CLIMATE RISK REVIEW REPORT 2025

Lagenda Properties Berhad is one of Malaysia's leading property developers, taking pride in our efforts to bridge the housing affordability gap while uplifting underserved communities through the development of affordable, practical, and sustainable homes.

The Group seeks to manage its environmental impact by improving energy efficiency, reducing greenhouse gas (GHG) emissions and strengthening climate resilience across its operations and developments. These efforts reflect Lagenda's broader commitment to responsible development and are intended to support long-term value creation while contributing positively to environmental outcomes. As expectations around climate and sustainability continue to evolve, the Group remains focused on taking practical, proportionate steps that are aligned with the nature and scale of its business.

Climate Reporting Scope and Boundary

The reporting period is climate review is from 1 January to 31 December 2025, unless stated otherwise. Where relevant and available, multi-year data has been included to facilitate trend analysis and enhance comparability of performance over time.

Memberships of Associations

Lagenda participates in relevant industry associations to support sound governance, regulatory awareness and responsible development practices within the property sector. These memberships enable the Group to stay informed of evolving regulatory requirements, industry standards and sustainability-related considerations, while facilitating dialogue and knowledge-sharing that support effective oversight, compliance and continuous improvement. The Group is a member of the following industry bodies:

1. Corporate Member of the International Real Estate Federation Malaysia (FIABCI) (Malaysian Chapter)
2. Member of Real Estate and Housing Developers Association Malaysia (REHDA)

Lagenda is committed to ensuring consistency between the Group's Climate Change Policy and climate-related commitments and the positions taken by trade associations of which it is a member, including REHDA. Lagenda recognises REHDA's role in advancing sustainability and climate-related considerations within Malaysia's property sector, including through GreenRE, a wholly owned subsidiary of REHDA established to promote sustainability in the real estate sector. These sustainability and climate-related areas are consistent with Lagenda's Climate Change Policy and the Group's commitment to supporting a low-carbon and climate-resilient built environment.

The Group will periodically review the climate-related positions, advocacy and relevant activities of its material trade associations to identify any potential inconsistency with Lagenda's climate-related principles and commitments. Where a trade association's position on climate change is identified as being significantly weaker than, or contradictory to, Lagenda's Climate Change Policy or climate-related commitments, the Group will respond appropriately to address the misalignment. Actions may include engaging with the relevant association, communicating Lagenda's position, seeking clarification or improved alignment and, where a material misalignment persists, reviewing the Group's continued participation or membership in the association.

Climate Governance and Board Oversight

Oversight of sustainability and climate-related risks and opportunities at Lagenda is embedded across both Board and management levels. The Board provides overall stewardship and retains ultimate responsibility for the strategic direction, governance and performance of the Group, including the oversight of sustainability and climate-related considerations. This oversight is supported by dedicated Board and management-level committees to ensure that sustainability and climate-related risks and opportunities are appropriately identified, assessed and integrated into strategy, risk management and decision-making processes.

The Board is responsible for overseeing the Group's overall governance framework, including strategy formulation, capital allocation, risk management and internal controls. In discharging these responsibilities, the Board considers sustainability and climate-related risks and opportunities as part of its oversight of the Group's long-term value creation, major investments, and strategic initiatives. Sustainability considerations are embedded within the Board's review of the Group's strategic plan, which incorporates economic, environmental and social (EES) considerations underpinning sustainable development.

To strengthen focused oversight, the Board established the Board Sustainability Committee ("BSC") on 16 April 2025. The BSC, chaired by Ts. Myrzela Binti Sabtu, assists the Board in overseeing the Group's sustainability governance, including climate-related risks and opportunities. Through her role as Chair of the BSC, Ts. Myrzela Binti Sabtu provides Board-level oversight of climate-related risks and opportunities.

The BSC's responsibilities include guiding the Group's sustainability strategy and policies, ensuring alignment between EES material matters and business objectives, and overseeing the integrity of sustainability-related disclosures. The BSC also reviews the effectiveness of sustainability strategies and advises the Board on the Group's sustainability roadmap and progress.

Energy, Emissions and Climate Resilience

Energy consumption is a key area of focus for Lagenda, given its direct link to operating costs, emissions intensity and environmental performance. The Group manages energy use across its operations with the objective of improving efficiency, reducing reliance on fossil fuels and supporting more sustainable operations over time.

These efforts are guided by the Group's Environmental and Climate Change Policy and form part of a broader approach to reducing greenhouse gas emissions and enhancing environmental stewardship.

In FY2025, Lagenda continued to prioritise practical energy efficiency measures and operational improvements. Initiatives implemented during the year focused on reducing fuel consumption, improving electricity efficiency and increasing the use of renewable energy where feasible. Key measures included the rollout of employee awareness campaigns, such as instructional videos promoting responsible energy practices, including switching off lights and equipment when not in use.

Lagenda's energy use primarily comprises fuel consumption from petrol and diesel for company-owned vehicle fleet, as well as electricity consumption to power sales galleries and offices.

Mobility

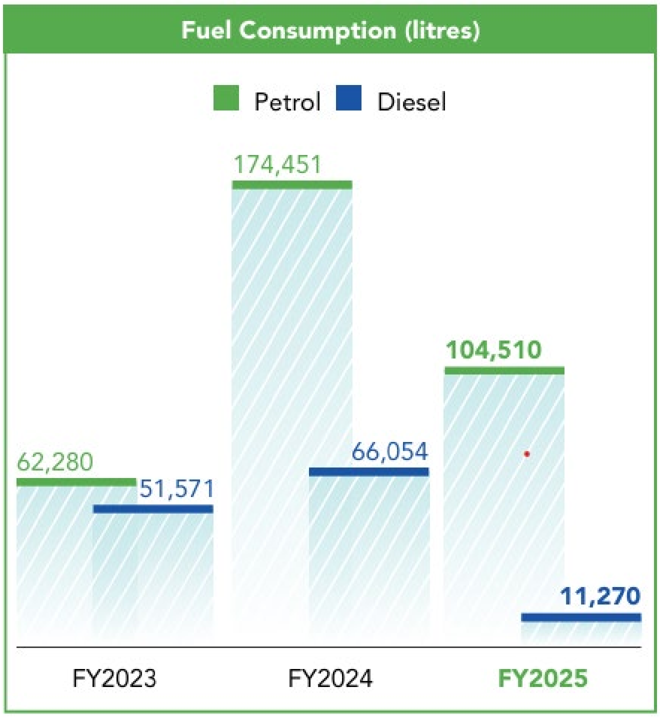
- Transitioned our vehicle fleet to battery electric, plug-in hybrid and hybrid vehicles, reducing fuel consumption
- Provided shuttle transport to encourage employees to use public transport

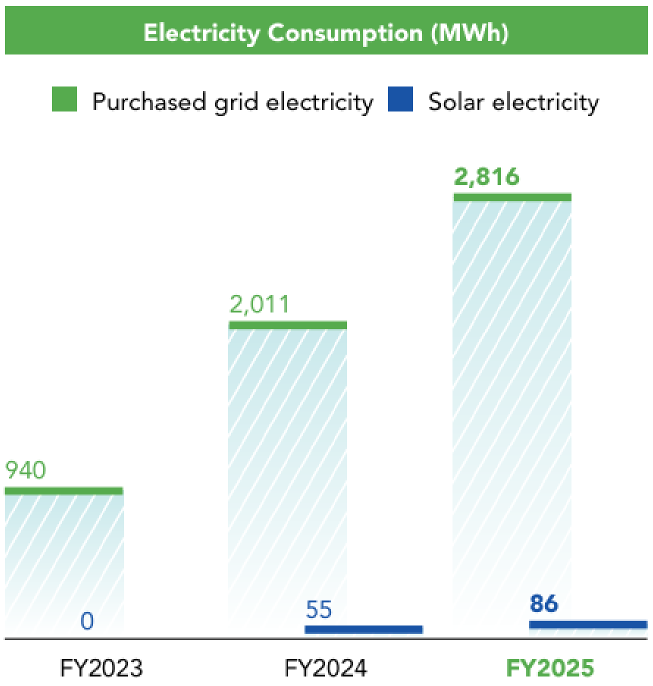
Utilisation of Renewable Energy

- Expanded our solar energy project to all operational buildings, with 70 Kilowatt Peak (kWp) of solar capacity installed at our clubhouse at BBSAP

Energy Reduction at Properties

- Installed Light-emitting diode in our properties
- Adopted energy-efficient equipment, including Energy STAR-rated refrigerators and ovens in the pantry area
- Utilised natural ventilation and maximised natural lighting during the design phase





In FY2025, the Group recorded a decrease in both petrol and diesel consumption, supported by more efficient trip planning and scheduling practices. Concurrently, with the solar photovoltaic system installed at the BBSAP clubhouse, with an expected annual generation capacity of approximately 90,011 kWh, the system generated 86,082 kWh in FY2025, contributing renewable electricity to the Group's operations and reducing reliance on grid-supplied electricity. This increase by approximately 56% compared to the previous year reflects the system's full-year operation in FY2025, following its partial commissioning in FY2024.

Taken together, fuel and electricity consumption accounted for the Group's total energy use of 14,936 GJ during the reporting period, of which 2% was generated from renewable sources. To support energy efficiency monitoring, total energy consumption is benchmarked against annual revenue to assess energy intensity over time.

Case Study: Solar PV Investment at our township

The solar photovoltaic ("PV") system at the Clubhouse in Bandar Baru Setia Awan Perdana ("BBSAP"), commissioned in June 2023 with an initial capital investment of approximately RM180,000, operated throughout FY2025 and contributed to the Group's renewable energy supply.

The full-year operation of the system increased the share of renewable energy within the Group's overall energy consumption, with 309 GJ of renewable energy recorded in FY2025. This contributed to an approximately 10% reduction in energy intensity, from 15.74 GJ/RM'mil in FY2024 to 14.18 GJ/RM'mil in FY2025, while supporting the reduction of Scope 2 GHG emissions associated with purchased electricity.

The initiative demonstrates the continued contribution of Lagenda's climate-related capital investment towards renewable energy adoption, improved energy efficiency and lower-carbon operations. Smart metering has also strengthened electricity monitoring, supporting improved energy efficiency and the Group's transition towards lower-carbon township operations.

The increase in the share of renewable energy within the Group's overall energy demand in FY2025 reflects the full-year operation of the solar photovoltaic system. This contributed to a 10% reduction in energy intensity during the reporting period, indicating the gradual incorporation of renewable energy into the Group's energy supply.

	FY2023*	FY2024*	FY2025
Total Energy Consumption (GJ)	7,280	15,553	**14,936**
- Renewable Energy (GJ)	0	198	**309**
- Non-Renewable Energy (GJ)	7,280	15,355	**14,627**
Energy Intensity (GJ / RM'mil)	8.73	15.74	**14.18**

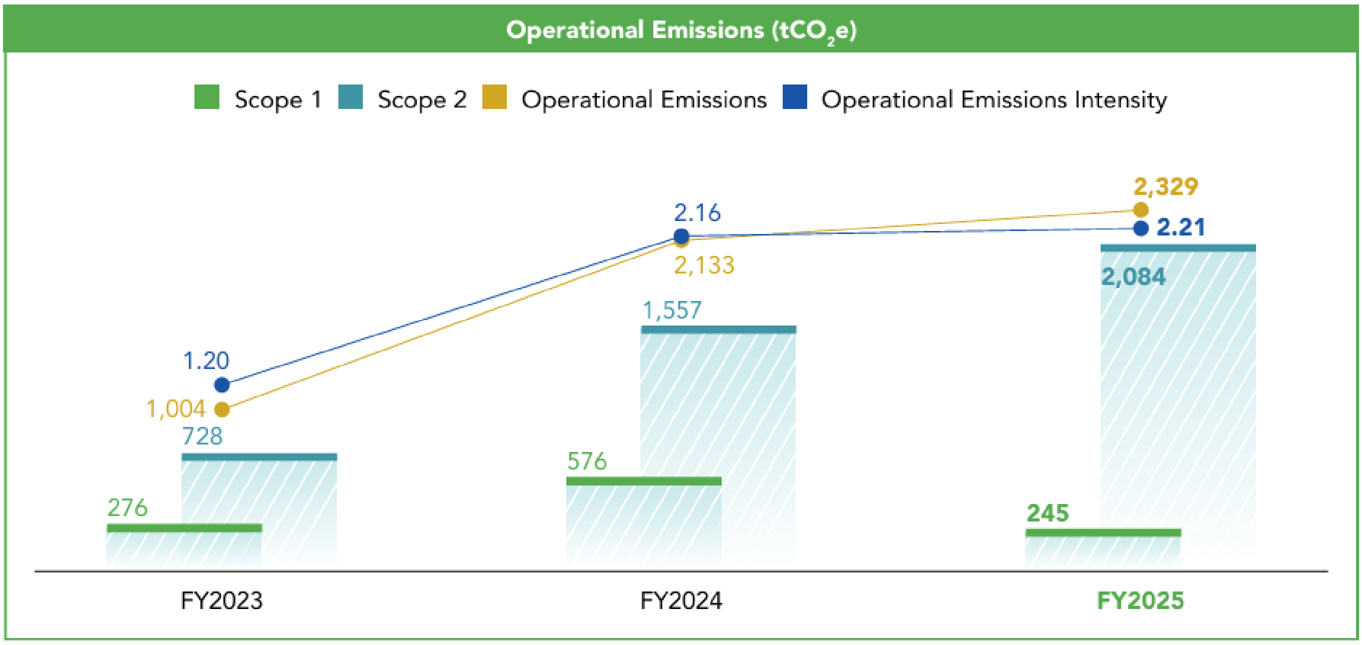
Note: The conversion factor used to convert litres consumption to energy value is based on Malaysia Energy Statistic Handbook 2020. Past year data have been restated following the enhancement of the calculation methodology.

Emissions Management

Lagenda continues to strengthen its approach in managing GHG emissions as part of its broader response to climate-related risks and opportunities. The Group's efforts are focused on practical measures such as improving energy efficiency, increasing the use of renewable energy where feasible, and gradually incorporating climate considerations into procurement and operational practices. These initiatives are intended to support emissions reduction over time while maintaining operational effectiveness.

The Group applies the operational control approach for emissions consolidation, covering entities within the defined reporting scope and boundary. Scope 1 emissions comprise direct emissions from the combustion of petrol and diesel, primarily associated with the Group's vehicle fleet. Scope 2 emissions represent indirect emissions from purchased electricity consumed across offices and sales galleries.

In FY2025, the Group recorded total operational emissions (Scope 1 and Scope 2) of 2,329 tCO_2e, with emission intensity recorded at 2.21 tCO_2e. The 9% increase in its absolute operational emissions compared to FY2024 mirrors the trend in grid electricity consumption, that is primarily attributable to expanded operational footprint. During the reporting period, renewable energy generated from on-site solar installations contributed to the avoidance of approximately 63 tCO_2e of Scope 2 emissions.



Note: Calculation methodology is based on the GHG Protocol for Scope 1, 2 and 3 with the Scope 1 emissions factors sourced from UK Government's GHG Conversion Factor 2023, 2024, and 2025. Scope 2 emissions factors were calculated using the 2024 Grid Emission Factor sourced from the National Energy Commission of Malaysia.

In addition, the Group continued to enhance its Scope 3 disclosures. Employee commuting emissions are monitored through an internal survey, while emissions from business travel are captured based on available travel records. For FY2025, total Scope 3 emissions amounted to 374 tCO_2e, with employee commuting accounting for approximately 52% of Scope 3 emissions.

	FY2023	FY2024	FY2025
Scope 3 Emissions (tCO_2e)	66	521	**374**
- Employee Commuting (tCO_2e)	66	416	**195**
- Business Travel (tCO_2e)	N/A	105	**179**

Climate Resilience

Climate change presents growing implications for the property development sector, influencing regulatory requirements, development costs, asset resilience, stakeholder expectations, and long-term business sustainability. For Lagenda, these considerations are particularly relevant given the lifecycle of property developments and the broader contribution of the built environment to GHG emissions through construction activities, material use, and energy consumption.

The Group's approach to climate-related matters is guided by its Climate Change Policy, which provides an overarching framework for managing climate-related risks and opportunities across operations. The Policy reflects Lagenda's alignment with Malaysia's national climate commitments and relevant policy frameworks, including the National Climate Change Policy 2.0, the Low Carbon Nation Aspiration 2040 and the National Energy Transition Roadmap, as well as international frameworks such as the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement and the United Nations Sustainable Development Goals. Lagenda supports domestic and international public policies and regulatory efforts aimed at mitigating climate change and advancing the transition towards a low-carbon and climate-resilient economy.

At a practical level, the Policy sets out the Group's commitment to monitoring energy use and emissions, encouraging energy efficiency and renewable energy adoptiom, and strengthening climate resilience across developments. Lagenda also integrates climate-related considerations into its capital allocation and investment decision-making, and is committed to aligning future capital expenditure with its long-term decarbonisation objectives and the Paris Agreement's 1.5°C objective, where feasible. Key considerations include GHG emissions, energy and resource efficiency, low-carbon solutions, climate resilience, regulatory requirements and lifecycle costs.

Since FY2024, Lagenda commenced the early adoption of climate-related disclosures in line with the NSRF, which adopts the IFRS Sustainability Disclosure Standards, including IFRS S2. This represents a transition towards more structured, decision-useful disclosures on how climate-related risks and opportunities may affect the Group's strategy, risk profile, and financial performance over time.

As a property developer at an early stage of formalising climate risk assessment, the Group's focus during the reporting period was on establishing foundational governance arrangements, identifying relevant transition and physical climate considerations, and progressively integrating these into existing enterprise risk management processes. More advanced analysis, including climate related scenario analysis, financial quantification and target-setting, will be developed over time as data availability, methodologies and regulatory guidance continue to evolve. These analyses will enhance our understanding of potential climate-related risks and opportunities and their potential impacts on our business, financial performance and long-term resilience, supporting informed strategic decision-making.

Guided by both the TCFD and IFRS S2, the Group's climate-related disclosures are structured around four core elements (Governance, Strategy, Risk Management, and Metrics and Targets) providing a consistent framework to support the ongoing strengthening of climate-related oversight, analysis and reporting.

Governance

Oversight of climate-related risks and opportunities is embedded within Lagenda's existing sustainability and corporate governance structure. The Board provides overall stewardship, supported by the BSC, which oversees material sustainability matters, including climate-related risks and opportunities, and their integration into the Group's strategy and risk management framework. At the management level, dedicated committees and working groups support the implementation, monitoring and reporting of sustainability and climate-related initiatives, with regular reporting to the Board to enable informed oversight.

The governance processes, roles and responsibilities described above are integrated with the Group's broader governance arrangements, ensuring that climate considerations are addressed alongside other strategic and enterprise risks.

Further details on sustainability governance, including committee structures, mandates and reporting lines, are set out in our Sustainability Statement in Annual Report 2025.

Strategy

Climate change may affect Lagenda's operations through both transition and physical impacts, with potential implications for development planning, costs and long-term value creation. Climate-related risks and opportunities are considered, where relevant, in the Group's financial planning, including capital expenditure, operating expenditure, development costs and financing considerations.

As part of the early adoption of IFRS S2, the Group undertook a preliminary identification of climate-related risks and opportunities to inform future strategic planning. This initial, qualitative assessment provides a foundation for progressively integrating climate considerations into the Group's strategy and decision-making processes over time.

Transition Risk	Potential Impacts	Potential Opportunities
Policy and Legal *Evolving climate-related regulations, reporting requirements and potential future carbon pricing mechanisms*	- Increased compliance and reporting costs arising from stricter sustainability and climate disclosure requirements - Higher capital and operating expenditure to meet evolving regulatory and environmental standards - Exposure to penalties or delays in project approvals if regulatory expectations are not met	- Improved regulatory readiness through early alignment with sustainability and climate disclosure frameworks - Eligibility for government incentives and tax allowances supporting low-carbon and green developments - Stronger positioning with regulators and approval authorities through proactive compliance
Technology *Adoption of low-carbon technologies, renewable energy and digital systems*	- Increased upfront capital expenditure associated with renewable energy systems and energy-efficient technologies, particularly in affordable housing developments - Implementation challenges related to system integration, data accuracy and scalability across functions	- Long-term operating cost savings through renewable energy adoption and improved energy efficiency - Enhanced operational control, data reliability and decision-making through gradual digitalisation of sustainability and project management processes
Market *Shifts in customer preferences towards sustainable and energy-efficient developments*	- Increased development costs associated with meeting green building standards and sustainability expectations Potential competitiveness risks if developments do not align with evolving market preferences	- Enhanced market competitiveness through sustainable design features and green building certifications such as GreenRE - Long-term value creation through energy-efficient designs, lower lifecycle costs and improved asset attractiveness
Reputation and Financing *Rising stakeholders and investor expectations for climate accountability*	- Potential constraints in accessing financing, partnerships or investor support if sustainability performance or disclosures are perceived as insufficient - Reputational risks arising from limited transparency in climate-related actions	- Strengthened brand reputation and stakeholder trust through transparent climate-related disclosures - Improved investor confidence and access to sustainability-linked financing over time

Physical Risk	Potential Impact	Potential Opportunities
Acute Increased frequency and severity of extreme weather events	- Project delays and construction disruptions, potentially increasing development timelines and costs - Higher exposure to rectification works and contractual risks during extreme weather events - Reputational impacts arising from delays in project delivery or site safety concerns	- Improved construction resilience through wider adoption of IBS methods, enhancing build quality and schedule certainty - Integration of enhanced site planning, drainage and stormwater management measures to reduce disruption and improve long-term asset performance
Chronic Long-term changes in climate patterns, including rising temperatures, sea levels and droughts	- Increased operational energy demand, particularly for cooling, leading to higher operating costs - Accelerated wear and deterioration of building materials, resulting in higher maintenance and lifecycle costs	- Use of climate-resilient and weather-resistant materials to improve durability and reduce long-term maintenance expenditure - Adoption of smart building features, including automated energy management and passive design elements, to improve operational efficiency and occupant comfort

Risk Management

Climate-related risks are assessed within Lagenda’s existing enterprise risk management framework and internal control environment, alongside other strategic, operational and financial risks. As part of the early adoption of IFRS S2, the Group has commenced the preliminary identification of climate-related risks and opportunities and is progressively integrating these considerations into its risk assessment and decision-making processes.

In July 2026, the Group conducted a Climate Risk Assessment (CRA) to systematically assess and prioritise climate-related risks and opportunities relevant to its operations and business activities. The assessment considered their likelihood and relevant time horizons, providing a basis for the development of appropriate mitigation measures and ongoing monitoring.

Sustainability risks, including climate-related risks, are managed through the Group’s established enterprise risk management and internal control framework. The Board Sustainability Committee provides governance oversight, while the Sustainability Working Committee monitors climate-related risks and mitigation actions and supports their integration alongside other operational and strategic risks. The Internal Audit Department will provide assurance over the Group’s risk management and internal control processes.

Metrics and Targets

Lagenda monitors climate-related metrics to establish an initial emissions baseline and support the ongoing assessment of climate-related risks and opportunities. GHG emissions are tracked across Scope 1, Scope 2 and selected Scope 3 categories, with further details on emissions coverage and performance set out in the Emissions Management.

As the Group’s operational footprint expands and data availability improves, periodic reviews of emissions data and baselines are undertaken to enhance consistency and comparability over time.

The current focus is on strengthening data governance, improving the reliability of climate-related metrics and building the foundation for more robust target-setting in future reporting periods, in line with the progressive adoption of IFRS S2 and evolving regulatory expectations.

Decarbonisation Pathway and Emissions Targets

Lagenda has progressively established emissions reduction objectives as part of its early decarbonisation journey. The Group previously set an emissions intensity reduction target of 10% by FY2025 and a longer-term emissions intensity reduction target of 45% by FY2030 against a FY2022 baseline, covering Scope 1 and Scope 2 emissions.

As the Group's operational footprint has expanded and its carbon accounting practices have evolved, including improvements in data availability, emission factors and calculation methodologies, Lagenda is reviewing and, where necessary, restating its emissions baseline to improve consistency and comparability over time. The Group is also formalising its decarbonisation plan and reviewing its emissions reduction pathway against the revised baseline.

Lagenda continues to monitor Scope 1, Scope 2 and selected Scope 3 emissions, including Business Travel and Employee Commuting, while strengthening data governance and measurement systems. Going forward, the Group will continue to refine its decarbonisation pathway and establish appropriate interim/transition targets to ensure that its emissions reduction objectives remain measurable, accountable and aligned with evolving IFRS Sustainability Disclosure Standards and national climate objectives.

Metric	Unit	FY2023	FY2024	FY2025
Revenue	RM million	834,874	988,767	**1,053.423**
Scope 1 emissions	tCO_2e	276	576	**245**
Scope 2 emissions	tCO_2e	728	1,557	**2,084**
Scope 1 & 2 emissions	tCO_2e	**1,004**	**2,133**	**2,329**
Selected Scope 3 emissions	tCO_2e	66	521	**374**
GHG emissions intensity - Scope 1 & 2	tCO_2e / RM million	**1.20**	**2.16**	**2.21**
GHG emissions intensity - Scope 1, 2 & selected Scope 3	tCO_2e / RM million	**1.28**	**2.68**	**2.57**

Note: The Group is reviewing and, where necessary, restating its emissions baseline to improve comparability. In FY2025, Scope 1 and Scope 2 emissions intensity increased marginally to **2.21 tCO_2e/RM million** from 2.16 in FY2024. Lagenda is formalising its decarbonisation plan and will refine its interim targets and actions accordingly.

Transition Plan

Time Horizon	Key Decarbonisation Actions	Emissions Focus
Short term	Energy monitoring and smart metering; operational energy efficiency; travel and mobility management	Scope 1 & 2
Medium term	Explore opportunities for greater renewable energy adoption, potential deployment of Battery Energy Storage Systems (BESS) and lower-emission fleet solutions, while further strengthening sustainable procurement practices.	Scope 1, 2 & selected Scope 3
Long term	Progressively align capital investment and development practices with the Group's long-term decarbonisation objectives	Scope 1, 2 & value chain

As the Group formalises its transition plan, climate-related actions will be progressively integrated into financial planning and capital allocation, including capital expenditure, operating expenditure and investment priorities. During FY2025, the Group deployed approximately more than RM25,000 of expenditure towards climate-related and environmentally sustainable initiatives.

Lagenda prioritises direct emissions reduction and does not currently rely on carbon offsets to achieve its emissions reduction objectives. Any future use of credible offsets, if required, would be considered only for residual emissions that are difficult to abate.

Air Emission Management

Lagenda recognises the importance of managing air pollutants associated with fuel consumption and combustion activities, including sulfur oxides (“SOx”). The management of these emissions forms part of the Group’s broader approach to pollution prevention, operational efficiency and responsible environmental management.

The Group’s approach is guided by its Environmental Policy, which commits Lagenda to implement suitable practices to prevent pollution and minimise emissions, including those related to dust, noise and water discharge. In line with this commitment, the Group seeks to minimise air emissions arising from its operations through appropriate operational and mobility management measures.

During FY2025, Lagenda continued to manage fuel-related emissions through travel and mobility management initiatives, including more efficient trip planning and scheduling, employee shuttle services to encourage the use of public transport, and the gradual transition of its vehicle fleet towards battery electric and hybrid vehicles. These measures supported lower petrol and diesel consumption during the year and consequently reduced associated SOx emissions.

Total SOx emissions decreased to approximately 0.0079 tonnes SO_2 in FY2025, compared with 0.0140 tonnes SO_2 in FY2024, representing an approximately 44% year-on-year reduction.

SOx Emissions (tonnes)	FY2023	FY2024	FY2025
Diesel	0.0009	0.0011	0.0002
Petrol	0.0046	0.0129	0.0077
Total SOx Emissions	0.0055	0.0140	0.0079

Note: Emission factors were applied based on Malaysian Euro 4M and Euro 5 fuel specifications: Petrol (RON95, Euro 4M): 50 ppm sulfur: 0.074 g SO_2 per litre; Diesel (Euro 5): 10 ppm sulfur: 0.0148 g SO_2 per litre With reference to DOE Malaysia, “Fuel Quality Content Control”- includes reference to the 2015 Amendment and effective dates: https://www.doe.gov.my/en/fuel-quality-content-control/; Environmental Quality (Control of Petrol and Diesel Content) (Amendment) Regulations 2021-P.U. (A) 138/2021- Department of Environment

Report Quality and Data Assurance

Information disclosed in climate risk report internally sourced and verified by the respective data owners, with oversight from the Sustainability Unit. The Group adopts a centralised approach to data collection, consolidation and validation to ensure consistency and reliability across disclosures. Key operational processes and internal control documentation are aligned with ISO 9001 requirements and are subject to periodic internal quality audits, ensuring that presented data are as accurate as possible.

At present, non-financial information disclosed in this report has not been subjected to assurance processes. However, the Group recognises the importance of independent verification and intends to progressively enhance data quality as we explore external assurance in future reporting periods.

Exclusions, Limitations, and Disclaimers

This review excludes entities in which Lagenda does not hold majority ownership (more than 51%) and/or does not exercise operational control, on the basis that their sustainability performance falls outside the Group’s direct influence and decision-making authority, and their inclusion would not materially affect the overall sustainability profile of the Group.

The Group acknowledges that certain data gaps and limitations remain, particularly in areas where systems, processes or data availability are still being strengthened. As such, some disclosures may be subject to estimations or may not yet fully reflect performance across all operations. Continuous improvements are underway to enhance data coverage, consistency and analytical depth in future reporting cycles.

This review may also contain forward-looking statements, including projections, targets and strategic intentions. These statements are based on current assumptions and expectations and are subject to various risks and uncertainties that may cause actual outcomes to differ materially. Accordingly, readers are advised not to place undue reliance on such forward-looking statements.