IMPACT ASSESSMENT

Sustainable Finance Framework Assessment

Second Party Opinion

MARC

MARC SOLUTIONS SDN BHD

201001025092 (909006-W)

TH PROPERTIES SDN BHD

198001010120 (63904-D)

Summary

- MARC Solutions Sdn Bhd has assigned a "Gold" Impact Assessment to TH Properties Sdn Bhd's (THP) Sustainable Finance Framework (Framework).
- The Framework sets forth the guiding principles for THP's undertaking of Sustainable Finance Transactions (SFTs) to fund eligible Use of Proceeds (UoP) in line with the United Nations Sustainable Development Goals (UN SDGs or SDGs). The eligible categories are expected to deliver significant environmental and social (E&S) impacts.
- We consider the Framework to be in line with most requirements and recommendations of the applicable guidelines. The Framework reflects overall consistency with relevant guidelines.
- THP has demonstrated a forward-looking sustainability strategy, guided by measurable commitments to climate resilience, resource efficiency, socioeconomic empowerment and community wellbeing.

GOLD

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MARC SOLUTIONS SDN BHD

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TH PROPERTIES SDN BHD
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OVERVIEW OF ISSUER

Incorporated in 1980 and restructured in 2010 through the alliance of TH Properties Sdn Bhd (THP) and TH Technologies Sdn Bhd, THP is a wholly-owned subsidiary of Lembaga Tabung Haji (LTH). Operating across property development, construction, and project and facilities management, THP's integrated business model enables end-to-end oversight from development and construction to post-completion operations and maintenance, leveraging established technical, commercial and project delivery expertise across Malaysia and selected international markets.

THP's property development portfolio is anchored by notable large-scale townships and mixed-use developments in Bandar Enstek and Kota Semarak. These developments encompass residential, institutional, industrial and affordable housing components, with selected developments incorporating green building elements, energy efficiency (EE) and clean transportation infrastructure.

The construction segment undertakes institutional, commercial and hospitality projects domestically and selected overseas developments with an established delivery track record, while the facilities management division manages a sizeable portfolio of completed assets, managing building operations and delivering energy, waste and maintenance services, supporting ongoing asset performance monitoring and the measurement of environmental and social impacts associated with financed projects.

Guided by Islamic principles and global environmental, social and governance (ESG) expectations, THP's sustainability approach is reflected through its Sustainability Policy and Sustainable Finance Framework. The Framework outlines THP's approach to undertake SFTs for the financing and refinancing of eligible green and social projects that aims to deliver positive E&S impacts, in alignment with the company's overarching sustainability strategy and mission. These SFTs will be utilised to finance the group's and its entities' investments, assets, or projects that aim to deliver positive E&S impacts, in alignment with the group's mission.

MARC

MARC SOLUTIONS' SCOPE OF WORK

MARC Solutions Sdn Bhd (MARC Solutions), a fully-owned subsidiary of Malaysian Rating Corporation Berhad (MARC), was incorporated as a private limited company to undertake the business of providing analytics solutions for ESG risks and sustainability-related offerings.

In July 2025, MARC Solutions published its updated Impact Assessment Methodology that reviews sustainable financing; this can be accessed on MARC's corporate website at www.marc.com.my. With reference to the updated methodology, MARC Solutions' review of THP's Framework consists of the following components:

1) an impact significance analysis for projects to be financed using SFTs

2) an evaluation of compliance with the applicable principles, guidelines, standards, and frameworks (collectively referred to as "the guidelines") for:
   i) International Capital Market Association's (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG)
   ii) ASEAN Capital Markets Forum's (ASEAN) Green Bond Standards (GBS), Social Bond Standards (SBS), and Sustainability Bond Standards (SUS)
   iii) Securities Commission Malaysia's (SC) Sustainable and Responsible Investment Sukuk Framework (SRISF)
   iv) Asia Pacific Loan Market Association (APLMA), Loan Market Association (LMA) and Loan Syndications and Trading Association's (LSTA) Green Loan Principles (GLP) and Social Loan Principles (SLP)

3) an evaluation of the issuer's sustainability implementation capacity and performance.

Framework or instruments which meet the minimum thresholds in each of the analytical components will be accorded either a gold, silver or bronze grading.

Our opinion is based solely on the review of the issuer's Framework and its alignment with the guidelines outlined in this document. The scope of our work is limited to this assessment and does not extend to a real-time or post-issuance verification of the use of proceeds. Accordingly, our assessment does not provide an opinion on, nor does it guarantee against, any greenwashing risk.

For more information, visit www.marc.com.my or contact us at solutions@marc.com.my.

IMPACT SIGNIFICANCE ANALYSIS

The qualitative analysis of the impact of the eligible assets is assessed in the context of the SDGs. THP's Framework indicates that the eligible assets collectively align with 9 of the 17 SDGs, with targets specified for each category.

The net proceeds from the SFTs will be utilised to fund eligible assets under the following eligible categories:

Green Buildings

Eligibility Criteria

- Construction, development, acquisition, expansion, renovation, and maintenance of buildings that have received or are anticipated to receive green building certification (GBC), including but not limited to the following international standards or regional equivalents:
  - Green Building Index (GBI) — Gold and above
  - Leadership in Energy and Environmental Design (LEED) — Gold and above
  - GreenRE — Gold and above
  - Building Research Establishment Environmental Assessment Method (BREEAM) — Excellent and above
  - Malaysian Carbon Reduction and Environmental Sustainability Tool (MyCREST) — 4 Stars and above
  - Sustainable Infrastructure Rating Tool (Sustainable INFRASTAR) — 5-Star
  - Any other GBCs equivalent to the above standards

Refurbishment/retrofit of buildings to achieve a minimum 30% improvement in EE or primary energy demand (PED) over initial performance. This shall apply to all new and existing buildings/complexes, offices and water treatment plant administrative buildings.

UN SDG Targets

UN SDG 11.c
Promote the building of sustainable and resilient buildings

UN SDG 13.2
Integrate climate change measures into policies and planning

Impact Indicators

- Number of GBCs obtained
- Type of green buildings constructed by certification type
- Estimated annual energy consumption (KWh/m^2) or saved (MWh)
- Estimated annual greenhouse gas (GHG) emissions reduced and/or avoided (tCO_2e)

Impact Assessment

Despite not possessing any prospective GBCs in their immediate project pipeline, the Green Building category is highly relevant to THP's business strategy and is closely aligned with its property development operations. Initiatives under this category demonstrate high-performance building standards that reduce energy consumption and GHG emissions related to the built environment. Through attainment of recognised GBCs, THP may improve resource use efficiency and building system performance, which would lower operating expenses. Such features enhance asset quality and reduce long-term operational and regulatory risk, ultimately contributing to an overall reduction in its carbon footprint.

This eligible category aligns with UN SDG targets 11.c and 13.2, advocating for sustainable and resilient building development. Obtaining GBCs reflects external validation based on domestic and global best practices, providing assurance to THP's commitment to sustainable development. The inclusion of refurbishment and retrofit activities further strengthens the impact profile by futureproofing against anticipated environmental impacts.

Renewable Energy

Eligibility Criteria

- Construction, development, acquisition, maintenance, and/or operation of facilities, systems and equipment of renewable energy (RE), including projects such as:
  - Solar power (including all photovoltaic installations whether ground mounted, roof mounted or floating)

UN SDG Targets

UN SDG 7.2
Support an increase in share of RE in the energy mix.

UN SDG 9.4
Increase adoption of clean and environmentally sound technologies

Impact Indicators

- RE capacity installed (MWh)
- Annual RE generation expected (MWh)
- GHG emissions reduced or avoided (tCO_2e)

Impact Assessment

The adoption of RE is positioned as a complementary measure to THP's property development and construction portfolio. Ground-mounted or rooftop photovoltaic installations can lower operational costs by reducing reliance on grid-supplied or fossil-fuel–based electricity, reduce emissions and enhance energy security. Given the fluctuations of energy costs and Malaysia's energy transition aspirations, RE adoption provides sustained cost stability and enhances resilience against regulatory risks and potential disruptions in electricity supply.

These initiatives align with UN SDG targets 7.2 and 9.4 by increasing the share of RE in the energy mix and promoting the deployment of resilient, low-carbon infrastructure within THP's portfolio. At scale, these initiatives could achieve considerable reductions in annual emissions, supported by transparent and quantifiable impact measurements.

Energy Efficiency

Eligibility Criteria

- Investments and expenditures related to the production, construction, development, maintenance, and/or retrofitting of assets, installations, and processes, to increase EE, including but not limited to:
  - Energy-efficient technologies, initiatives, products, or equipment, such as LEDs, smart meters, high-efficiency windows, energy-efficient Heating, Ventilation, and Air Conditioning (HVAC) systems, optimised Building Control System, building management systems, etc.
  - Technologies, products or hardware systems dedicated to reducing energy consumption, including power-saving features, machine learning, and artificial intelligence applications
  - Regular energy audits to identify energy-inefficient practices and equipment

UN SDG Targets

UN SDG 7.a
Promote investment in energy-efficient infrastructure and clean energy technology

UN SDG 9.4
Increase resource-use efficiency and clean/ environmentally sound technologies

Impact Indicators

- Energy saved per year (%/MWh/year)
- GHG emissions reduced or avoided (tCO_2e)

Impact Assessment

As a property developer, this eligible category is significant as it constitutes a substantial share of THP's overall environmental footprint, and has a direct influence on its operating costs, emissions profile, and climate transition risks. The adoption of EE measures across THP's managed facilities and operational sites can help address their rising electricity and operating costs, reduce their Scope 2 emissions, and mitigate risks associated with climate transition. The effectiveness of these measures is supported by THP's operational practices, including the use of digital asset monitoring tools, which facilitate ongoing performance tracking, preventive maintenance and identification of operational inefficiencies.

This eligible category contributes towards UN SDG targets 7.a and 9.4 by encouraging reduced emissions through efficient infrastructure and environmentally sound advancements, while also enhancing the resilience and sustainability of built assets. The potential environmental benefits of this category is substantial, particularly if THP implements these initiatives across a significant portion of its portfolio, with clearly defined energy-saving targets for each EE initiative.

Clean Transportation

Eligibility Criteria

- Investments and expenditures relating to the development, procurement, acquisition, maintenance, and/or retrofitting of vehicles for clean transportation, such as:
  - Installation of charging facilities for electric vehicles (EV)
  - Purchase of electric vehicles for corporate fleet
  - Developments of dedicated bicycle lanes, pavements, pedestrian pathways/zones and supporting infrastructure such as tunnels and fences

UN SDG Targets

UN SDG 11.2
Enable access to sustainable transport systems

Impact Indicators

- Number of electric charging stations installed

- GHG emissions reduced or avoided (tCO_2e)

Impact Assessment

THP's adoption of clean transportation across its portfolio contributes to environmental benefits and operational efficiencies by helping to reduce transport-related emissions. However, the magnitude of these environmental benefits is largely contingent on the rate of adoption and utilisation of this eligible category. The surrounding supporting infrastructure, such as dedicated cycling lanes and pedestrian walkways connected to THP's developments, can enhance community connectivity and contribute to wider socioeconomic benefits.

Enabling clean transportation alternatives underscores THP's broader commitment to reducing emissions and advancing sustainable mobility systems within the built environment, as reflected in UN SDG target 11.2 as well as Malaysia's National Electric Mobility Blueprint.

Sustainable Water and Wastewater Management

Eligibility Criteria

- Sustainable infrastructure for clean and/or drinking water, and wastewater treatment, with a focus on ensuring water availability, quality, and efficient use such as:
  - Rainwater harvesting, water reuse systems, water recycling projects, smart metering devices, low-flow equipment
  - Installation of water-efficient fixtures and fittings
  - Wastewater treatment and management facilities using energy-efficient technologies and/or powered by green infrastructure
  - Wastewater disposal systems i.e. sewerage grease trap system

UN SDG Targets

UN SDG 6.4
Increase water-use efficiency

UN SDG 12.2
Increase sustainable management and efficient use of natural resources

Impact Indicators

- Volume of annual reduced water usage (m^3)/ (%)
- Number of water-efficient fittings installed

Impact Assessment

Robust water management practices are pivotal for THP's core business operations. Initiatives such as water conservation and recycling, rainwater harvesting, and wastewater treatment and disposal systems at THP's Kota Semarak development directly reduce the demand on municipal water supplies, lower operational costs, and mitigate pollution risks. While the scale of implementation may not be as significant as other eligible categories, responsible water and wastewater management initiatives can support THP's long-term resource resilience.

This eligible category supports UN SDG targets 6.4 and 12.2 and reflects THP's commitment to enhancing water and resource use efficiency across their managed facilities and operational sites.

Pollution Prevention and Control

Eligibility Criteria

- Projects, assets, installations, and technologies relating to the prevention, reduction, or elimination of pollution, including the mitigation of GHG emissions, such as:
  - Sustainable waste management initiatives, collection systems, or amenities that support source segregation, reuse, recycling, recovery, and responsible disposal

UN SDG Targets

UN SDG 12.4
Promote environmentally sound management of wastes throughout their life cycle

- Adoption of Industrialised Building Systems (IBS) for efficient resource use and management

UN SDG 12.5
Reduce waste generation through prevention, reduction, recycling and reuse

Impact Indicators

- Annual volume of waste processed (tonnes)
- Annual volume of waste diverted from landfills (tonnes)
- Annual volume of waste recycled (tonnes)

Impact Assessment

Pollution prevention and control measures are particularly material for THP, given the construction sector's significant contribution to construction and demolition waste generation and related localised environmental pollution. Responsible waste disposal practices and resource-efficient construction approaches reduce the likelihood of non-compliance and avoid unplanned remediation costs that can materially affect THP's operational efficiencies.

Through the deployment of waste management initiatives and resource management systems, THP aims to reduce material wastage, enhance construction efficiency and improve resource utilisation. These measures support SDG targets 12.4 and 12.5 by sustainably managing waste and incorporating climate action into THP's operations.

Climate Change Adaptation

Eligibility Criteria

- Investments and expenditures relating to the adaptation of measures that mitigate or reduce impacts of climate change, such as:
  - Projects that support climate change adaptation, and mitigate weather risks through building/landscape design and asset-level enhancements, such as hardware installations and upgrades for enhanced flood protection systems, and additional insulation
  - Projects that strengthen organisational preparedness for climate change such as development of meteorological stations, adoption of climate risk scenario planning tools and third-party vulnerability assessments
  - Research, development or procurement of hardware and technologies to tackle climate-related risks, such as floodgate and sensor installation in identified buildings based on assessments conducted

UN SDG Targets

UN SDG 11.b
Increase adaptation to climate change and resilience to disasters

UN SDG 13.2
Integrate climate change measures into strategies and planning

Impact Indicators

- Area protected by flood resilience or mitigation infrastructure (m^2)/ (ha)

Impact Assessment

This eligible category represents a material consideration to THP's operations, where the long-term resilience, safety and operability of its assets are critical. Initiatives such as flood protection systems, climate-resilient buildings, and asset-level upgrades are relevant given THP's exposure to large-scale developments that are increasingly subject to physical climate risks, including flooding and other adverse weather events. In addition, organisational-level initiatives such as climate risk assessments and the use of scenario planning tools support more informed decisions across project design and construction as well as asset management stages.

These adaptation measures are expected to deliver direct and tangible environmental benefits by reducing asset vulnerability, safeguarding occupants, and enhancing continuity across THP's portfolio. Given the long asset lives and capital intensity of its developments, this eligible category contributes to UN SDG targets 11.b and 13.2 by integrating climate resilience and adaptation considerations into corporate planning, project design, and long-term development strategy.

Affordable Housing

Eligibility Criteria

- Construction and development of low-cost housing units which provide increased access to affordable housing at affordable prices.

UN SDG Targets

UN SDG 11.1
Provide access for all to adequate, safe, and affordable housing and basic services

Impact Indicators

- Number of affordable housing units delivered
- Number of beneficiaries/ households served

Impact Assessment

Projects under this eligible category are directly aligned with THP's core activities in property development and urban regeneration, particularly its involvement in residential and mixed-used developments that incorporate affordable housing such as Residensi Wilayah ("RUMAWIP") projects. Through the development of low-cost housing units targeted at low-income households, THP leverages its development expertise, land assets and project delivery capabilities to address housing affordability challenges within urban and suburban areas. This category is highly relevant to THP's operating context, where the integration of affordable housing into broader developments supports inclusive growth while remaining consistent with the company's commercial mandate.

This eligible category aligns with UN SDG target 11.1 and is expected to generate direct and tangible social benefits by improving access to adequate, safe and affordable housing for clearly defined target populations. Given the clarity of the target demographic, the essential nature of the social need addressed, and the strong alignment with THP's development activities, this category is assessed to have a significant impact, reflecting its positive contribution to social outcomes within THP's broader sustainability agenda.

Access to Essential Services

Eligibility Criteria

- Development, construction, installation, and maintenance of facilities with the aim of improving provision of quality healthcare and education/training, including:
  - Provision of public healthcare services such as through the development of hospitals and clinics
  - Development of public education facilities and training institutes
  - Development of access roads in rural areas

UN SDG Targets

UN SDG 9.1
Develop quality, reliable, sustainable, and resilient infrastructure

UN SDG 11.3
Enhance inclusive and sustainable urbanisation

Impact Indicators

- Number of community/ individuals benefitting from the increased access to essential services
- Number of hospitals/ education facilities built

Impact Assessment

This eligible category is aligned with THP's core business activities, particularly where developments incorporate or support public healthcare, education, training facilities, and enabling infrastructure such as access roads. Leveraging its experience in delivering complex developments and institutional facilities, THP is well positioned to support projects that enhance access to essential social infrastructure, especially in rural and underserved communities. This category is relevant to THP's operating context, where the integration of social infrastructure within developments contributes to functional, inclusive, and sustainable communities.

By improving the availability, quality, and accessibility of essential services such as healthcare, education, and connectivity, this eligible category is expected to deliver direct social benefits. These outcomes support improved quality of life, human capital development, and social inclusion for target populations, while also contributing to more balanced regional development, in line with UN SDG targets 9.1 and 11.3.

Socioeconomic Advancement and Empowerment

Eligibility Criteria

- Support for programmes and projects that improve livelihoods, wellbeing and income-generating opportunities for target populations and contribute to community development, including:
  - Education-related initiatives such as scholarships, donation of laptops, and other educational necessities
  - Disaster relief such as food vouchers and cleaning efforts
  - Other initiatives that support community wellbeing and growth

UN SDG Targets

UN SDG 1.2
Reduce the proportion of people living in poverty in all its dimensions according to national definitions

UN SDG 4.1
Ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes

UN SDG 10.2
Empower and promote the social, economic and political inclusion of target populations

Impact Indicators

- Number of beneficiaries

Impact Assessment

Projects under the Socioeconomic Advancement and Empowerment category are aligned with THP's broader role as a property developer with strong community interfaces, particularly across its township developments, construction activities, and facilities management operations. Through initiatives such as educational support programmes, scholarships, provision of learning tools, and community-based assistance, including disaster relief efforts, THP leverages its organisational reach, stakeholder relationships, and operational presence to support marginalised and underprivileged communities, including indigenous groups.

These initiatives align with UN SDG targets 1.2, 4.1 and 10.2 by addressing underlying socioeconomic disparities and contributing to longer-term human capital development and social inclusion. This eligible category is expected to generate positive social outcomes by improving access to education, supporting income-generating opportunities, and strengthening community resilience, particularly for underserved and marginalised populations.

OVERALL IMPACT SIGNIFICANCE

Overall, the anticipated impact of the eligible categories is assessed to be "Significant". This level of impact significance is assigned where underlying projects are expected to generate direct and tangible impact while advancing the issuer's sustainability progress. Projects at this level have the potential to facilitate adjustments towards a more sustainable development trajectory and to meaningfully advance sustainable development goals.

COMPLIANCE EVALUATION

The compliance evaluation constitutes an assessment of alignment with principles applicable to the Framework. Our evaluation is expressed using a four-point score, and the final score will be calculated based on aggregation according to the weightage of the core components, which is then converted to a four-point descriptive scale which ranges from "High", "Good", "Satisfactory" to "Low".

Utilisation of Proceeds	**High**
Requirements & Recommendations	**Compliance Evaluation**
Requirements based on Applicable Guidelines	
Description of the eligible asset categories	The proceeds shall be utilised exclusively for the financing and/or refinancing of capital expenditures (capex), investments, operational expenditures (opex) and research and development (R&D) expenditures related to new and/or existing assets, projects and/or activities that meet the Eligibility Criteria outlined in the Framework. Sukuk proceeds will be utilised for Shariah-compliant purposes only. THP will comply with internationally recognised sustainability best practices on the use of proceeds arising for such Sukuk transactions. For avoidance of doubt, investments may include acquisition of stakes or general inter-company advances for "pure play" companies that have at least 90% of its revenue derived from sources that meet the defined criteria in any of the eligible categories.
Contribution to sustainability objectives	The Framework has outlined the benefits of the projects and the respective SDGs to which each project contributes. Please refer to the Impact Significance Analysis section for more information.
Recommendations based on Applicable Guidelines	
Quantification of sustainability benefits	The Framework has provided the quantitative impact indicators for the eligible projects, where applicable.
Financing vs refinancing	Where relevant, THP will disclose the portion of proceeds allocated for refinancing, along with the specific eligible assets being refinanced, within the respective transaction documents. The estimated indicative share of proceeds to be allocated for THP's inaugural SFT undertaking is as follows: • Social projects (affordable housing) – 61% • Green projects (EE, sustainable water and wastewater management, pollution prevention and control) – 39%
Look-back period for refinancing	Refinancing of opex in relation to eligible assets is subject to a maximum look-back period of up to 36 months from the time of the SFT. THP has not committed to a look-back period for capex in relation to the eligible assets.

	We consider THP's look-back period to be aligned with standard market practices; however, the inclusion of a defined look-back period for capex refinancing and/or clarification on the type of projects eligible for refinancing could enhance the Framework's transparency.
Alignment with taxonomies and best practices	The eligible projects are aligned with relevant taxonomies and best practices.
Target population for social projects	The Framework has disclosed that the target population of the eligible social projects includes: • Low-income population • Rural and underserved communities • Marginalised/underprivileged communities • Indigenous people

Process for Project Evaluation and Selection	**High**
Requirements & Recommendations	**Compliance Evaluation**
Requirements Based on Applicable Guidelines	
E&S objectives	The Framework has defined the E&S objectives for eligible projects in the context of the SDGs.
Disclosure of process	THP has established processes and procedures with its Sustainability Management Committee (SMC) for overseeing and guiding THP's sustainability strategy, ensuring projects are properly identified and assessed in compliance with the Framework. The SMC is supported by the Audit & Risk Management Committee (ARMC) with overall guidance from the Board. THP's process for evaluating and selecting projects is as follows: 1. The SMC will assess and identify projects that satisfy the Eligibility Criteria set forth in the Framework and in accordance with THP's sustainability objectives and strategies. The SMC includes key representatives from various business units. 2. The SMC will review the projects included in the pool of eligible projects on a quarterly basis, and before any new SFT issued, to confirm that they meet the criteria for inclusion. 3. In case of divestment or an eligible project ceases to meet the Eligibility Criteria, the proceeds will be allocated to other eligible projects as soon as practicable.
E&S risk identification and management	THP will assess E&S risks during project evaluation and selection, guided by THP's internal Sustainability Policy, Risk Management Framework, Environmental Policy, and Quality & Safety Policies. THP will comply with the relevant ESG standards and recognised best practices and will undertake necessary processes to identify and manage any potential risks in relation to the eligible UoP.

Defined exclusion criteria	The Framework has defined exclusion criteria in alignment with the ASEAN GBS and SBS, as well as THP's sustainability policies as follows: ▪ Luxury sectors (precious metals/ precious minerals/ artworks and antiques wholesale or brokerage) ▪ Child labour or forced labour ▪ Gambling ▪ Adult entertainment ▪ Weapons and military contracting ▪ Alcohol ▪ Tobacco ▪ Fossil-fuel generation related activities (including extraction, exploration, production, power generation or transport of fossil fuels) ▪ Production or trade in any product or activity deemed illegal under international conventions and agreements, or subject to international bans
Criteria for Non-Shariah Compliant Business Activities/Products/Goods	▪ Riba bearing financial institutions ▪ Non-Shariah compliant entertainment and gambling establishments ▪ Non-halal food, beverage and animal-based related activities ▪ Other suspicious/immoral activities ▪ Unlicensed/illegal products including drugs, hazardous chemicals, weapons and explosive products ▪ Tobacco-based products or weed (including hookahs) ▪ Other activities deemed non-compliant according to Shariah principles as determined by the Shariah Advisory Council (SAC)
Recommendations Based on Applicable Guidelines	
Sustainability context	THP has positioned the project evaluation and selection process within its overarching sustainability objectives and policies.
Alignment with sustainability standards	The Framework has disclosed the relevant ESG standards and recognised best practices, including those applicable to the eligible categories.

Management of Proceeds	**Good**
Requirements & Recommendations	**Compliance Evaluation**
Requirements Based on Applicable Guidelines	
Proceeds management process	Net proceeds raised from each SFT will be deposited into THP's funding account and earmarked to eligible projects.
Internal tracking and allocation	THP's Accounts and Corporate Finance team will maintain a register of eligible projects to ensure that net proceeds from SFTs are appropriately tracked and allocated, as long as the SFTs remain outstanding. The register will outline the following information: • Key information of the SFTs (including issuer/borrower entity, transaction date, tranche(s) information, principal amount of proceeds, repayment and

	amortisation profile, maturity date, and interest or coupon) • Name and description of eligible projects to which the proceeds of the SFTs have been allocated • Amount of SFT proceeds allocated to each eligible project • The remaining balance of unallocated proceeds • Other relevant information such as information of temporary investment for unallocated proceeds.
Periodic adjustment of unallocated proceeds	THP aims to achieve full allocation of proceeds within 36 months.
Temporary placement of unallocated proceeds	Pending full allocation to eligible projects, any unallocated proceeds will be held in the form of temporary cash or cash-equivalent investment instruments, in line with THP's treasury and cash management practices.
External verification of tracking and allocation	THP may engage independent third-party reviewers to verify the internal tracking and provide opinion on allocation and management of the SFT proceeds as well as impact reports produced where applicable.
Recommendations Based on Applicable Guidelines	
External verification of tracking and allocation	An external verification on the internal tracking of the SFT proceeds may be provided by an independent third-party reviewer and be made publicly available on THP's website (https://www.th-properties.com/). While not required under the guidelines, we recommend that the issuer commit to external verification of proceeds tracking and allocation to enhance transparency.

Reporting	**Good**
Requirements & Recommendations	**Compliance Evaluation**
Requirements Based on Applicable Guidelines	
Publication of Framework details	THP has committed to disclosing relevant information outlined in its Framework throughout the tenure of the SFTs issued under the Framework. Any material developments, such as modification to the Framework, will also be reported in a timely manner on THP's website.
Annual reporting of proceeds allocation	THP commits to providing annual reporting on the allocation and impact reporting of the SFTs to the extent feasible. Reports will be made publicly available on the website. Where material developments occur that affects the SFTs, THP will provide timely updates in accordance with applicable disclosure practices on their website.

Details of allocation of proceeds	The allocation report will include: ▪ The amount issued and outstanding for the SFTs ▪ The total value of eligible projects ▪ A description of the portfolio of eligible projects including a breakdown of the allocated amounts by eligible categories, where appropriate ▪ The amount and/or percentage of new and existing projects (share of financing and refinancing) ▪ Any further information on how unallocated proceeds have been held.
Project details and impact	The impact report will include the E&S performance of the eligible projects, reported using impact indicators as disclosed in the Framework, and the key underlying methodologies and assumptions used for quantitative impact determination, where possible.
Recommendations Based on Applicable Guidelines	
Timely updates or more frequent reporting	In addition to annual reporting, THP will provide timely disclosures in the event of any material developments.
Qualitative and quantitative impact indicators	The impact report will include quantitative and qualitative performance measures, where feasible.
Alignment with ICMA impact reporting guidance	The impact indicators detailed in the Framework are largely in alignment with ICMA's Harmonised Framework for Impact Reporting.
Publication of external reviews	THP may obtain external independent verification for the management of the proceeds, where required. The verification will include an opinion on all allocation and impact reports produced, and management of proceeds to verify THP's internal tracking method. Such external reviews, if undertaken, will be published on THP's website. Although not mandated by the guidelines, committing to external verification would reflect market best practice.

OVERALL COMPLIANCE EVALUATION

Overall, we consider the Framework to be aligned with the core components of the respective standards i.e. UoP, Process for Project Evaluation and Selection, Management of Proceeds and Reporting (including Disclosures).

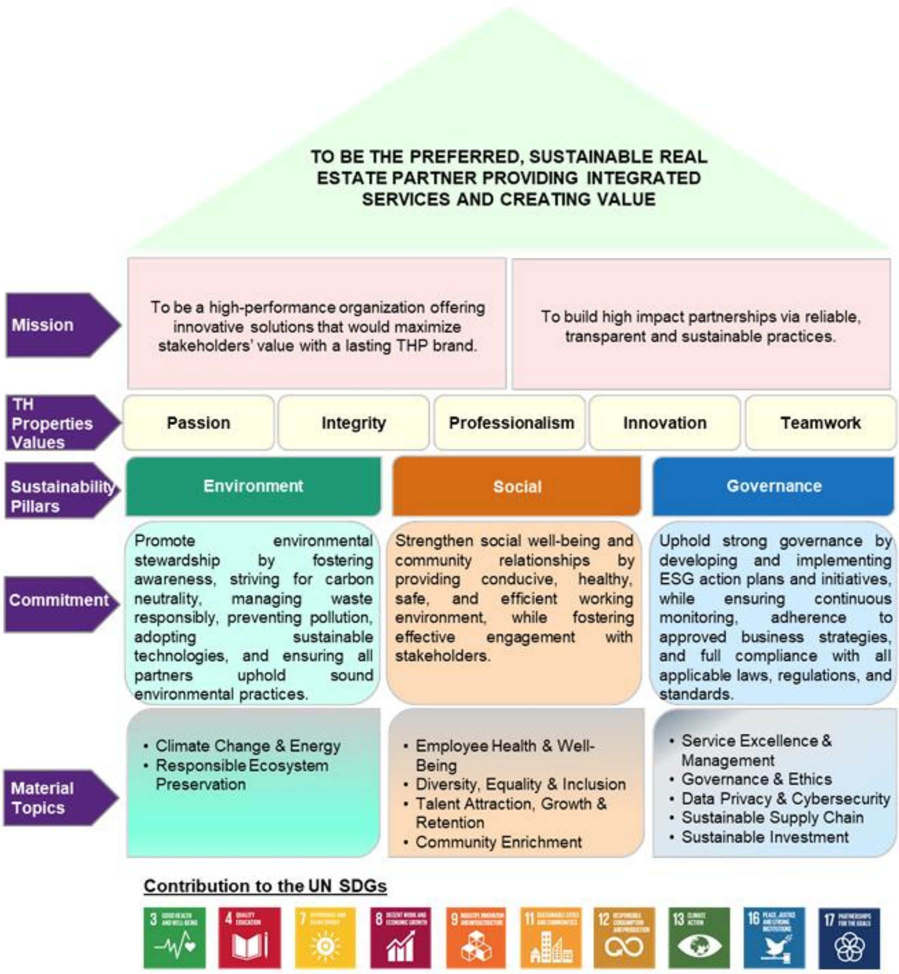
Low	Satisfactory	Good	▼ High

SUSTAINABILITY PERFORMANCE ANALYSIS

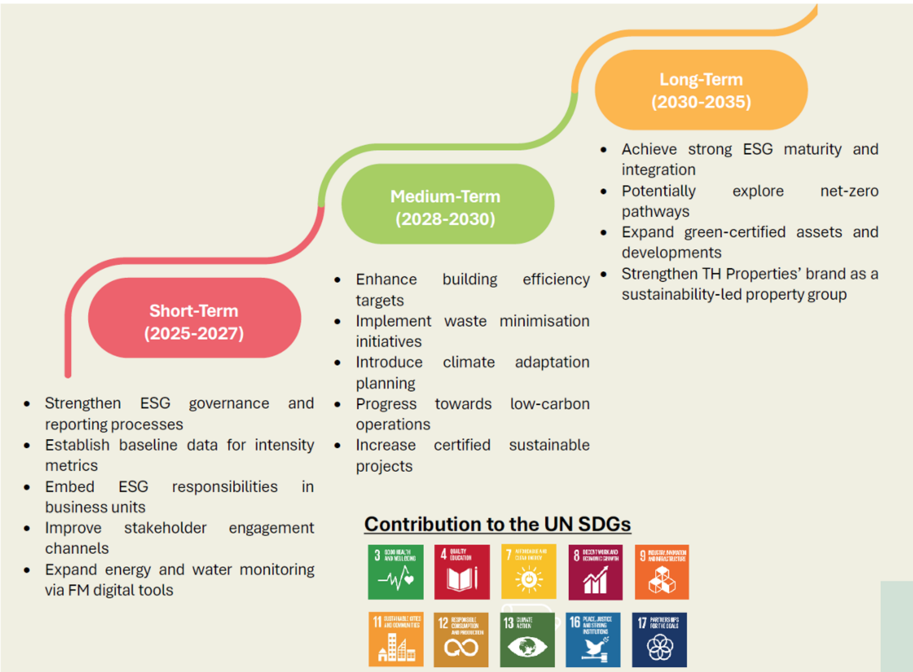
Sustainability Strategy and Roadmap

THP has articulated a structured sustainability strategy that is integrated into its business planning and operational decision-making across property development, construction, and facilities management activities. Anchored by its aspiration to carry out responsible business practices as a real estate developer, the strategy is underpinned by a Board-approved Sustainability Policy (2025), which establishes the Group's overarching commitments to environmental stewardship, social responsibility, ethical conduct, and compliance with applicable laws and Shariah principles. The policy provides a clear directional framework for managing ESG risks and opportunities in a manner consistent with THP's operating context as a non-listed property developer and asset manager.

TH Properties' Sustainability Framework

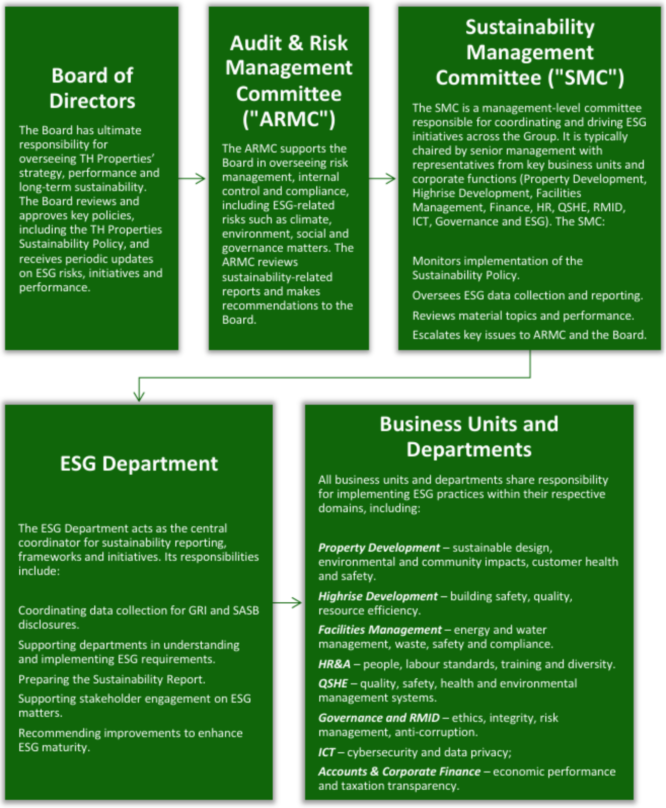


THP's sustainability roadmap adopts a phased and foundational approach, prioritising the strengthening of governance structures, ESG data systems, and internal capabilities before advancing towards more outcome-driven performance targets. Near- to medium-term priorities include improving the quality and consistency of environmental data, enhancing ESG awareness and accountability, and progressively strengthening the assessment of climate-related risks and opportunities. This approach reflects a pragmatic sequencing of sustainability implementation, supporting credibility and execution capacity, albeit with limited disclosure of quantified long-term sustainability targets.



Sustainability Governance

THP has established a clear sustainability governance structure with defined roles and responsibilities across Board, committee, and management levels. The Board of Directors retains ultimate oversight of sustainability strategy and performance, including approval of sustainability-related policies and review of material ESG matters. Sustainability oversight is further reinforced through the ARMC, which integrates ESG-related risks, including climate and social risks, into the Group's enterprise risk management and internal control framework.



At the management level, the SMC provides cross-functional coordination and oversight of sustainability initiatives, supported by a dedicated ESG function. The SMC comprises senior representatives from key operational and corporate functions, enabling sustainability considerations to be embedded across development, construction, facilities management, and support functions. This governance arrangement provides clear oversight and escalation channels, with cross functional involvement supporting the implementation and monitoring of sustainability initiatives across the Group.

Real Estate and Construction

THP's sustainability performance is mostly directly evidenced through its real estate and construction-adjacent activities, given its operational footprint is concentrated across townships, high-rise developments, and facilities operations supporting asset performance. Techpark@Enstek received back-to-back Halal Industrial Park Excellence Awards in 2023 and 2024, signalling external recognition of THP's industrial planning and operational readiness.

TH Universal Builders (THUB), the facilities management arm of THP, attained a 5-star Construction Industry Development Board (CIDB) Score rating in 2025, indicating strong governance and operational capability in asset and facilities delivery. THUB had also achieved the Sustainable Energy Development Authority (SEDA) GreenPASS certification, an energy efficiency and low-carbon building assessment, for Menara TH Damansara in 2024.

THP reports that its environmental footprint is primarily driven by electricity consumption in its managed buildings and operating sites. In 2025, electricity represented the largest component of total energy use, with material consumption attributable to key operating portfolios. In particular, THP Utara Facilities recorded an increase in electricity consumption from 20.0 million kWh in 2024 to 23.1 million kWh in 2025.

Operationally, TH Properties has implemented the iMANS platform within its facilities management to support building performance monitoring, preventive maintenance scheduling, and the identification of operational inefficiencies — which THP positions as an enabler for improved energy management and reduced avoidable consumption.

Occupational Safety and Health

THP's occupational safety and health (OSH) performance in 2025 represents a clear area of operational strength, supported by disclosed indicators and established management practices. THP reported zero fatalities across all business divisions, with one total reportable incident, consistent with the prior year. Lost Time Injury (LTI) amounted to 14 days, attributed to extended recovery from a single incident rather than an increase in incident frequency. In addition, THP reported full compliance with statutory OSH reporting requirements to the Department of Occupational Safety and Health (DOSH), reflecting adherence to regulatory obligations across its construction-related and facilities management operations.

From an implementation perspective, OSH management is underpinned by structured and consistently applied controls across project delivery and operations. These include the application of Hazard Identification, Risk Assessment and Risk Control (HIRARC) processes, contractor safety evaluations prior to site mobilisation, permit-to-work systems for high-risk activities, regular safety audits, and emergency preparedness drills. During 2025, THP further strengthened its safety culture through the introduction of digital safety reporting tools, management-led safety site walks, and mental health and stress management initiatives, signalling a shift beyond baseline compliance towards proactive risk management.

Improvement of Livelihood

In addition to environmental and safety considerations, THP's sustainability performance also encompasses livelihood improvement outcomes arising from its role as a property developer, construction-linked operator, and long-term facilities management provider. THP's operations generate sustained employment across development sites, managed assets, and supporting corporate functions, contributing to income stability and economic participation within its operating footprint. In 2025, THP reported a stable workforce profile supported by structured remuneration policies, compliance with Malaysian labour regulations, and gender pay ratios that remained broadly at parity across employee categories, with observed variations attributable to role scope and tenure rather than systemic bias. Performance appraisal and career development processes covered 100% of employees, reinforcing skills development, employability, and progression pathways within the organisation.

Beyond direct employment, THP's livelihood contribution extends to community-level social upliftment initiatives implemented alongside its development and facilities management activities. The company disclosed community programmes focused on education and youth support, assistance to vulnerable groups, engagement with religious and community institutions (including Tahfiz schools), and social initiatives conducted in and around township developments as well as THUB managed properties. These activities are implemented through multiple business units and are aligned with THP's operating presence, supporting social resilience and inclusive development in surrounding communities.

OVERALL SUSTAINABILITY PERFORMANCE ASSESSMENT

Overall, we consider THP's overall sustainability performance to be "Very Good". The issuer has integrated risk-based sustainability considerations in its operations and has a robust process for assessing significant sustainability risk exposures to minimise adverse impacts on its business. The focus of the issuer's sustainability performance monitoring and evaluation is on managing risk exposures to minimise downside risk. Globally-recognised best practice reporting frameworks guide the issuer's sustainability reporting.

			▼	
Poor	Fair	Good	Very Good	Excellent

ASSESSMENT SCALE

Grade	Description
GOLD	Instruments or frameworks assessed at this level are judged to offer very significant E&S sustainability impact based on the projects to be supported and/or the KPIs linked to the issuance. The relevant processes fully adhere to the core principles of the applicable guidelines with strong alignment to best practices, supporting high standards of accountability and transparency.
SILVER	Instruments or frameworks assessed at this level are judged to offer fairly significant E&S sustainability impact based on the projects to be supported and/or the KPIs linked to the issuance. The relevant processes are consistent with the core principles of the applicable guidelines, supporting satisfactory standards of accountability and transparency.
BRONZE	Instruments or frameworks assessed at this level are judged to offer fairly significant E&S sustainability impact based on the projects to be supported and/or the KPIs linked to the issuance. The relevant processes are somewhat consistent with the core principles of the applicable guidelines but exhibit shortcomings in the areas assessed.

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