adequate storage can provide a reserve during dry spells, ensuring that operations can continue without relying solely on immediate water sources.
- Implement training programmes for employees focused on water conservation techniques and the importance of sustainable practices in daily operations.

ST	Likelihood  Severity  Overall Risk Very Low	Minimal history of water supply disruptions affecting operations. Existing reserve capacity should provide sufficient buffer to sustain operations during short-term water shortages.
MT	Likelihood  Severity  Overall Risk Low	While there is a possibility of increased water disruptions, impacts are expected to remain manageable, with business operations largely unaffected. Any delays experienced can be made up with the resumption of normal water supply.
LT	Likelihood  Severity  Overall Risk Moderate	In the long run, incidents may increase in severity, leading to greater business and operational disruption. Hence, it is imperative that existing reserve capacity be expanded and reliance on utility-supplied water be reduced. Further investments in advanced water-saving measures are recommended for enhanced resilience.

Transition Climate Risks

Environmental and Energy Policy Shifts

POTENTIAL IMPACTS	TIMEFRAME		
	ST	MT	LT
Increased requirements for the use of green-certified materials or green-certified suppliers		●	
Potential carbon emissions tax/ ceiling		●	●
Increased recycling of waste and other waste products	●	●	●
Removal of fuel subsidy		●	●
Higher energy tariffs	●	●	●
Potential for fines or censures due to non-compliance		●	●

Among the identified transition risks are increased requirements for the use of green materials such as green cements and green steel, as well as a stipulation for increased eco-certified products within the property development and construction process. These requirements are expected to increase working capital and sourcing costs, particularly for green-certified suppliers and new construction methodologies. While failure to adapt could diminish competitive edges, aligning with green standards may unlock new business prospects through research and innovation.

In addition, the Group has conducted various financial assessments of the risks associated with rising energy prices. For instance, the base electricity tariff in Peninsular Malaysia was raised by 14.2% to 45.62 sen per kilowatt-hour (“kWh”) in FY2025, along with a new tariff schedule. The change took place during the three-year Regulatory Period 4 (“RP4”), effective from January 2025 to December 2027. Under the RP3 2022-2024, the base tariff was set at 39.95 sen/kWh.

The CRA's financial quantification also incorporated scenario planning, resulting in estimates of a fuel subsidy increase based on FY2026's performance. The increase in costs can be quantified as follows:

	FY2026 CONSUMPTION (LITRES)	FY2026 COSTS (RM'000)	REDUCTION IN FUEL SUBSIDIES, BY:			
			20% (RM'000)	50% (RM'000)	70% (RM'000)	100% (RM'000)
Diesel	640,840	1,774	1,852	1,968	2,045	2,160
Petrol	99,024	203	223	253	274	304
Total	739,864	1,977	2,075	2,221	2,319	2,464

Similarly, a projection of cost increase for electricity consumption was also developed as follows:

	FY2026 CONSUMPTION (kWh)	FY2026 COSTS (RM'000)	INCREASE IN ELECTRICITY COSTS, UNDER:		
			14.2% (RP4; 2025 – 2027) (RM'000)	15% (RP6; 2030 – 2034) (RM'000)	15% (RP8; 2035 – 2040) (RM'000)
Electricity	9,379,153	4,774	5,455	6,273	7,214

Alongside rising energy prices, the Group has quantified the financial impacts of a potential carbon tax. As most business activities and processes within the property development and construction operations are typically energy and carbon-intensive, the Group has begun planning the financial implications of the carbon tax to provide better insights into developing mitigation strategies.

While Matrix's risk exposure to carbon taxation remains high, simulations based on several carbon tax prices per tonne of carbon suggest low severity or impact. During the CRA exercise in FY2025, Matrix developed several speculative carbon tax scenarios. The scenarios were developed given that the government has yet to provide any indication of actual carbon tax pricing or mechanisms.

CARBON TAX PROJECTIONS	RM35/tCO ₂ e (RM'000)	RM50/tCO ₂ e (RM'000)	RM75/tCO ₂ e (RM'000)
Based on 7,737.43 tonnes CO ₂ e from Scope 1 and Scope 2 emissions (FY2026)	271	387	580

Even at the highest scenario of RM75/tCO₂e, the cost of RM0.58 million is 0.3% of the Group's FY2026 Profit After Tax (“PAT”).

To improve Matrix's resilience against climate risks related to policy shifts and evolving energy prices, the Group has prepared the following mitigation measures:

- Transitioning from diesel-powered forklifts to electric alternatives. This reduces fuel dependency, thereby mitigating cost volatility linked to subsidy rationalisation.
- Further expansion in solar energy generation capacity to reduce dependency on grid electricity, thereby mitigating exposure to rising tariffs and carbon tax liabilities. Presently, 13.5% of the Group's electricity mix comprises solar-generated electricity.
- Additionally, energy-efficient machinery and equipment upgrades across all business operations can lower electricity consumption and improve long-term cost efficiencies.

ST	Likelihood  Severity  Overall Risk Moderate	In the short-term, changes in government policies and regulations would see increased costs such as increased energy and compliance costs. However, the business model itself would remain largely unaffected.
MT	Likelihood  Severity  Overall Risk Moderate	By the medium-term, it is possible that Matrix would have acclimatised to the cumulative effect of regulatory developments, increased energy costs and increased compliance requirements given that these would be industry wide impacts felt by all industry players. Carbon taxed, when imposed as prior illustrated would not have a significant financial impact to annual earnings. However, there may be increased costs as the Group looks to ramp up its adaptation strategies such as increase renewable energy use and to achieve full disclosure of its Scope 3 emissions.
LT	Likelihood  Severity  Overall Risk Moderate	In the long-term, regulatory landscapes are expected to evolve further and changes to become more pronounced and complex. This may entail rethinking of specific aspects of the business model, supply chains and more.

Transition to a Low-Carbon Business Model

POTENTIAL IMPACTS	TIMEFRAME		
	ST	MT	LT
Opportunity costs of decarbonisation initiatives (fund allocations to solar energy sources, Renewable Energy Certificates ("RECs") etc.)	●	●	●
Trade-offs in supply chain performance, affecting quantity, quality and pricing as the Company pushes for decarbonisation of Scope 3 emissions			●
Increased operational expenses for decarbonisation efforts	●	●	●

The transition to a low or lower carbon business model is highly challenging for the property development and construction sector given the inherent dependence on fossil fuels. Business processes like operating forklifts, excavators, and onsite generators rely heavily on diesel and petrol. Requiring suppliers to electrify would result in high upfront capital expenditure ("CAPEX"), which could lead to margin erosion for Matrix or more expensive properties for buyers. These costs could also limit the Group's capacity to launch new projects.

To develop Matrix's capabilities and assist in the low-carbon transition, the Group has developed the following mitigation measures:

- Matrix continues to prioritise investments in energy-efficient technologies and renewable energy solutions, such as solar Photovoltaic systems and energy management tools, reducing the Group's reliance on conventional energy sources, thereby lowering long-term operational costs and improving energy efficiency.
- The Group implements energy-saving initiatives across its operations, such as upgrading machinery for improved energy efficiency, optimising production schedules to reduce energy waste and exploring digital solutions to monitor and manage energy consumption effectively.

ST	Likelihood  Severity  Overall Risk Moderate	As decarbonisation efforts are still in the early stages, the primary risk stems from opportunity costs as well as sunken costs (CAPEX) associated with initial investments in renewable energy infrastructure and energy-efficient systems. These expenses may temporarily divert funds from other growth initiatives but would not disrupt the business model and business plans.
MT	Likelihood  Severity  Overall Risk High	As the Group advances its Scope 3 decarbonisation efforts, supply chain disruptions may become more pronounced. Suppliers may face challenges in meeting stricter environmental criteria, such as securing certifications, adopting sustainable processes, or ensuring low-carbon product outputs. This could result in operational delays, higher costs, or the need to identify alternative suppliers. Additionally, greater pressure from regulatory bodies and financiers to demonstrate carbon reduction progress may elevate risk exposure.
LT	Likelihood  Severity  Overall Risk Moderate	Over time, as Matrix's low-carbon initiatives mature and suppliers align with evolving sustainability requirements, cost pressures are expected to stabilise. The Group's ability to diversify its supplier base by onboarding partners with verified sustainability practices will mitigate potential supply chain bottlenecks and reduce exposure to compliance risks. Enhanced operational efficiencies and improved supplier readiness will further reduce overall risk.

Climate Opportunities

Adoption of Renewable Energy Solutions

CLIMATE OPPORTUNITIES	TIMEFRAME		
	ST	MT	LT
Energy cost savings from reduced reliance on fossil fuels	●	●	●
Reduced carbon footprint	●	●	●
Increased resilience against power outages			●
Attractive returns on investment in low-emission technologies			●
Enhanced access to capital as investors favour lower-emission producers			●

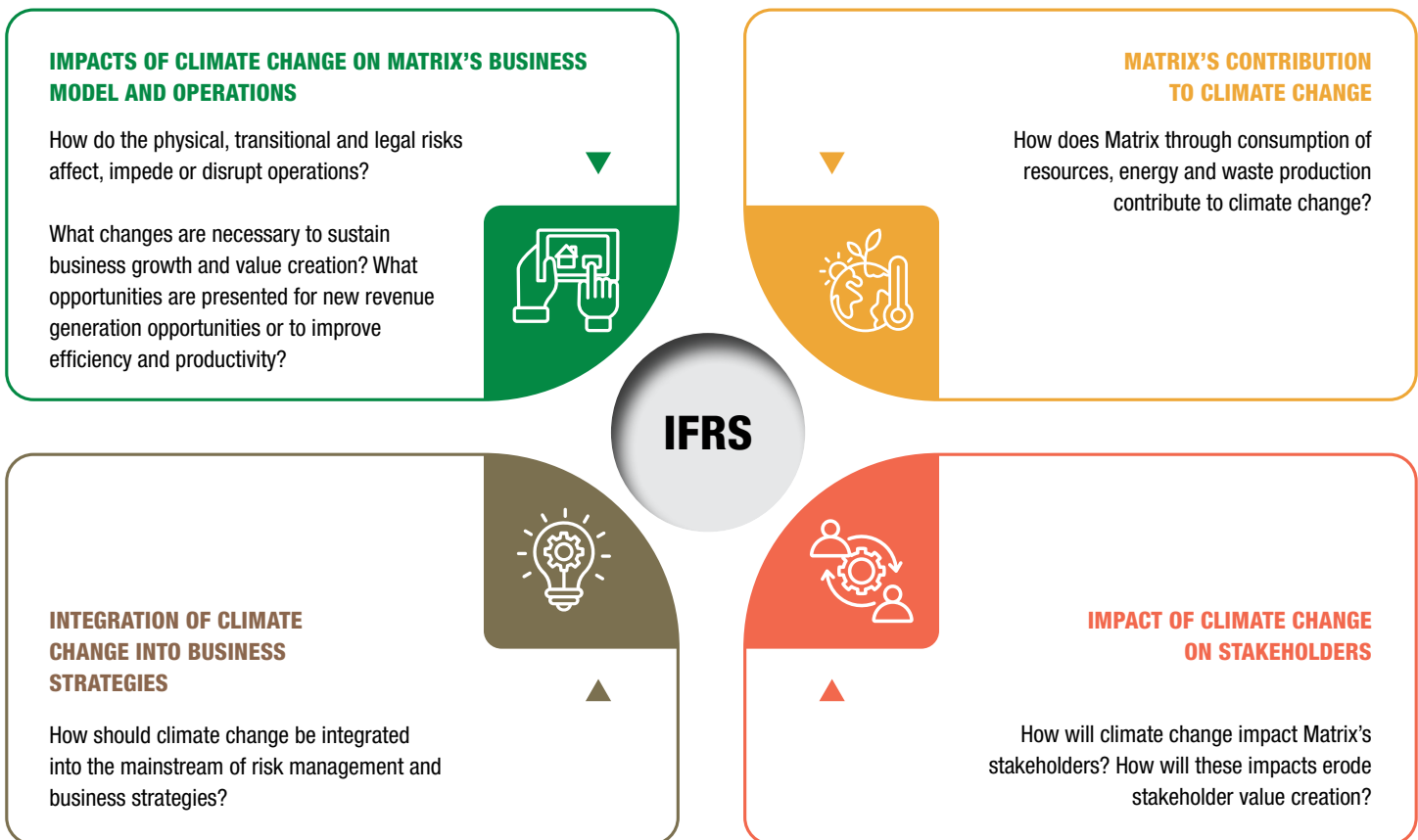
Matrix's existing leverage of RE, namely solar energy generation, has already yielded significant energy cost savings while reducing carbon emissions. In FY2026, solar power accounted for 13.5% of the Group's energy mix, resulting in 808.7 tonnes of CO₂e emissions avoided.

Future opportunities include Adcote Matrix Schools selling unutilised solar energy to the national grid and introducing bundled solar packages for premium residential purchasers. The Group is also evaluating the integration of solar panels into its developments to support national emissions goals and generate further financial savings.

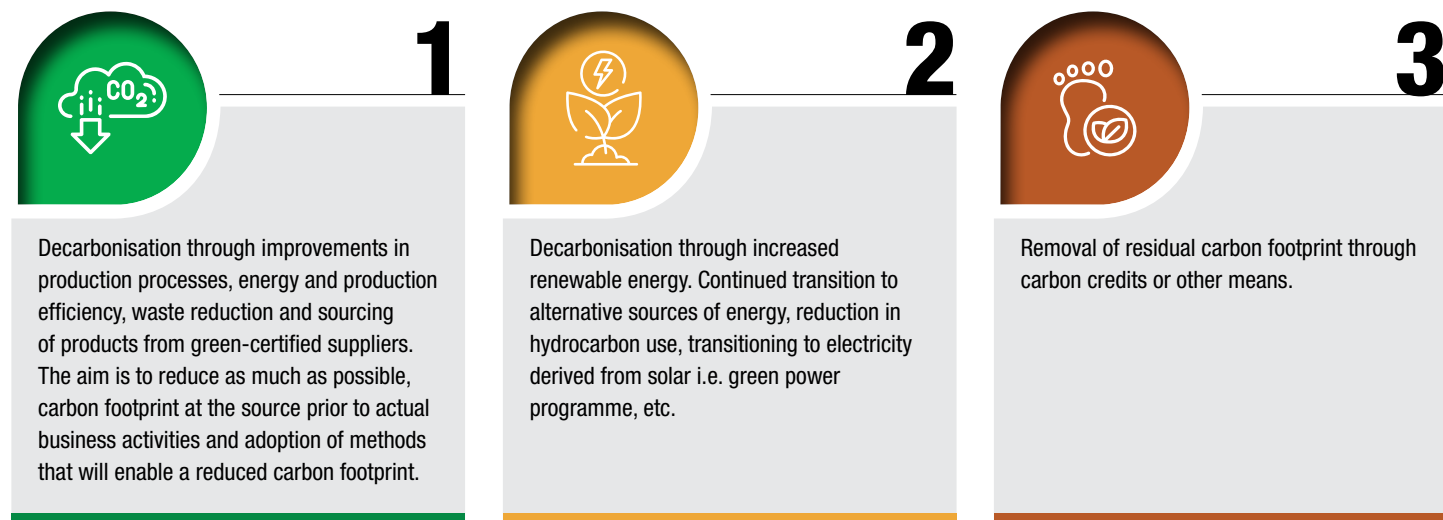
	SOLAR ENERGY CONSUMPTION (KWH)	FY2026 CONSUMPTION	COST SAVINGS FROM RENEWABLE ENERGY, UNDER:		
			14.2% (RP4; 2025 – 2027)	15% (RP6; 2030 – 2034)	15% (RP8; 2035 – 2040)
Estimated Cost Savings (RM'000)	1,467,697	748	854	982	1,129

CLIMATE STRATEGY

The Group's climate strategy takes into account the physical risks, the urgency, and the business and operational benefits of pursuing continued decarbonisation efforts as part of risk mitigation and to combat climate change. This is based on the following management approach:

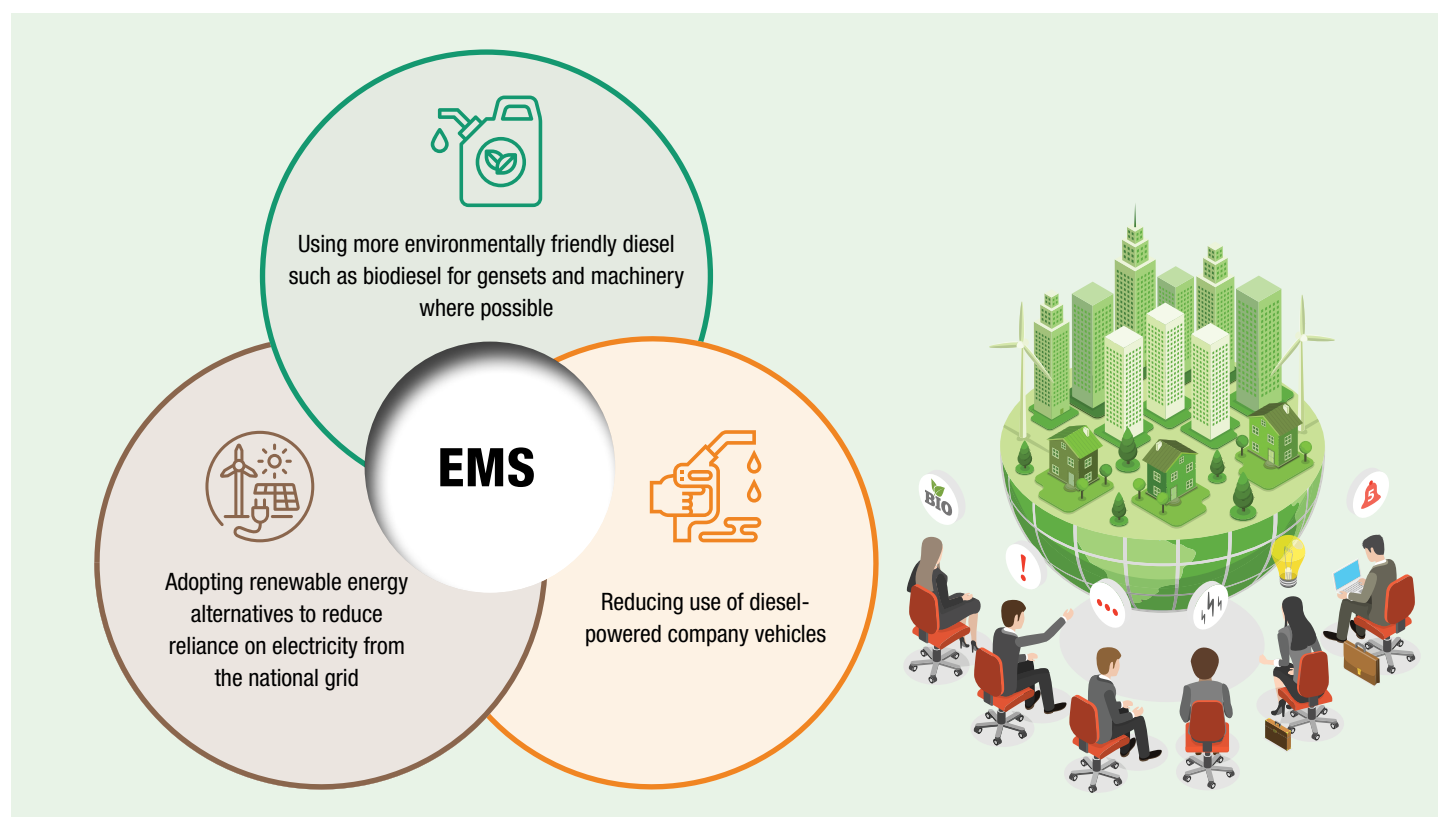


To support its Zero Carbon by 2050 commitment, Matrix is progressively developing a climate transition roadmap that will guide the Group's decarbonisation journey. The roadmap will prioritise practical emissions reduction initiatives, strengthen climate governance and data management, and progressively establish medium-term targets and implementation plans as the Group's emissions baseline and transition capabilities continue to mature.



ENERGY MANAGEMENT

Matrix's energy management strategy is anchored by a commitment to decarbonisation and the necessity of mitigating electricity expenditure through enhanced operational efficiency. The Environmental Management System ("EMS") functions as the core framework for this approach, providing a systematic structure to realise the Group's aspirations for reduced emissions. By establishing a rigorous architecture for monitoring and optimisation, the EMS facilitates continuous improvement across the following primary focus areas:



SUSTAINABLE DEVELOPMENT

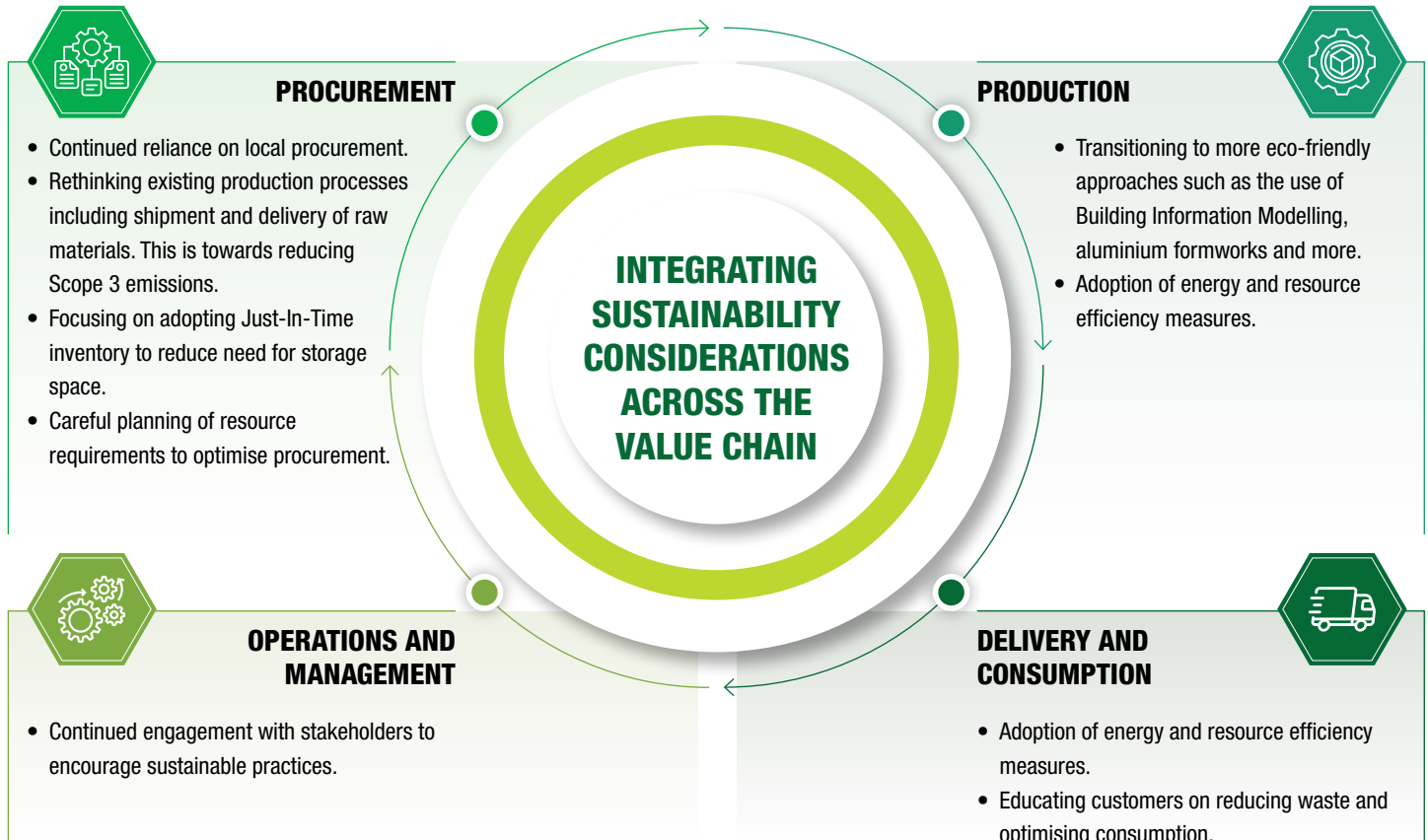
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Responsible resource consumption is essential to safeguarding the environment and ensuring long-term resilience. Matrix integrates sustainability into every aspect of our operations, using resources in an environmentally conscious manner that balances growth with stewardship. By embedding sustainable practices into development, the Group not only reduces ecological impact but also creates enduring value for stakeholders.

Our sustainable development approach extends across the entire lifecycle of our projects and broader value chain. At the project level, this commitment is reflected in three focus areas:

- Rethinking Development Approaches – Commitment to greener materials and climate-resilient strategies, ensuring customer needs remain central while adapting to environmental challenges
- Reducing Impacts through Design and Technology – Promoting architectural solutions that save energy and resources, minimise waste, and harmonise with the natural environment to reduce the overall footprint across the lifecycle of each project
- Reducing Impacts from Operational Activities – Managing day-to-day operational impacts from our business divisions, particularly construction, to ensure responsible and sustainable practices throughout the Group.

Beyond individual projects, Matrix also ensures sustainability is embedded across our value chain. The following framework illustrates how we integrate sustainability considerations across various parts of our value chain to create long-term value for communities and the environment.



ENERGY AND EMISSIONS

Legend:
 Achieved
  On-track
  Attention Required

KPIs & Targets:

1 Energy Consumption and Management

APPROACH/ STRATEGY	TARGET	FY2026 PERFORMANCE
Optimise energy consumption by: - Controlling electricity consumption - Managing diesel consumption - Utilising LED lighting and any other energy-saving appliances for office new fit-outs - Using external LED task lights at all construction sites for night work and security	- To limit electricity consumption to less than 2% of the contract value from projects - To set meters to control diesel usage to be less than RM 750 per hour (approximate project time of 20 months) - To only use LED tower lights for night work and security	 100% of all energy-related targets have been achieved at all the Group's active construction sites.
The Education Division to reduce energy consumption via full installation of LED lighting and optimising current energy usage	100% of new fit-outs to be replaced with LED lights or alternative energy-savings devices 10% reduction of electricity consumption annually - To switch off all lights in unused areas	 All new light bulbs and tubes in the hostel common areas, basement, and staircases have been replaced with LED light bulbs.

2 Renewable Energy

APPROACH/ STRATEGY	TARGET	FY2026 PERFORMANCE
Increasing usage of solar renewable energy by: - Bundling solar energy into project developments - Allocating for high-rise solar panels	To adopt solar renewable energy for selected high-rise and landed developments	 Solar renewable energy has been integrated into selected property developments.
Greater usage of solar energy within the Education Division	To ensure solar energy consumption is maintained at 5% annually	 Solar energy generated is 0.5 million kWh annually.

GROUP PERFORMANCE & HIGHLIGHTS



10,463.4 tCO₂e
of Scope 1, Scope 2, and Scope 3
GHG emissions recorded and monitored



18,106.2 MWh
of total energy consumption recorded
across operations



Achieved a
5.3%
waste diversion rate from landfill

The Group's energy consumption is mainly from direct sources, such as diesel, petrol, and other fossil fuels. These are used to power our generator sets, machinery, and company cars. We also utilise indirect energy, which is electricity from the national grid. This is to power our premises.

In FY2026, Matrix continues to utilise the Matrix Sustainability Pack ("MSP") to streamline data collection, monitoring, and optimisation of energy consumption. The systematic approach ensures greater accuracy and consistency in reporting, thereby enhancing compliance and decision-making. While MSP improves efficiency, the initial phase of data collection and tracking may temporarily increase diesel consumption. FY2024 has been designated as the base year for MSP implementation and acts as a reference point for future analysis and improvement.

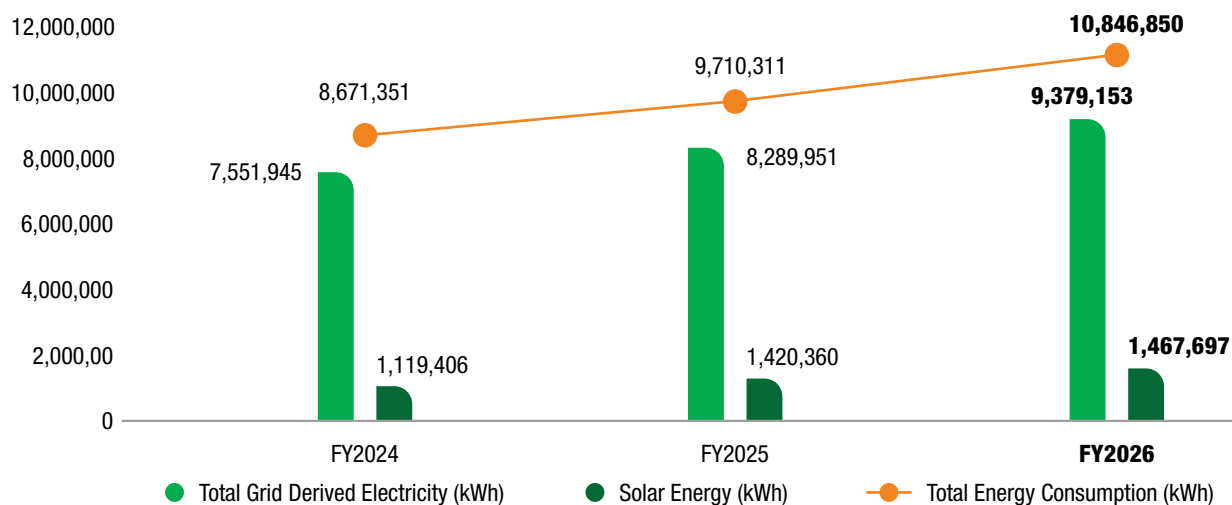
Our energy consumption in FY2026 is as follows:

ENERGY CONSUMED (GJ)	FY2024	FY2025	FY2026
Purchased Energy	27,187.0	29,843.8	33,765.0
Diesel (Stationary emission)	10,174.4	13,742.8	11,454.6
Diesel (Mobile emission)	4,028.6	4,043.1	11,410.3
Petrol (Mobile emission)	2,009.1	1,617.9	3,268.8
Solar (renewable energy) consumed	4,029.9	5,113.3	5,283.7
Total energy consumed	47,429.0	54,360.9	65,182.4

In FY2026, diesel consumption increased by 28.6%, primarily due to the expansion of construction activities, particularly the development launches of Malaysia Vision Valley City (MVV City) and Bandar Sri Impian 2 in Kluang, Johor, along with the growing scale of ongoing developments, resulting in higher utilisation of diesel-powered construction machinery and equipment.



Electricity Consumed



ENERGY CONSUMED	FY2024	FY2025	FY2026
Total Grid-Derived Electricity (kWh)	7,551,945	8,289,951	9,379,153
Percentage Change in Grid Electricity (%)	1.0	9.8	13.1
Solar Energy Generated (kWh)	1,207,198	1,463,362	1,511,630
Solar Energy Consumed (kWh)	1,119,406	1,420,360	1,467,697
Total Energy Consumption (kWh)	8,671,351	9,710,311	10,846,850
Percentage Change in Electricity Consumption (%)	1.1	12.0	11.7
Percentage solar use in Energy Mix (%)	12.9	14.6	13.5
Year-on-Year Variation on Solar Energy Generated (%)	9.1	21.2	3.3

Notes:

- ¹ Solar energy data is calculated based on electricity data stated on the Tenaga Nasional Berhad's ("TNB") bills.
- ² FY2024, FY2025 and FY2026 Solar energy data includes Matrix (HQ), Construction division, Hospitality division, Education division and Healthcare division. The data for Construction division only includes Excelcon Central.

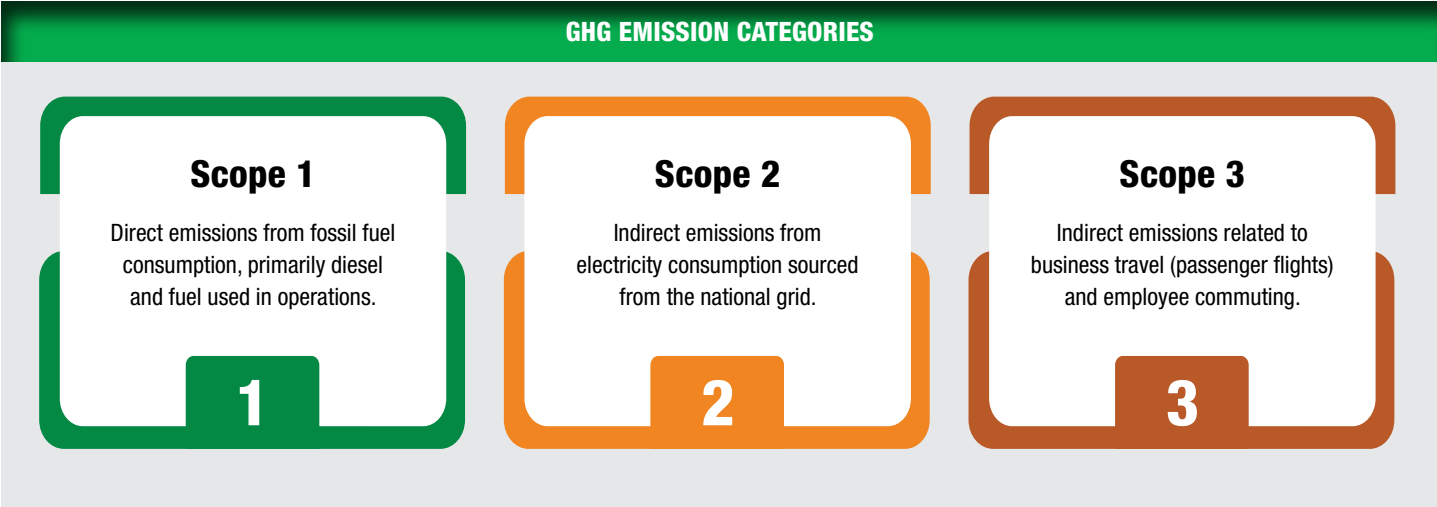
RESULTING EMISSIONS

Matrix quantifies its Scope 1 and Scope 2 greenhouse gas (“GHG”) emissions in tonnes of carbon dioxide equivalent (tCO₂e) using internationally recognised methodologies and emission factors to ensure consistent and reliable reporting. Direct energy sources, including diesel, petrol, and other fuels, are measured in litres, while electricity consumption is recorded in kilowatt-hours (“kWh”), with total energy consumption reported in Gigajoules (“GJ”) or Megajoules (“MJ”).

Since FY2024, Matrix has expanded its greenhouse gas disclosures to include Scope 3 emissions and continues to strengthen its emissions inventory, data quality, and reporting capabilities. The Group will progressively enhance data collection and expand disclosures to cover material Scope 3 categories, supporting more comprehensive emissions management and informed decision-making. These efforts form part of Matrix’s broader commitment to achieve net zero carbon emissions by 2050 through the continual enhancement of its climate management framework.

As the Group continues to establish a more robust emissions baseline, efforts will focus on improving energy efficiency, increasing renewable energy adoption where feasible, strengthening emissions data management, and identifying decarbonisation opportunities across its operations and value chain. The Group also intends to develop medium-term emissions reduction targets as its emissions management capabilities continue to mature.

Carbon emissions are monitored in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, with reference to the guidance issued by the Malaysia Green Technology and Climate Change Corporation (MGTC). Emissions are classified into the following three categories:

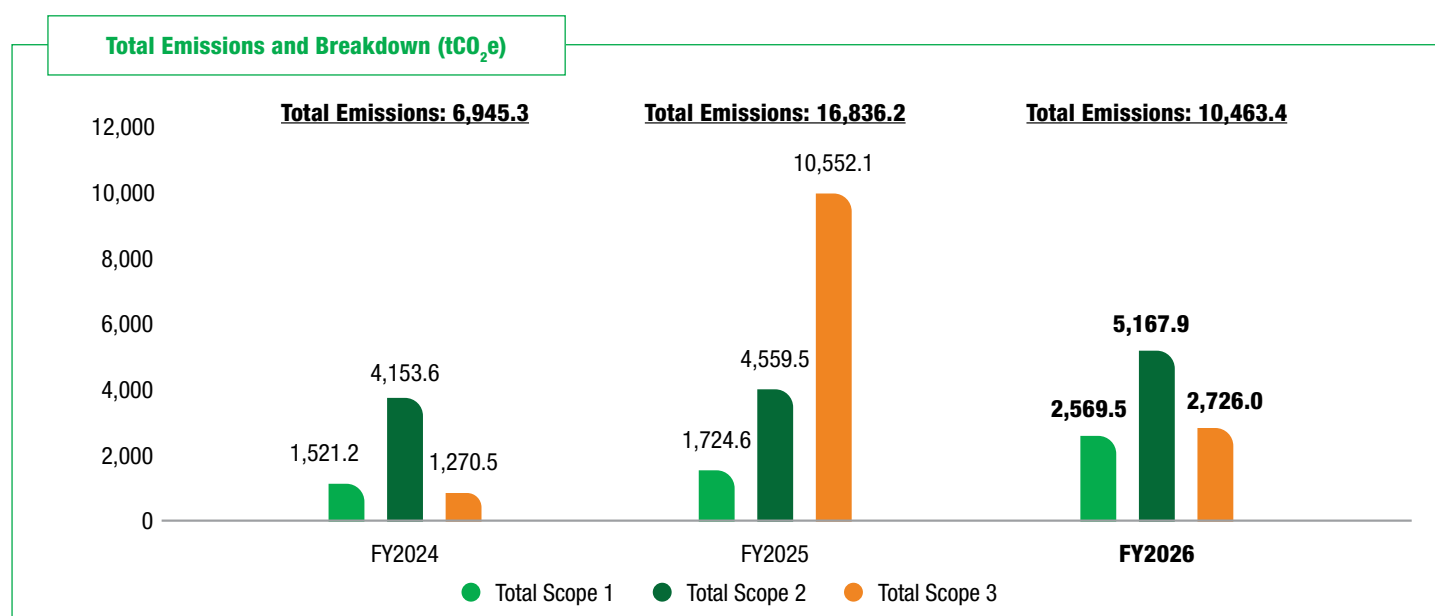


In FY2026, our emissions were recorded as follows:

	FY2024	FY2025	FY2026
SCOPE 1 EMISSIONS (tCO₂e)			
Stationary Combustion	756.1	1,034.8	866.7
Mobile Combustion	440.7	397.5	1,107.7
Fugitive Emissions	324.4	292.3	595.1
Total	1,521.2	1,724.6	2,569.5
SCOPE 2 EMISSIONS (tCO₂e)			
Derived from Purchased Electricity	4,153.6	4,559.5	5,167.9
Total	4,153.6	4,559.5	5,167.9
SCOPE 3 EMISSIONS (tCO₂e)			
Derived from waste generated in operations	DNA	8,138.2	125.6
Derived from employee commuting	943.5	2,359.7	2,573.7
Derived from business travel	327.0	54.2	26.7
Total	1,270.5	10,552.1	2,726.0

Notes:

- 1 DNA – Data not available.
- 2 The emission factor used to calculate Matrix's carbon emissions is based on the UK Government GHG Conversion Factors 2024.
- 3 Waste generated in operations includes construction waste, domestic waste, metal waste, plastic waste and paper waste.



Additionally, the Group continues to reduce its carbon footprint through the substitution of grid electricity using solar panels. The Group's consistent improvement is reflected on a year-on-year basis as shown below:

	FY2024	FY2025	FY2026
CO ₂ Avoided Through Solar Energy (tCO ₂ e)	615.7	781.2	808.7

RESOURCE CONSUMPTION

As a responsible township developer, Matrix recognises that construction materials contribute significantly to the environmental footprint of its developments. The Group is committed to improving resource efficiency and progressively increasing the use of lower-carbon, recycled, responsibly sourced, and environmentally preferred materials where technically, commercially, and operationally feasible, without compromising quality, durability, or safety.

The Property Development and Construction divisions are the Group's primary consumers of materials such as cement, steel, aluminium, timber, and plastics, while the hospitality and healthcare businesses utilise food, packaging materials, medical supplies, and other operational resources. As part of its long-term sustainability journey, Matrix is progressively strengthening its sustainable procurement and materials management practices, with the aim of establishing measurable targets and increasing the adoption of sustainable construction materials across future developments by FY2030.

	Resource Type	FY2024	FY2025	FY2026
	Construction			
	Cement (tonnes)	32,694.5	36,680.5	30,706.8
	Timber (tonnes)	3,653.0	1,247.4	876.4
	Steel (tonnes)	7,507.0	8,317.8	6,630.1
	Sand (tonnes)	244,266.8	235,321.7	176,157.4
	Ready Mix Concrete (tonnes)	385,159.7	626,254.8	536,234.5
	Quarry Products (tonnes)	296,424.5	404,340.4	347,203.5
	Plywood (pieces)	53,333.0	17,113.0	15,683.0
	Bricks (pieces)	28,251,460.0	29,663,734.0	21,914,574.0
	Hospitality			
	Food Ingredients (tonnes)	54.3	2.5	DNA
	Beverages (tonnes)	27.7	2.8	0.1
	Healthcare			
	Drugs and Medical Consumables (ml)	DNA	DNA	676,032.1
	Drugs and Medical Consumables (units)			3,235,239.4
	Drugs and Medical Consumables (g)			45,417.8

To manage resource consumption effectively, Matrix focuses on improving resource efficiency and reducing waste across its operations through strategic inventory management, minimising material wastage, and working closely with suppliers and contractors to optimise material use throughout construction and operations. Data for the Group's Food & Beverage operations is currently unavailable as these activities are managed by a third-party operator. Matrix is exploring opportunities to strengthen data collection from outsourced operations in future reporting periods.

CONSTRUCTION & PROPERTY DEVELOPMENT

- Use of aluminium formwork system that reduces consumption of construction materials.
- Changes in building design and building methods that required reduced resources and wastage.
- Enhancement of concrete quality to reduce cracks & leakages.
- Reuse of concrete waste to form road barriers and to pave roads.
- Reuse of timber, broken tiles and other materials.

HOSPITALITY

- Recycling of kitchen waste for composting.
- Collection of community waste for recycling.
- Minimise the consumption of single-use plastic.
- Discontinuing the distribution of plastic mineral water bottles at the premises.

WASTE MANAGEMENT AND RECYCLING

Legend:  Achieved  On-track  Attention Required

KPIs & Targets:

1 Waste Management for Structural and Architectural Works

APPROACH/ STRATEGY	TARGET	FY2026 PERFORMANCE
Reduce construction waste by: - Controlling concrete waste during the construction phase by recycling concrete, timber/ formworks, and reinforcement bar waste - Utilise recyclable system composite formworks/ aluminium formworks for construction - Recycle hoarding at construction sites by removing temporary hoardings after project completion - Minimise, control, and recycle material waste during construction and during abortive work - Plan a temporary construction access road as a future permanent road	- To maintain less than 3% concrete wastage from the total concrete volume allowed in construction drawings - To maintain less than 5% brick waste from contract provisions - To control less than 12% tile waste from contract provisions - To recycle/ reuse all timber formwork: - Four-cycle usage for conventional frameworks - Minimum of 30-cycle usage for aluminium formwork	 100% of all construction waste-related targets have been achieved at all the Group's active construction sites.
Transitioning the Education Division to a digitalised working environment	5% reduction in paper consumption for office use	 Printed paper materials have been minimised significantly during school events.

2 Waste Composting Area

APPROACH/ STRATEGY	TARGET	FY2026 PERFORMANCE
Allocation of waste composting areas in developments	100% of developments have a designated location for waste composting bins	 All developments have a designated location for waste composting bins.

3 Recycling Compartment

APPROACH/ STRATEGY	TARGET	FY2026 PERFORMANCE
Provide recycling compartments at our residential developments	80% of developments have a designated recycling compartment	 Recycling-related targets have been met.

KPIs & Targets:

4 Low Impact Material

APPROACH/ STRATEGY

TARGET

FY2026 PERFORMANCE

Salvage materials from the site for infrastructure construction

100% of projects with salvaged materials are to use them for infrastructure construction

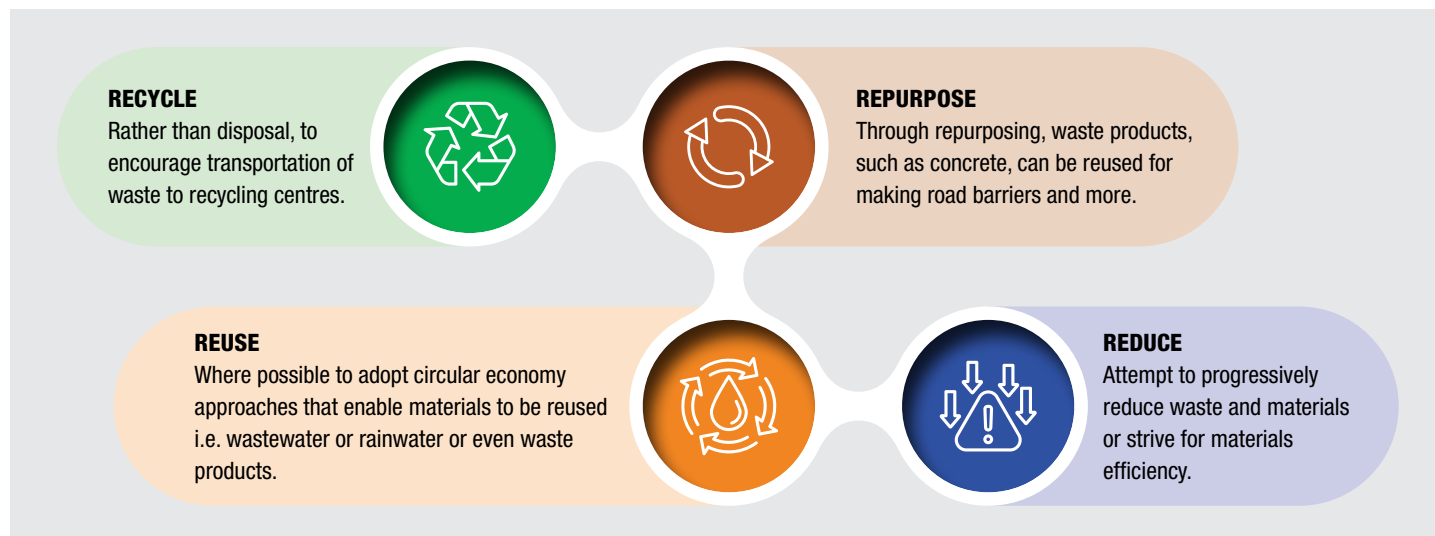
✓ All projects with salvaged materials used them for infrastructure, such as temporary access roads, as well as for landscaping.

BUSINESS DIVISION	WASTE TYPE	DISPOSAL METHOD	FY2024 (TONNES)	FY2025 (TONNES)	FY2026 (TONNES)
Matrix (HQ)	Plastic	Recycling	0.18	0.16	0.09
	Paper		2.75	2.58	1.28
	Iron		0.15	0.02	0.02
	Glass		0.20	0.02	0.03
	E-waste		0.03	0.16	0.01
	Others		0.00	0.00	0.00
	Total		3.31	2.94	1.43
Construction	Construction/ Domestic Waste	Landfill	6,702.00	54,594.00	9,117.00
	Wooden Pallet	Recycling	196.19	108.66	113.12
	Scrap Iron		126.19	345.37	243.50
	Total		7,024.38	55,048.03	9,473.62
Education	Cans	Recycling	0.02	0.02	0.02
	Bottles		0.02	0.02	0.00
	Mixed Paper		0.28	0.00	0.77
	Glass Bottle		0.05	0.00	0.00
	Polystyrene		0.00	0.00	0.00
	Mixed Plastic		0.16	0.00	0.00
	Cardboard		0.16	0.00	0.00
	Iron Can		0.02	0.00	0.00
	Book and Magazine		0.12	0.00	0.00
	Newspaper		0.03	0.00	0.00
	Scrap Metal		0.02	0.00	0.00
	Aluminium Can		0.02	0.00	0.00
	Food Waste	Composting	DNA	DNA	1.91
	Total		0.90	0.04	2.70
Healthcare	Paper Carton Box	Recycling	9.05	13.05	15.09
	Plastic		1.27	0.79	0.32
	Metal		1.55	9.66	2.59
	Bottle Concentrate		8.89	7.48	14.33
	Shredded Paper		0.66	5.75	0.64
	E-Waste	Landfill	DNA	DNA	0.80
	Food Waste		DNA	DNA	0.98
	Total		21.42	36.73	34.75

Note:

1 DNA – Data not available.

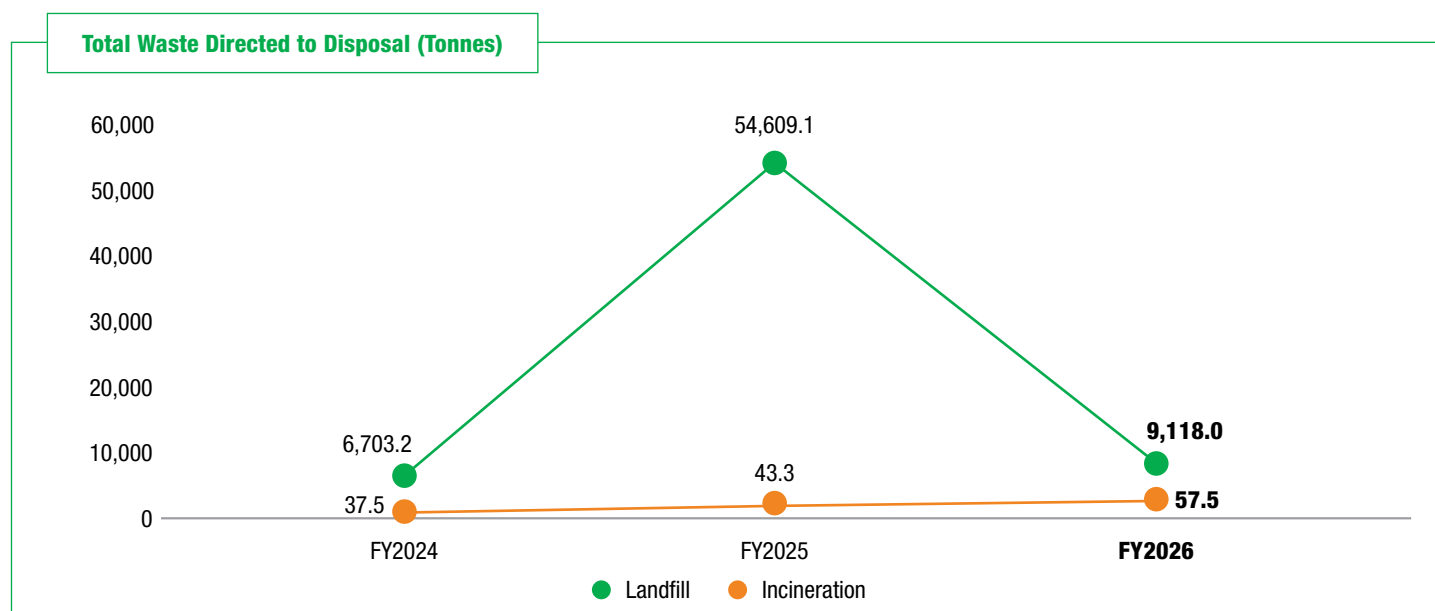
Matrix's approach to waste management and sustainable resource consumption is aligned with our internal adoption of the 4R principles, as below:



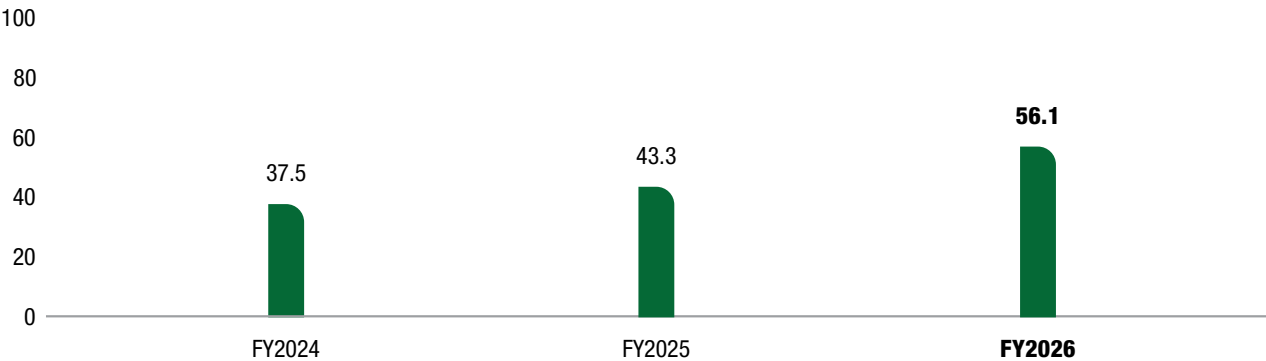
Matrix recognises that effective waste management is fundamental to resource efficiency, environmental protection, and circular economy principles. The Group is committed to minimising waste generation, maximising resource recovery, and ensuring the responsible handling of both scheduled (hazardous) and non-hazardous waste through regulatory compliance, operational improvements, and sustainable waste management practices across all business operations. As our waste management framework continues to mature, Matrix is progressively strengthening waste segregation, recycling, recovery, and performance monitoring to improve resource efficiency and reduce waste sent for disposal over the long term.

	FY2024	FY2025	FY2026
Total Waste Diverted from Disposal (Tonnes)	398.0	500.2	515.9
Total Waste Directed to Disposal (Tonnes)	6,740.7	54,652.4	9,175.5*

* The reduction in waste generated from operations in FY2026 was primarily attributable to the absence of the major land clearing activities for the development of the 2,382-acre MVV City township in FY2025



Clinical Waste (Tonnes)

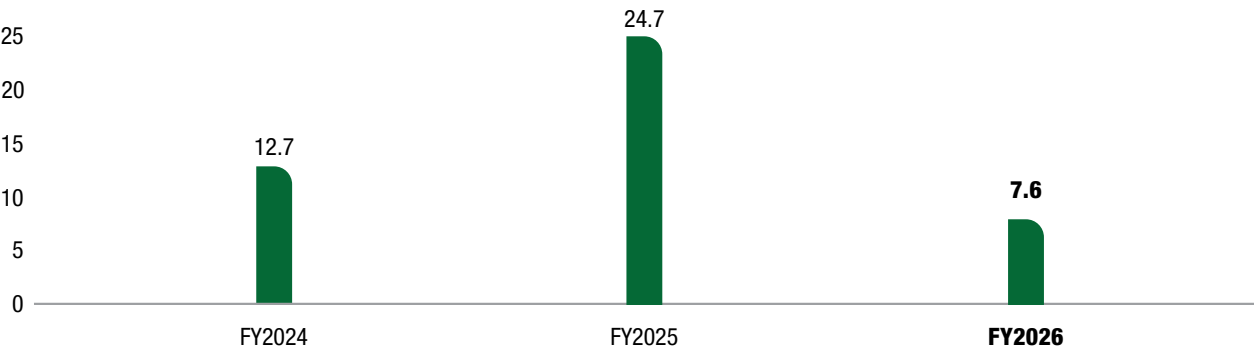


To manage scheduled waste, we strictly engage Department of Environment (“DOE”)-certified third-party transporters approved by the relevant authorities to ensure safe handling, transportation, and disposal. Within our healthcare operations, scheduled waste is treated and incinerated by licensed service providers that meet Malaysian regulatory standards. These measures ensure that all hazardous waste is managed in accordance with applicable laws and does not pose risks to human health or the environment.

Beyond compliance, we place strong emphasis on reducing waste generation at source. We implement clear protocols for the handling, storage, and disposal of waste across all sites to minimise leakage, contamination, and unnecessary disposal. We also provide public waste collection points and recycling facilities to encourage proper waste segregation and responsible disposal practices. Moving forward, we aim to further strengthen recycling efforts by introducing designated recycling bins across all project sites to increase participation and awareness.

In our hospitality and related operations, we have taken steps to minimise food waste through efficient inventory planning and proper storage practices, achieving near-zero levels of wastage. To further support circular practices, we have introduced composting facilities at selected sites. These initiatives convert organic waste into fertiliser, which local farmers and gardeners can use, helping reduce reliance on chemical alternatives and close the resource loop.

Food Waste (Tonnes)



Note:
1 Kitchen waste data covers the Group’s Hospitality division, Education division and Healthcare division.

Additionally, our Construction division applies Life Cycle Analysis (“LCA”) to better understand and manage the environmental impacts of materials and processes throughout the project lifecycle. This enables more informed decision-making and supports the adoption of lower-impact practices. All construction activities are carried out in compliance with the Environmental Quality Act 1974 (Act 127), ensuring that pollution is controlled, emissions are reduced, and environmental standards are consistently met.

Environmental Quality Act 1974 (Act 127), ensuring that pollution is controlled, emissions are reduced, and environmental standards are consistently met.

STAGES	INPUTS	WORKS/ PROCESSES	OUTPUTS	ENVIRONMENTAL ASPECTS
Construction: Structural work using aluminium formworks instead of conventional timber method	Aluminium panels	Before concreting	Minimum construction waste	Generation and disposal of waste Generation of noise and vibration - Aluminium panels can be recycled
	Steel reinforcement	Before concreting	Construction waste noise/ vibration	Consumption of resources Generation of noise and vibration
	Reduce usage of bricks, sand, cement and less trade works	Reduce building trade works such as bricklaying and plastering and replace with reinforced concrete wall	Minimum construction waste	Reduce construction waste Reduce construction period Reduce generation of noise and vibration
Construction: Structural Work using Conventional Timber method	Mould oil is applied on plywood formworks	Before formworks installation, at 1 st , 3 rd and 5 th cycle of usage	Reduce construction waste	Reduce consumption of timber resources
Construction: Architectural Works	Recycle of timber pallets/ paper package	Tiling works paper package of sanitary fittings	Reduce construction waste	Reduce consumption of resources



WATER MANAGEMENT

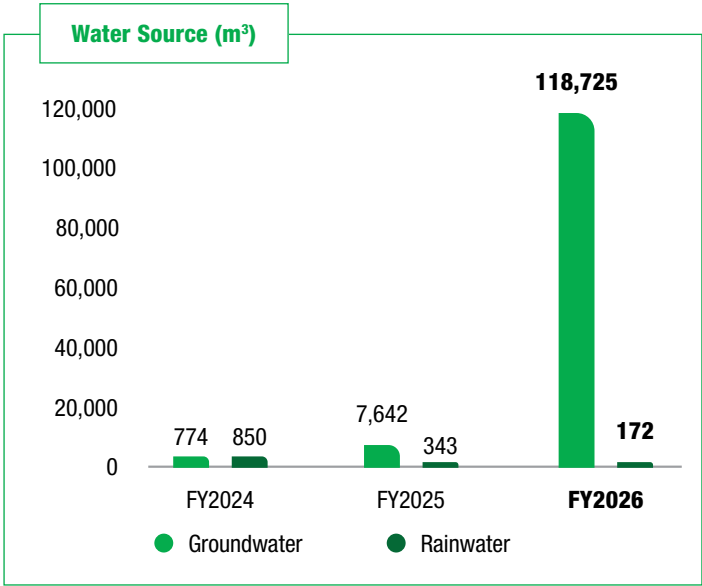
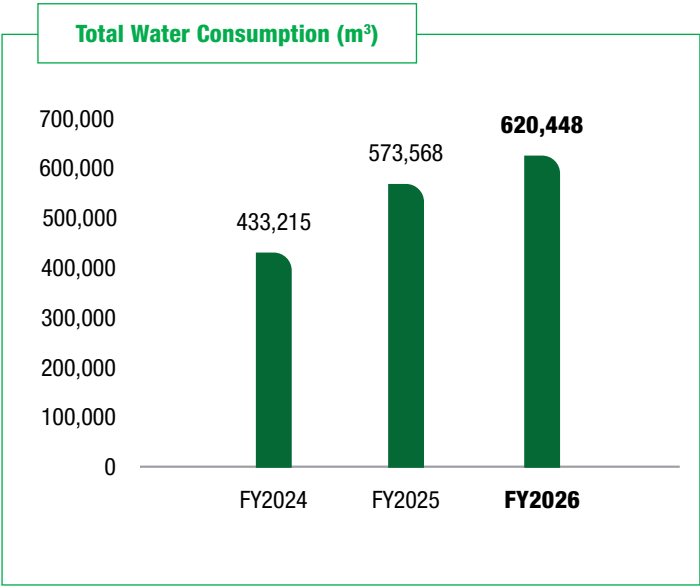
Legend:

 Achieved

 On-track

 Attention Required

KPIs & Targets:		
1 Reduced Water Use		
APPROACH/ STRATEGY	TARGET	FY2026 PERFORMANCE
Increase water savings by: - Using water from stormwater retention for landscape irrigation - Integrating rainwater harvesting for premium projects	100% stormwater used for landscape irrigation systems 100% of premium projects fitted with rainwater harvesting systems	 All water consumption-related targets have been achieved.
Reduce water consumption and increase water efficiency within the Education Division by: - Utilising greywater for toilet flush - Using push taps for toilets - Increasing water harvesting for gardening use	- To build up a water harvesting system - To set up a meter to track and monitor water usage 5% reduction in water consumption	 A 200-gallon rainwater harvesting tank has been installed in the basement for gardening and general washing use. Most faucets have also been switched to push taps.



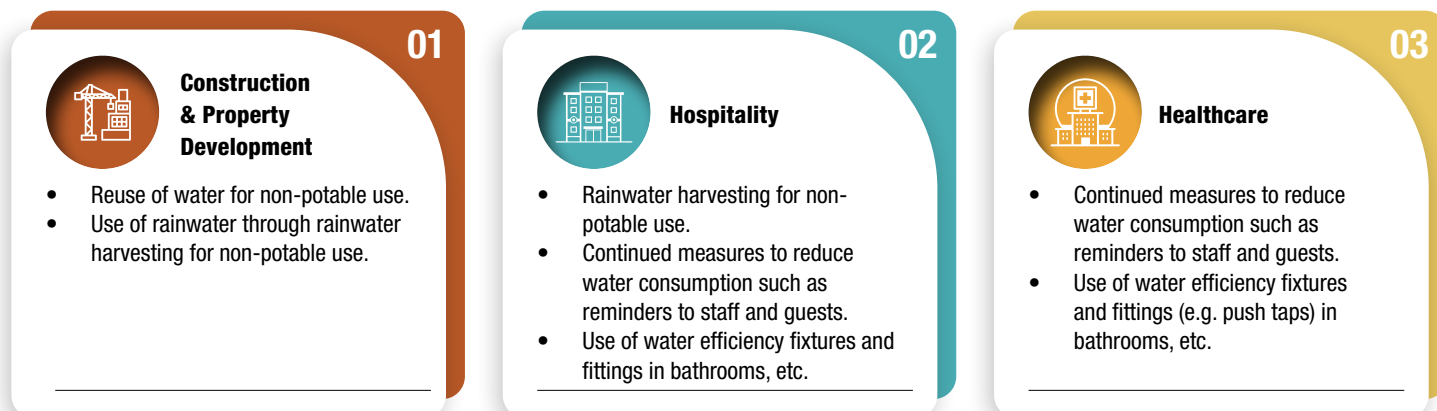
While water scarcity is not a material risk to the Group, water remains a limited and valuable resource that the Group manages responsibly. Matrix conducts water-risk assessments for its operating assets and landbank based on definitions of Suruhanjaya Perkhidmatan Air Negara (“SPAN”) and in accordance with the applicable guideline and regulatory requirement of the relevant local water authorities. Based on the assessment, 0% of our developments are located in areas classified as High or Extremely High water stress, and site-specific mitigation plans have been established for the identified locations. Water usage is driven primarily by construction and healthcare operations, with hospitality contributing at a lower level.

The Group relies primarily on municipal water supply, supplemented by groundwater and rainwater harvesting where appropriate. In FY2026, water consumption increased mainly due to the expansion of construction activities, particularly following the launch of Malaysia Vision Valley City (MVV City) and BSI 2 (Excelcon South) along with the growing scale of ongoing developments, which require substantial water for construction and site operations.

To reduce reliance on treated municipal water, Matrix utilises water from lakes and ponds within its townships, together with stormwater retained on site, for landscape irrigation and other suitable non-potable uses. The Group also operates rainwater harvesting systems at selected facilities, including its clubhouse and school, while piloting rainwater harvesting tanks in selected residential developments to assess their technical feasibility and value to homeowners.

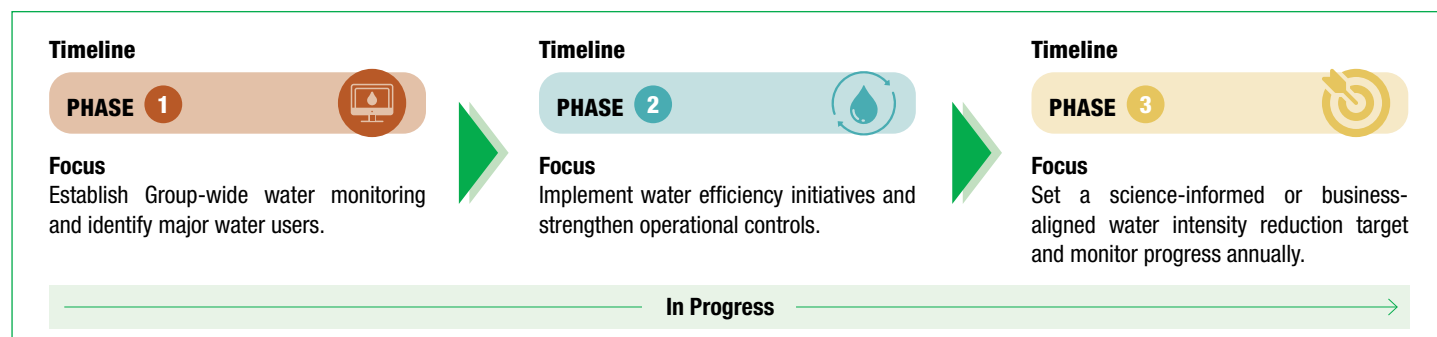
While rainwater harvesting currently represents a modest proportion of the Group’s overall water use, utilisation has declined in recent years as business expansion outpaced the deployment of new harvesting infrastructure. Recognising the importance of long-term water resilience, Matrix is progressively strengthening its water stewardship approach through enhanced monitoring, improved operational controls, and the wider integration of rainwater harvesting and other water-efficient solutions where technically and commercially feasible. These initiatives will support the Group’s long-term objective of improving water use efficiency and increasing the contribution of alternative water sources across its developments by FY2030.

On top of these initiatives, the Group also implements the following alternative means to save water throughout our operations:



In FY2026, water intensity increased primarily due to higher water demand arising from the expansion of the Group’s operations and the growing scale of construction activities. By FY2030, the Group aims to strengthen water management through enhanced monitoring, improved operational controls, employee awareness initiatives, and the identification of water efficiency opportunities across its operations, with the objective of improving water use efficiency over the longer term.

Matrix is strengthening its water management strategy through a phased approach of monitoring water performance, improving water use efficiency through operational initiatives, and progressively integrating sustainable water management practices into future developments to enhance long-term water resilience, as illustrated below:



BIODIVERSITY CONSERVATION

M13

As a responsible township developer, Matrix recognises that every development interacts with natural ecosystems. The Group considers biodiversity during development planning where appropriate and is progressively strengthening its approach to better manage potential impacts on habitats, promote native species, enhance ecological connectivity, and support long-term environmental resilience.

To further strengthen its biodiversity management approach, Matrix is progressively developing and implementing a Group-wide Biodiversity Action Plan (“BAP”). The BAP will be rolled out in phases across relevant developments and is expected to adopt the mitigation hierarchy of avoidance, minimisation, restoration, and, where appropriate, biodiversity enhancement. It will establish a structured framework for biodiversity risk assessments, protection of threatened species, habitat restoration, monitoring, and governance.

Legend:

 Achieved

 On-track

 Attention Required

KPIs & Targets:		
1 Green Spaces and Biodiversity		
APPROACH/ STRATEGY	TARGET	FY2026 PERFORMANCE
Ensure protection of green spaces and biodiversity by: - Tree planting - Preserving existing forests as green spaces whenever applicable - Creating recreational ponds	- To plant 10-15 trees per acre in residential projects - To meet minimum 10% green space allocation within projects	 No new trees were planted as there were no completed developments in FY2026.
Provision of open spaces above that which is required by the local authorities	Whenever applicable, to provide an additional 3% green space allocation beyond authority requirements	 Matrix has achieved green space allocation of 15%.

As a property developer, Matrix recognises that every development interacts with natural ecosystems and, therefore, integrates biodiversity considerations into township planning, landscaping, and ecological preservation. Most of the Group’s landbank and existing townships are located in areas of relatively low biodiversity value and are generally not situated near protected areas or high-conservation-value (“HCV”) locations. Nevertheless, we manage our developments with a strong awareness of biodiversity and environmental responsibility.

Biodiversity protection begins before land is acquired. The Group conducts pre-acquisition due diligence reviews prior to land purchases and prepares EIA and EMP where applicable. All land-acquisition decisions are subject to formal approval by Management and the Board, ensuring that biodiversity considerations are integrated into strategic planning and development activities from the outset. The Group also engages with the DOE to identify potential biodiversity risks at project sites and to determine the need for further assessment. On site, the Group limits earthworks by ensuring that total cut-and-fill volumes do not exceed 10%, thereby preserving natural landforms and reducing habitat disruption, and maintains open space, including landscaped green areas, that supports urban biodiversity while enhancing the living environment for communities.



In FY2025, we completed a detailed biodiversity assessment at Bandar Sri Sendayan. The study identified several species listed by the International Union for Conservation of Nature (“IUCN”), including the Javan mynah and two plant species classified as Vulnerable, and recorded the presence of long-tailed macaques, which are listed as Endangered globally due to population decline. Within the Malaysian context, however, these species are considered to have lower conservation priority. The Javan mynah and long-tailed macaque have stable, locally widespread populations, while the identified plant species are ornamental and non-native, with limited conservation significance in Malaysia.

For Matrix, however, this assessment is more than a compliance exercise and provides an evidence base that informs landscaping decisions, species selection, and development planning. It helps us anticipate and manage environmental and regulatory risks while strengthening our standing as a responsible developer that understands the ecosystems in which we build. By proactively identifying and understanding the biodiversity within our developments, the Group is better placed to make informed, forward-looking decisions that balance development with conservation.

A concrete action arising from the biodiversity assessment is the Group’s Miyawaki Forest programme. This is an urban replanting initiative that creates dense, fast-growing, and self-sustaining forest ecosystems by replicating natural forest conditions:

Matrix Miyawaki Forest - Creating a Living Conservation Forest to Restore Biodiversity and Safeguard Threatened Native Tree Species



Malaysia’s rich biodiversity continues to face increasing pressure from habitat loss and environmental degradation. Recognising its responsibility as a township developer, Matrix launched the Matrix Miyawaki Forest Project at Adcote Matrix School, Bandar Sri Sendayan under its Matrix for Green campaign. More than a tree-planting initiative, the project establishes a living conservation forest dedicated to protecting Malaysia’s threatened and endangered native tree species.

Using the Miyawaki Method, Matrix planted over 1,400 native saplings, including more than 300 threatened and endangered species, featuring iconic trees such as Chengal (*Neobalanocarpus heimii*), Merawan Kanching (*Hopea subulata*) and Keruing Kertas (*Dipterocarpus chartaceus*). As the forest matures, it is expected to enhance biodiversity, strengthen ecosystem resilience, and preserve valuable genetic resources for future restoration efforts.

Beyond conservation, the project promotes environmental education. Prior to planting, 367 Adcote Matrix School students participated in biodiversity awareness sessions and hands-on planting activities, fostering greater appreciation

for native forest conservation. The initiative was delivered in partnership with the Negeri Sembilan Forestry Department, Malaysian Nature Society (MNS), and Trigofarm Landscape.

Looking Ahead

Matrix aims to progressively expand the site into a Threatened Species Conservation Programme, serving as a long-term biodiversity monitoring site and permanent demonstration forest through partnerships with forestry agencies, conservation organisations, and university research centres. The programme will support biodiversity research, monitor ecosystem health, and expand student participation through field learning and conservation activities.

Within the next five years, Matrix also aspires to establish a Native Seed Bank Partnership to support future restoration projects across its developments and beyond.

The Matrix Miyawaki Forest reflects the Group’s long-term commitment to biodiversity conservation, scientific collaboration, environmental education, and community stewardship, creating lasting value for nature and future generations.

GROUP PERFORMANCE & HIGHLIGHTS



> 1,400
native trees planted



47
unique species



> 300
threatened and endangered
trees planted



Living
**conservation
forest**



**Future
seedbank**
for threatened and
endangered species

ENVIRONMENTAL MANAGEMENT

M11

Responsible environmental management is essential to the long-term success of our business and the well-being of the communities we serve. Given the nature of the Group's business, especially within the property development sector, our activities can impact air, water, land, and surrounding ecosystems. We are therefore committed to preventing and minimising pollution across all stages of our operations, from planning and construction to ongoing property management.

POLLUTION PREVENTION

Legend:  Achieved  On-track  Attention Required

KPIs & Targets:

1 Earthworks Management

APPROACH/ STRATEGY	TARGET	FY2026 PERFORMANCE
Prevent pollution associated with earthworks by: - Controlling surface runoff and slope protection - Constructing temporary earth drains with silt traps/ retention ponds/ sediment basins to prevent flash floods - Land clearance management - Manage cut and fill to reduce soil import and export	- To complete 90% of turfing work within 14 days of slope formation to prevent erosion - To construct a temporary drain/ earth drain within seven to ten days after site possession to prevent flash floods - To convert 80% temporary roads to permanent access roads, where practical - To include detention ponds/ silt traps/ sediment basins in construction works to control surface runoff and silting - To construct permanent main drains once the earthwork platform, roadside drainage, and road reserves in the project site are ready	 100% of all earthworks-related targets have been achieved at all the Group's active construction sites.
Minimise cut and fill or import of earth by balancing the earth volume within the development site	Import/ Export of earth not to exceed 10% of the total cut or fill volume	 Import/ Export of earth was only 7.5% of the total cut or fill volume because of passive design-balance cut and fill.

Our approach to pollution prevention is guided by a strong commitment to regulatory compliance, operational discipline, and continuous improvement. By implementing effective controls, monitoring systems, and mitigation measures, we aim to reduce emissions, manage waste responsibly, and prevent contamination of natural resources. This not only helps us meet legal requirements but also reduces operational risks and enhances the overall quality and sustainability of our developments.

As such, Matrix maintains a strong commitment to closely monitoring potential impacts related to air quality, water discharge, noise levels, and land or soil conditions. Our approach covers both our construction and property development activities and the operations within our healthcare segment, ensuring that environmental risks are consistently managed and controlled.

To achieve this, we conduct detailed environmental impact assessments in accordance with DOE guidelines. These assessments, especially before starting a new project, help us identify potential risks early and put the right controls in place. Once operations begin, water quality is monitored monthly, while air, noise, and vibration levels are assessed quarterly. If any issues or non-compliances are identified, we take immediate action to address them and prevent further impact.

Overall, our assessment covers the following main aspects:



WATER POLLUTION

- Surface wastewater control; control of the perimeter drainage shall be provided at the project site before any earthworks are carried out. In addition, any surface runoff emission from the project site of groundwork is not allowed to be discharged directly into any watercourse unless it has undergone sedimentation or flushed into the sediment/ retention pond first.
- Any domestic sewage from the site offices or workers' accommodation quarters shall comply with Standard B, Second Schedule, Environmental Quality (Sewage) Regulations 2009 before being released to any watercourse.
- Protect water habitat and minimise biodiversity loss.
- Prevention of subsequent pollution into water catchment areas.



NOISE POLLUTION

- Actions taken in controlling noise risks and exposure should include consideration of the choice of appropriate work equipment that emits the least possible noise especially during blasting activity. Equipment used at our work site comes with various models which are designed to control excessive noise exposure.
- Site working hours always adhere and comply to local council requirements to minimise disturbance to surrounding residents.
- Minimise health hazards (for example occasional headache, stress and anxiety, etc.) due to long-term exposure to noise pollution.



GROUND AND SOIL POLLUTION

- Machinery is frequently checked for oil leaks to prevent soil and water pollution.
- Machinery with high leaking occurrence will be timely repaired and promptly replaced accordingly for optimum efficiency.
- Drip plates are placed below machineries to minimise spills to the ground.
- A proper bund wall with concrete cement is provided for diesel skid tank.



EROSION SEDIMENTATION CONTROL

- Building a temporary earth drain to prevent water and silt seeping into the surrounding area.
- Cleaning the drainage system periodically.
- Silt trap being used during construction period.
- Covering the slope with plastic sheets during construction period.
- Adopt green concept on permanent retention wall.
- Avoid contamination to surrounding water courses.
- Prevent slope erosion to avoid mishaps and rectification works.

In FY2026, we maintained full compliance with applicable environmental regulations and did not incur any fines or penalties related to environmental issues. This reflects our continued focus on responsible operations and adherence to regulatory requirements.

To achieve this, we had put in place regular monitoring processes to track environmental performance and ensure that all activities remain within regulatory limits set by the DOE. The quality and volume of effluent discharged from our operations are carefully managed to meet the required standards. We also monitor surface runoff, siltation, and other forms of discharge into nearby water bodies to prevent pollution and protect surrounding ecosystems.

ENVIRONMENTAL AWARENESS

Legend:  Achieved  On-track  Attention Required

KPIs & Targets:

1 Environmental and Biodiversity-Related Programmes

APPROACH/ STRATEGY	TARGET	FY2026 PERFORMANCE
Increase recycling participation	Minimum two programmes conducted annually	 Two KITAREcycle centres were launched in Bandar Sri Sendayan and Bandar Seri Impian.
Urban greening and biodiversity enhancement	Conduct relevant initiatives	 Our 2026 calendar was designed to improve urban biodiversity by incorporating 3,180 pieces of fruit tree seeds.
Developing an organisation-wide sustainability-oriented mindset and culture within the Education Division	- To set up a Go Green Club - To reduce the usage of single-use plastic	 A Go Green Club has been set up by the Education Division, and all single-use plastics have been removed from internal use.

2 Paper Consumption

APPROACH/ STRATEGY	TARGET	FY2026 PERFORMANCE
Changing festive cards and collaterals to environmentally friendly paper	50% of festive cards and collaterals printed on environmentally friendly paper annually	 A total of 38,290 pieces of festive greeting cards and money packs were printed using environmentally friendly paper.

The Group continued to strengthen environmental awareness through initiatives focused on recycling, urban greening, biodiversity enhancement, and the promotion of environmentally responsible practices within the community. Through programmes such as the Matrix Concepts KITAREcycle Programme, Matrix Miyawaki Forest, and the use of environmentally friendly materials for festive collaterals, the Group sought to encourage greater public participation in sustainable practices while fostering awareness on environmental stewardship at the community level. These initiatives also supported broader efforts to integrate environmental considerations into both operational and community engagement activities.

Through these initiatives, the Group sought to strengthen environmental awareness by encouraging more conscious day-to-day practices among employees, residents, and surrounding communities. Programmes centred on recycling, biodiversity, and environmentally responsible consumption helped create greater visibility on the role individuals and communities play in environmental conservation and waste reduction.

Over time, awareness-driven initiatives can contribute towards gradual behavioural shifts, particularly in areas such as recycling participation, resource consumption, and appreciation for urban biodiversity. By integrating environmental messages into community programmes and public engagement activities, the Group aimed to cultivate stronger environmental consciousness while encouraging more sustainable habits within the townships where we operate.

These efforts also support broader long-term outcomes by fostering community participation in environmental stewardship and strengthening the connection between liveable townships and responsible environmental practices.

Throughout FY2026, the Group has conducted several such environmental awareness programmes, both internally and with our larger stakeholders as presented below:

RECYCLING

Responsible waste management and recycling play an important role in conserving resources, reducing environmental impact, and supporting more sustainable communities. As a township developer, Matrix encourages environmentally responsible practices among residents, schools, businesses, and the wider community through accessible recycling and waste reduction initiatives.

Through collaborations with local authorities, educational institutions, environmental organisations, and community partners, we promote resource conservation, reduce waste sent to landfills, and encourage circular economy practices. By empowering communities to take an active role in environmental stewardship, Matrix continues to contribute towards cleaner neighbourhoods and a more sustainable future.

KITAREcycle - Empowering Communities Through Sustainable Waste Management



To promote responsible waste management and environmental stewardship, Matrix Concepts partnered with KlothCare Malaysia and SWM Environment to introduce the *Pusat Pandu Lalu KITAREcycle* initiative in Bandar Sri Sendayan and Bandar Seri Impian. The initiative provides residents with a convenient and accessible platform to recycle everyday materials, encouraging greater community participation in sustainable waste management practices.

Beyond providing recycling infrastructure, KITAREcycle actively engages schools and local communities in environmental awareness efforts. Through participation from educational institutions and community members, the programme helps cultivate responsible environmental behaviours while encouraging greater appreciation for resource conservation and waste reduction.

As of FY2026, KITAREcycle successfully collected **27,631 kg of recyclable materials** and **43,358.51 kg of used textiles**, demonstrating the significant environmental impact that can be achieved through collective action. By making recycling more accessible and rewarding, the initiative supports waste diversion from landfills, promotes circular economy principles, and contributes towards building more environmentally conscious and sustainable communities across Matrix townships.

ENVIRONMENT STEWARDSHIP

Environmental stewardship is integral to creating sustainable and resilient communities. As a responsible township developer, Matrix Concepts recognises the importance of balancing development with environmental conservation through initiatives focused on biodiversity protection, responsible resource management, and environmental awareness.

Through collaborations with government agencies, educational institutions, environmental organisations, and local communities, we encourage sustainable practices and greater environmental responsibility. These efforts support greener townships, healthier ecosystems, and long-term value creation for both communities and the environment.

Matrix RiverCare 2025 - Protecting Waterways Through Collective Action



Healthy rivers are essential for maintaining biodiversity, environmental resilience, and community wellbeing. To support ecosystem conservation, Matrix Concepts launched its first river conservation initiative, **Matrix RiverCare 2025**, on 1 November 2025 along the Langat River in Dengkil, in collaboration with Jabatan Pengairan dan Saliran Sepang, Majlis Perbandaran Sepang, Pejabat Daerah dan Tanah Sepang, and environmental partner Upcycled by Fuze Ecoteer.

The initiative brought together more than 100 volunteers and successfully collected over 170 kilograms of waste, including plastic, glass, and metal materials. Through river clean-up activities, waste audits, and a Plastic Upcycling Workshop, Matrix RiverCare 2025 promoted environmental awareness, responsible waste management, and community participation while reinforcing the Group's commitment to protecting natural ecosystems and building more sustainable communities.

At the same time, several other programmes have been organised to raise environmental awareness within the Group. These include:

Beneficiary/ Programme	Our Strategic Contribution & Purpose
Earth Day Programme	Organised an environmental awareness programme featuring an environmental awareness talk by SWM Environment, an environmental walk, and tree-planting activities in collaboration with SWM Environment and students from SMK Felda Sendayan. The initiative aimed to strengthen environmental awareness among students and employees, promote responsible waste segregation and recycling, reduce plastic use, and reinforce long-term environmental stewardship and sustainability.
Malaysian Nature Society ("MNS") Camping Sponsorship	Contributed to the Malaysian Nature Society Camping Programme to support environmental education and increase student awareness on environmental conservation and sustainability.
Recycling Hub Enhancement Initiative	Carried out refurbishment and upgrading of the Group's internal recycling collection and waste segregation facility to support more organised recycling practices, improve recyclable waste management, and encourage greater employee participation in responsible waste disposal practices.