

CHAIRMAN AND MANAGING DIRECTOR'S / CHIEF EXECUTIVE OFFICER'S STATEMENT



LOH BOON GINN

AHLI MAHKOTA KEDAH
 Chairman and Managing Director/
 Chief Executive Officer, SCBUILD/0109

TO OUR SHAREHOLDERS AND INVESTORS OF SCBUILD/0109

INVEST SCBUILD/0109 FUTURE

BUY SCBUILD/0109 AT BURSA MALAYSIA

OUR FUTURE AND OUR FUTURE GENERATIONS AT SCBUILD/0109

INVEST SCBUILD/0109 FOR LONG TERM

IN MALAYSIA, ASEAN MEMBER COUNTRIES AND ASIA

- ➔ SCBUILD/0109 COMMITTED TO BUILD ENVIRONMENTAL • SOCIAL • GOVERNANCE ESG INITIATIVE PROJECTS THROUGH SCBUILD/0109 ENERGY TRANSITION, SCBUILD/0109 TRANSITION HOUSE AND SCBUILD/0109 INDUSTRY TRANSITION
- ➔ SCBUILD/0109 BEGIN MOVING FORWARD YEAR 2020 TO 2030 AND EXPAND TO YEAR 2050 IN RENEWABLE ENERGY FROM 2000 MW TO 5000 MW SOLAR POWER PLANTS AND IN REAL ESTATE FROM 2000 UNITS TO 5000 UNITS AFFORDABLE HOUSES
- ➔ SCBUILD/0109 COMMITTED TO ACHIEVE NET ZERO CARBON EMISSION YEAR 2050 BY IMPLEMENTING MITIGATION AND ADAPTATION OPTIONS ACROSS SYSTEMS TO REDUCE CLIMATE CHANGE THREAT TO HUMAN WELLBEING AND PLANETARY HEALTH
- ➔ SCBUILD/0109 SHAREHOLDERS UNITED • BEYOND YEAR 2100 • WISH SHAREHOLDERS AND YOUNG PEOPLE OF THE WORLD JOINTLY TOGETHER TO CREATE INNOVATION THROUGH SCBUILD/0109 HUMAN CAPITAL LAB ASIA INITIATIVES TO ACHIEVE BUILD BETTER BASICS FOR PEOPLE AND PLANET AS WELL AS TO ACHIEVE PREVENTIVE, PROGRESSIVE, PROSPERITY OF THE WORLD

Dear Our Shareholders and Investors,

On behalf of Our Board of Directors (“OUR BOD”) of SC Estate Builder Berhad (“SCBUILD/0109”), I am pleased to present to you the Annual Report and Audited Financial Statements of the Company and its subsidiaries (“SCBUILD/0109 GROUP”) for the financial year ended 31 January 2026 (“FYE 2026”).

In line with **INVEST SCBUILD/0109 FUTURE**, BUY SCBUILD/0109 AT BURSA MALAYSIA, OUR FUTURE AND OUR FUTURE GENERATIONS AT SCBUILD/0109, INVEST SCBUILD/0109 FOR LONG TERM IN MALAYSIA, ASEAN MEMBER COUNTRIES AND ASIA

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SCBUILD/0109 CORE BUSINESS COMPANY LISTED ON BURSA MALAYSIA

SCBUILD/0109 is a Company Listed on Bursa Malaysia Securities Berhad since 29 November 2005. SCBUILD/0109 Group’s core business is Construction and its related industries including Renewable Energy On Solar Power Plants, Solar Power On The Roofs, Property Development, Affordable Houses, Infrastructure Works and Its Related Businesses.

SCBUILD/0109 CHAIRMAN AND MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

I, Loh Boon Ginn, age 35, Ahli Mahkota Kedah, born in 1991 in the State of Kedah Darul Aman, Malaysia. I am a high school graduate from Maharishi School in Iowa, United States of America in Year 2009 and major in Bachelor of Entrepreneurship from Curtin University, Western Australia in Year 2015. The title of Ahli Mahkota Kedah was conferred by Almarhum Sultan Abdul Halim Mu’adzam Shah Ibni Almarhum Sultan Badlishah Sultan Negeri Kedah Darul Aman in Year of 2017.

On 1st March 2016, I was appointed as the Managing Director / Chief Executive Officer of SCBUILD/0109 at the age of 25 and subsequently on 30 April 2020, at the age of 29, I was appointed as Chairman of SCBUILD/0109.

As at 22 April 2026, Myself as The Chairman and Managing Director / Chief Executive Officer of SCBUILD/0109, I currently had total of Direct Interest (Units) of 457,013,636 (8.591%) shares of SCBUILD/0109.

SCBUILD/0109 BOARD OF DIRECTORS (BOD)

Our Board of Directors, majority age 30s-40s, is formed by a mixture of talented professionals consisting of 4 females and 3 males. Our Board accomplished more than 50% woman members exceeded the government’s target of 30% woman composition in the Board of Director of Public Listed Company SCBUILD/0109 empowers the future by recognizing the potential of young talents to bring fresh perspectives, new skills, and boundless creativity.

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SCBUILD/0109 urge all our shareholders to empower The Board of Directors of SCBUILD/0109 to implement SCBUILD/0109 YEAR 2020 – 2030 AND EXPAND TO YEAR 2050 MOVING FORWARD BUSINESSES PLANS as stated in this Chairman and Managing Director / Chief Executive Officer's Statement.

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In line with our commitment to enhancing shareholder value, the Board of Directors is actively exploring various corporate exercises, including potential mergers and acquisitions. We believe that these strategic moves will not only strengthen our market position but also create new opportunities for growth and innovation. Our goal is to ensure that SCBUILD/0109 continues to thrive and deliver sustainable benefits to our shareholders.

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SCBUILD/0109 and its wholly owned subsidiaries has successfully secured Large Scale Solar Program announced by Suruhanjaya Tenaga Malaysia and in Year 2025 which in line with SCBUILD/0109 Committed to Build Environmental, Social And Governance (ESG) Initiative Projects And SCBUILD/0109 Committed To Achieve Net Zero Carbon Emission Year 2050.

SCBUILD/0109 will continue to expand its Renewable Energy business, particularly in Solar Power Plants and Solar Power on the Roofs, by actively participating in Large Scale Solar programmes in Malaysia, including initiatives aligned with the Malaysia's National Energy Transition Roadmap ("NETR") and the Corporate Renewable Energy Supply Scheme ("CRESS") and Energy Commission of Sabah's ("ECoS") Sabah Energy Roadmap and Master Plan 2040 ("SE-RAMP 2040"), and by pursuing Solar Power on the Roof projects to support the Group's ESG commitments and Net Zero Carbon Emission target by 2050.

SCBUILD/0109's wholly owned subsidiary SC Estate Energy Sdn. Bhd. had on 19 September 2025 entered into a joint venture agreement ("JV Agreement") with Vanguard North Sdn. Bhd. ("VN" or "the Land Owner") to develop two (2) parcels of building land held under GM931, Lot No. 457 & GM932, Lot No. 458 together with two (2) parcels of development land held under GM458, Lot No. 1740 & and GM456, Lot No. 1741, Kubang Pasu, Kedah Darul Aman ("the Lands") measuring approximately 248,468 square metres located in Kedah Darul Aman with estimated **Gross Development Value at RM636,336,000.00 (Six Hundred Thirty Six Million and Three Hundred Thirty Six Thousand Only)** which in line with SCBUILD/0109's Target To Build 2,000 Units To 3,000 Units Of Affordable Houses With Solar Power On The Roofs, 2 Meters Social Distance Walkway And Bicycle Lane With Internet Connectivity For Multiple Effect Solutions On Climate Change And Coronavirus Pandemic To Create Safety, Healthy, Wealthy For The Peoples And Planet.

SC Estate Construction Sdn. Bhd. ("SCECSB"), a wholly owned subsidiary of the Company, had on 24 July 2024, entered into a joint venture agreement ("JV Agreement") with Anjung Meriah Sdn. Bhd. ("AMSB") to collaborate and participate in the submission as a Consortium Anjung Meriah Sdn. Bhd. and SC Estate Construction Sdn. Bhd. in Large Scale Solar ("LSS") Program or LSS Petra 2024 announced by Suruhanjaya Tenaga on 1 April 2024, Large Scale Solar Photovoltaic Plants with a total capacity of 2,000mw for Peninsular Malaysia.

On 15 January 2025, the Consortium of Anjung Meriah Sdn. Bhd. and SC Estate Construction Sdn. Bhd., received a Letter of Notification as a Shortlisted Bidder from Energy Commission of Malaysia for the development of Large Scale Solar Photovoltaic Plant ("LSS Plant") of 4.00 MW in Arau, Perlis, Malaysia. ("the Project").

On 2 March 2025, SC Estate Construction Sdn. Bhd. and Anjung Meriah Sdn. Bhd. has entered into a supplemental agreement to incorporate AMSC Solar Sdn. Bhd..

On 3 March 2025, AMSC SOLAR Sdn. Bhd. has entered into Power Purchase Agreement with Tenaga Nasional Berhad for the development of Large Scale Solar Photovoltaic Plant ("LSS Plant") of 4.00 MW in Arau, Perlis, Malaysia. The project anticipated to be completed within two years.

In addition, the purpose of these Developments is also in line with the Malaysian Government's pursuit of achieving key targets as outlined in the National Energy Transition Roadmap or NETR - Renewable Energy whereby the First Target is To Achieve the Target for Installed Renewable Energy or RE Capacity from 40% in 2040 to 70% by 2050. The ambition to achieve 70% RE share of installed capacity by 2050 is expected to be achieved, predominantly driven by solar PV installation. Significant solar capacity growth is required in the next three decades, with 59GW of installed capacity by 2050. NETR's Responsible Transition or RT is estimated to generate investment opportunities totaling between RM1.2 trillion and RM1.3 trillion by 2050. In alignment with these strong RE ambitions, SCBUILD/0109 is committed to contribute to these Malaysian Government's initiatives.

To achieve these key targets as outlined in National Energy Transition Roadmap or NETR, SCBUILD/0109 committed to build 2,000 Megawatt (MW) to 5000 Megawatt (MW) of Solar Power Plants and Solar Power on the Roofs and SCBUILD/0109 plans to invest up to RM22.5 billion in Renewable Energy Business in 10 years.

SC Estate Construction Sdn. Bhd. ("SCEC") and SC Estate IBS Sdn. Bhd. ("SC Estate IBS"), the wholly-owned subsidiaries of SCBUILD/0109, had on 24 July 2024 entered into a collaboration agreement ("CA") with RMM Maju Malaysia Sdn. Bhd., Visi Sempena Sdn. Bhd. and Anjung Meriah Sdn. Bhd. for the joint venture arrangement to work together as joint venture partners for the development of a building construction project comprising of 510 units of Affordable Houses on that piece of land held under HS(D)14970, PT819, Bandar Alor Setar, Daerah Kota Setar, Kedah Darul Aman measuring approximately 7,345.5646 square meters will be developed in phase by phase.

SC Estate Energy Sdn. Bhd. and SC Estate Construction Sdn. Bhd., both wholly owned subsidiary of SCBUILD/0109 are registered under Registered Solar PV Investor Directory with Sustainable Energy Development Authority (SEDA) Malaysia.

SC Estate IBS Sdn. Bhd., a wholly owned subsidiary of SCBUILD/0109 is registered with CIDB G7 with Sijil Perolehan Kerja Kerajaan and Ministry of Finance (MOF).

In the Thirteenth Malaysia Plan, the Malaysian Government has introduced Strategy A1.4: Increasing Access to Green Electricity Supply and Strategy D4: Housing Reform. Under Strategy A1.4, the supply of reliable green electricity will be strengthened by increasing the diversity and availability of sources. The implementation of the Community Renewable Energy Aggregation Mechanism will enable RE generation under the open grid access concept through the collective installation of solar photovoltaic systems on rooftops of residential premises. In addition, green electricity interconnection project between Vietnam, Malaysia and Singapore to transmit RE will be implemented, supporting the ASEAN Power Grid vision in establishing a resilient, sustainable and interconnected energy market between countries. Meanwhile, during the Thirteenth Plan period, Strategy D4: Housing Reform aims to enhance the sustainability of the housing ecosystem in providing liveable, quality and inclusive homes that are affordable for all segments of society.

To achieve these key targets as outlined under the Affordable Housing for the Rakyat in Thirteenth Malaysia Plan, SCBUILD/0109 committed to build 2,000 Megawatt (MW) to 3000 Megawatt (MW) of Solar Power Plants and Solar Power on the Roofs and committed to build 2,000 units to 3,000 units of Affordable Transition Houses with Solar Power on the Roofs, Electric Vehicle (EV) Chargers, 2 meter Social Distance walkway and bicycle lane with internet connectivity for multiple effect solutions on Climate Change and Coronavirus Pandemic to create Safety, Healthy, Wealthy for peoples and Planet.

SCBUILD/0109 committed to build Environmental Social Governance ESG initiatives projects through SCBUILD/0109 Energy Transition, SCBUILD/0109 Transition House and SCBUILD/0109 Industry Transition.

SCBUILD/0109 recognize that Environmental, Social, and Governance issues are crucial in sustaining business and making a positive effect on environmental and social and SCBUILD/0109 is committed in reducing the carbon footprint and achieve Net Zero Carbon Emission by year 2050 by investing and or building of Renewable Energy on Solar Power Plants, Solar Power on The Roofs, Property Development, Affordable Houses, Infrastructure Works and Its Related Businesses.

SCBUILD/0109 wish to appeal and joint force with All Public and Private sectors including the Media, Stockbrokers, Investment Banks and Analysts, Young Generations Ages 20s to 30s to Promote Awareness Of Climate Change Crisis On Global Warming Threat To Human Wellbeing And Planetary Health and SCBUILD/0109 committed to build on Speed and Scale on C.3.4 Cities, Settlements and Infrastructures to Immediately Implement Mitigation and Adaptation Options Across Systems on Intergovernmental Panel Climate Change or IPCC To Prevent Global Warming Temperature Above 2°C. This commitment is consistent with the SC Estate Builder Berhad or SCBUILD/0109 Chairman and Managing Director / Chief Executive Officer's statement for Year 2024, 2023, 2021 and 2020.

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SCBUILD/0109 COMPANY LISTED ON BURSA MALAYSIA IN MALAYSIA, ASEAN MEMBER COUNTRIES AND ASIA COMMITTED TO IMPLEMENT MITIGATION AND ADAPTATION OPTIONS ACROSS SYSTEMS BY UNITED NATION (UN) - INTERGOVERNMENTAL PANEL CLIMATE CHANGE 2023 (IPCC) SYNTHESIS REPORT (AR6) SUMMARY FOR POLICYMAKERS ENCLOSED

C. Responses in the Near Term

Urgency of Near-Term Integrated Climate Action

C.1 Climate change is a threat to human well-being and planetary health (*very high confidence*). There is a rapidly closing window of opportunity to secure a liveable and sustainable future for all (*very high confidence*). Climate resilient development integrates adaptation and mitigation to advance sustainable development for all and is enabled by increased international cooperation including improved access to adequate financial resources, particularly for vulnerable regions, sectors and groups, and inclusive governance and coordinated policies (*high confidence*). The choices and actions implemented in this decade will have impacts now and for thousands of years (*high confidence*). {3.1, 3.3, 4.1, 4.2, 4.3, 4.4, 4.7, 4.8, 4.9, Figure 3.1, Figure 3.3, Figure 4.2} (Figure SPM.1; Figure SPM.6)

C.1.1 Evidence of observed adverse impacts and related losses and damages, projected risks, levels and trends in vulnerability and adaptation limits, demonstrate that worldwide climate resilient development action is more urgent than previously assessed in AR5. Climate resilient development integrates adaptation and GHG mitigation to advance sustainable development for all. Climate resilient development pathways have been constrained by past development, emissions and climate change and are progressively constrained by every increment of warming, in particular beyond 1.5°C. (*very high confidence*) {3.4; 3.4.2; 4.1}

C.1.2 Government actions at sub-national, national and international levels, with civil society and the private sector, play a crucial role in enabling and accelerating shifts in development pathways towards sustainability and climate resilient development (*very high confidence*). Climate resilient development is enabled when governments, civil society and the private sector make inclusive development choices that prioritize risk reduction, equity and justice, and when decision-making processes, finance and actions are integrated across governance levels, sectors, and timeframes (*very high confidence*). Enabling conditions are differentiated by national, regional and local circumstances and geographies, according to capabilities, and include: political commitment and follow-through, coordinated policies, social and international cooperation, ecosystem stewardship, inclusive governance, knowledge diversity, technological innovation, monitoring and evaluation, and improved access to adequate financial resources, especially for vulnerable regions, sectors and communities (*high confidence*). {3.4; 4.2, 4.4, 4.5, 4.7, 4.8} (Figure SPM.6)

C.1.3 Continued emissions will further affect all major climate system components, and many changes will be irreversible on centennial to millennial time scales and become larger with increasing global warming. Without urgent, effective, and equitable mitigation and adaptation actions, climate change increasingly threatens ecosystems, biodiversity, and the livelihoods, health and wellbeing of current and future generations. (*high confidence*) {3.1.3; 3.3.3; 3.4.1, Figure 3.4; 4.1, 4.2, 4.3, 4.4} (Figure SPM.1, Figure SPM.6).

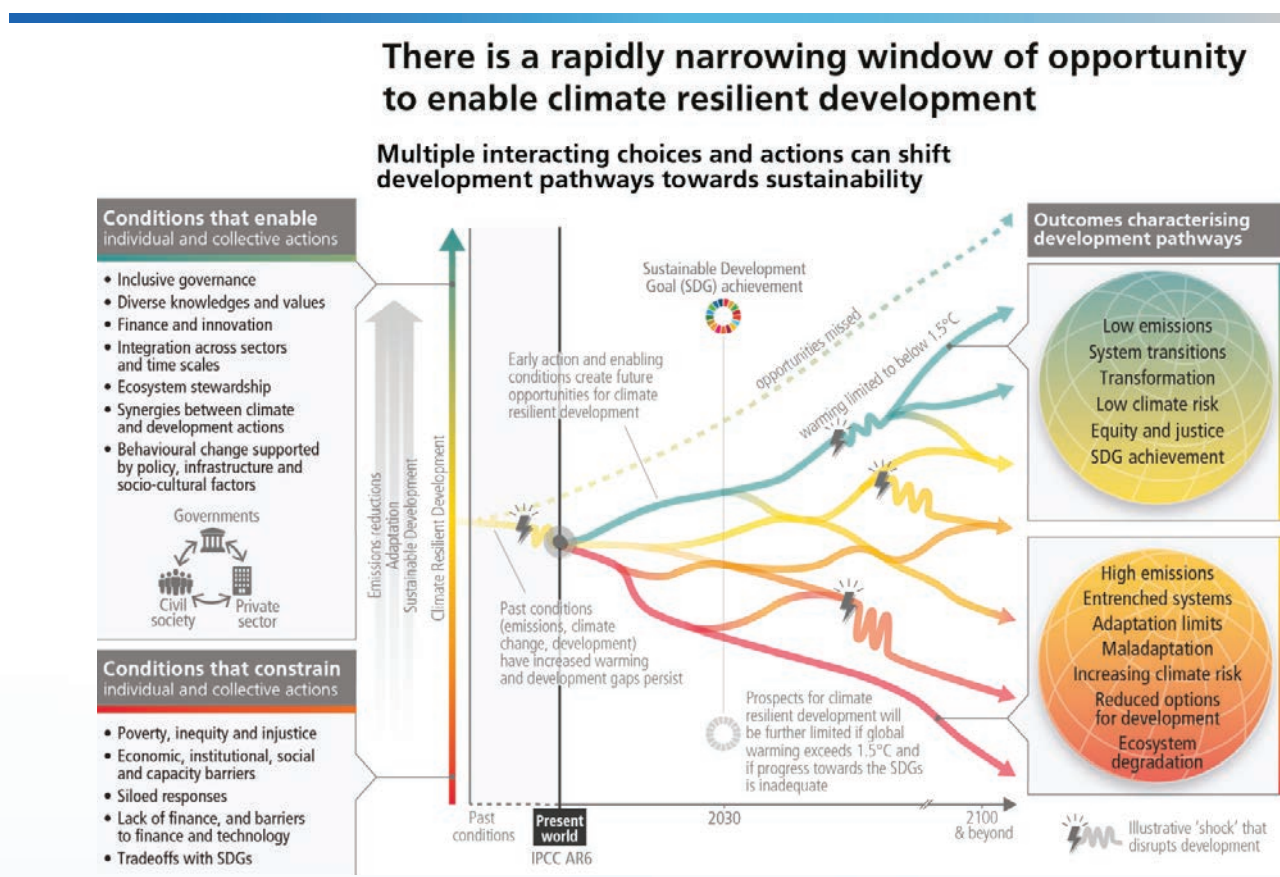


Figure SPM.6: The illustrative development pathways (red to green) and associated outcomes (right panel) show that there is a rapidly narrowing window of opportunity to secure a liveable and sustainable future for all. Climate resilient development is the process of implementing greenhouse gas mitigation and adaptation measures to support sustainable development. Diverging pathways illustrate that interacting choices and actions made by diverse government, private sector and civil society actors can advance climate resilient development, shift pathways towards sustainability, and enable lower emissions and adaptation. Diverse knowledge and values include cultural values, Indigenous Knowledge, local knowledge, and scientific knowledge. Climatic and non-climatic events, such as droughts, floods or pandemics, pose more severe shocks to pathways with lower climate resilient development (red to yellow) than to pathways with higher climate resilient development (green). There are limits to adaptation and adaptive capacity for some human and natural systems at global warming of 1.5°C, and with every increment of warming, losses and damages will increase. The development pathways

taken by countries at all stages of economic development impact GHG emissions and mitigation challenges and opportunities, which vary across countries and regions. Pathways and opportunities for action are shaped by previous actions (or inactions and opportunities missed; dashed pathway) and enabling and constraining conditions (left panel), and take place in the context of climate risks, adaptation limits and development gaps. The longer emissions reductions are delayed, the fewer effective adaptation options. {Figure 4.2; 3.1; 3.2; 3.4; 4.2; 4.4; 4.5; 4.6; 4.9}

The Benefits of Near-Term Action

C.2 Deep, rapid and sustained mitigation and accelerated implementation of adaptation actions in this decade would reduce projected losses and damages for humans and ecosystems (*very high confidence*), and deliver many co-benefits, especially for air quality and health (*high confidence*). Delayed mitigation and adaptation action would lock-in high-emissions infrastructure, raise risks of stranded assets and cost-escalation, reduce feasibility, and increase losses and damages (*high confidence*). Near-term actions involve high up-front investments and potentially disruptive changes that can be lessened by a range of enabling policies (*high confidence*). {2.1, 2.2, 3.1, 3.2, 3.3, 3.4, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8}

C.2.1 Deep, rapid, and sustained mitigation and accelerated implementation of adaptation actions in this decade would reduce future losses and damages related to climate change for humans and ecosystems (*very high confidence*). As adaptation options often have long implementation times, accelerated implementation of adaptation in this decade is important to close adaptation gaps (*high confidence*). Comprehensive, effective, and innovative responses integrating adaptation and mitigation can harness synergies and reduce trade-offs between adaptation and mitigation (*high confidence*). {4.1, 4.2, 4.3}.

C.2.2 Delayed mitigation action will further increase global warming and losses and damages will rise and additional human and natural systems will reach adaptation limits (*high confidence*). Challenges from delayed adaptation and mitigation actions include the risk of cost escalation, lock-in of infrastructure, stranded assets, and reduced feasibility and effectiveness of adaptation and mitigation options (*high confidence*). Without rapid, deep and sustained mitigation and accelerated adaptation actions, losses and damages will continue to increase, including projected adverse impacts in Africa, LDCs, SIDS, Central and South America⁴⁹, Asia and the Arctic, and will disproportionately affect the most vulnerable populations (*high confidence*). {2.1.2; 3.1.2, 3.2, 3.3.1, 3.3.3; 4.1, 4.2, 4.3} (Figure SPM.3, Figure SPM.4)

C.2.3 Accelerated climate action can also provide co-benefits (see also C.4). Many mitigation actions would have benefits for health through lower air pollution, active mobility (e.g., walking, cycling), and shifts to sustainable healthy diets. Strong, rapid and sustained reductions in methane emissions can limit near-term warming and improve air quality by reducing global surface ozone. (*high confidence*) Adaptation can generate multiple additional benefits such as improving agricultural productivity, innovation, health and wellbeing, food security, livelihood, and biodiversity conservation (*very high confidence*). {4.2, 4.5.4, 4.5.5, 4.6}

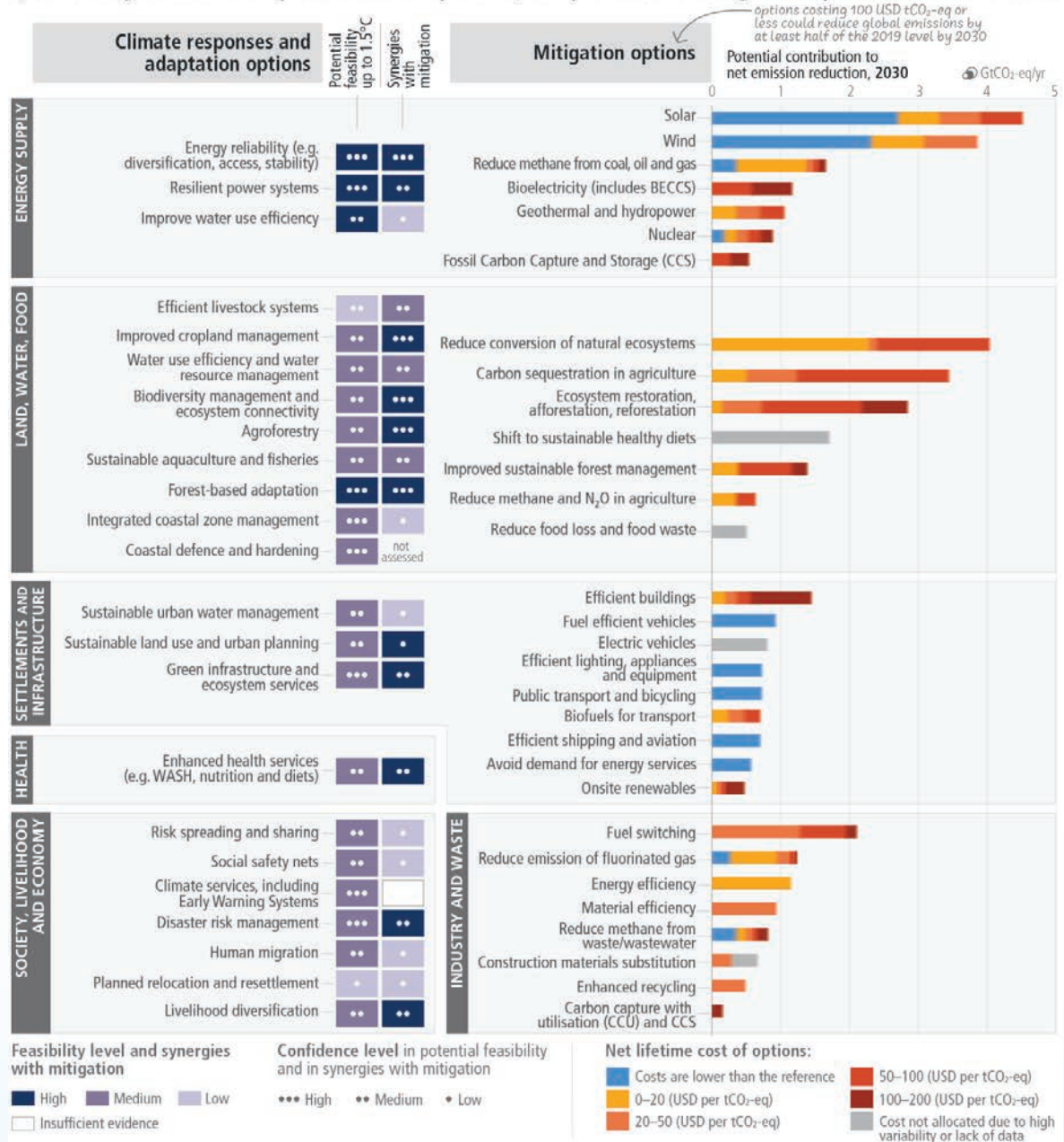
C.2.4 Cost-benefit analysis remains limited in its ability to represent all avoided damages from climate change (*high confidence*). The economic benefits for human health from air quality improvement arising from mitigation action can be of the same order of magnitude as mitigation costs, and potentially even larger (*medium confidence*). Even without accounting for all the benefits of avoiding potential damages the global economic and social benefit of limiting global warming to 2°C exceeds the cost of mitigation in most of the assessed literature (*medium confidence*).⁵⁰ More rapid climate change mitigation, with emissions peaking earlier, increases co-benefits and reduces feasibility risks and costs in the long-term, but requires higher up-front investments (*high confidence*). {3.4.1, 4.2}

C.2.5 Ambitious mitigation pathways imply large and sometimes disruptive changes in existing economic structures, with significant distributional consequences within and between countries. To accelerate climate action, the adverse consequences of these changes can be moderated by fiscal, financial, institutional and regulatory reforms and by integrating climate actions with macroeconomic policies through (i) economy-wide packages, consistent with national circumstances, supporting sustainable low-emission growth paths; (ii) climate resilient safety nets and social protection; and (iii) improved access to finance for low-emissions infrastructure and technologies, especially in developing countries. (*high confidence*) {4.2, 4.4, 4.7, 4.8.1}

- 49 The southern part of Mexico is included in the climatic subregion South Central America (SCA) for WGI. Mexico is assessed as part of North America for WGII. The climate change literature for the SCA region occasionally includes Mexico, and in those cases WGII assessment makes reference to Latin America. Mexico is considered part of Latin America and the Caribbean for WGIII.
- 50 The evidence is too limited to make a similar robust conclusion for limiting warming to 1.5°C. Limiting global warming to 1.5°C instead of 2°C would increase the costs of mitigation, but also increase the benefits in terms of reduced impacts and related risks, and reduced adaptation needs (*high confidence*).

There are multiple opportunities for scaling up climate action

a) Feasibility of climate responses and adaptation, and potential of mitigation options in the near-term



b) Potential of demand-side mitigation options by 2050



Figure SPM.7: Multiple Opportunities for scaling up climate action. Panel (a) presents selected mitigation and adaptation options across different systems. The left hand side of panel a shows climate responses and adaptation options assessed for their multidimensional feasibility at global scale, in the near term and up to 1.5°C global warming. As literature above 1.5°C is limited, feasibility at higher levels of warming may change, which is currently not possible to assess robustly. The term response is used here in addition to adaptation because some responses, such as migration, relocation and resettlement may or may not be considered to be adaptation. Forest based adaptation includes sustainable forest management, forest conservation and restoration, reforestation and afforestation. WASH refers to water, sanitation and hygiene. Six feasibility dimensions (economic, technological, institutional, social, environmental and geophysical) were used to calculate the potential feasibility of climate responses and adaptation options, along with their synergies with mitigation. For potential feasibility and feasibility dimensions, the figure shows high, medium, or low feasibility. Synergies with mitigation are identified as high, medium, and low.

The right hand side of Panel a provides an overview of selected mitigation options and their estimated costs and potentials in 2030. Costs are net lifetime discounted monetary costs of avoided GHG emissions calculated relative to a reference technology. Relative potentials and costs will vary by place, context and time and in the longer term compared to 2030. The potential (horizontal axis) is the net GHG emission reduction (sum of reduced emissions and/or enhanced sinks) broken down into cost categories (coloured bar segments) relative to an emission baseline consisting of current policy (around 2019) reference scenarios from the AR6 scenarios database. The potentials are assessed independently for each option and are not additive. Health system mitigation options are included mostly in settlement and infrastructure (e.g., efficient healthcare buildings) and cannot be identified separately. Fuel switching in industry refers to switching to electricity, hydrogen, bioenergy and natural gas. Gradual colour transitions indicate uncertain breakdown into cost categories due to uncertainty or heavy context dependency. The uncertainty in the total potential is typically 25–50%.

Panel (b) displays the indicative potential of demand-side mitigation options for 2050. Potentials are estimated based on approximately 500 bottom-up studies representing all global regions. The baseline (white bar) is provided by the sectoral mean GHG emissions in 2050 of the two scenarios (IEA-STEPS and IP_ModAct) consistent with policies announced by national governments until 2020. The green arrow represents the demand-side emissions reductions potentials. The range in potential is shown by a line connecting dots displaying the highest and the lowest potentials reported in the literature. Food shows demand-side potential of socio-cultural factors and infrastructure use, and changes in land-use patterns enabled by change in food demand. Demand-side measures and new ways of end-use service provision can reduce global GHG emissions in end-use sectors (buildings, land transport, food) by 40–70% by 2050 compared to baseline scenarios, while some regions and socioeconomic groups require additional energy and resources. The last row shows how demand-side mitigation options in other sectors can influence overall electricity demand. The dark grey bar shows the projected increase in electricity demand above the 2050 baseline due to increasing electrification in the other sectors. Based on a bottom-up assessment, this projected increase in electricity demand can be avoided through demand-side mitigation options in the domains of infrastructure use and socio-cultural factors that influence electricity usage in industry, land transport, and buildings (green arrow). {Figure 4.4}

Mitigation and Adaptation Options across Systems

C.3 Rapid and far-reaching transitions across all sectors and systems are necessary to achieve deep and sustained emissions reductions and secure a liveable and sustainable future for all. These system transitions involve a significant upscaling of a wide portfolio of mitigation and adaptation options. Feasible, effective, and low-cost options for mitigation and adaptation are already available, with differences across systems and regions. (*high confidence*) {4.1, 4.5, 4.6} (Figure SPM.7)

C.3.1 The systemic change required to achieve rapid and deep emissions reductions and transformative adaptation to climate change is unprecedented in terms of scale, but not necessarily in terms of speed (*medium confidence*). Systems transitions include: deployment of low- or zero-emission technologies; reducing and changing demand through infrastructure design and access, socio-cultural and behavioural changes, and increased technological efficiency and adoption; social protection, climate services or other services; and protecting and restoring ecosystems (*high confidence*). Feasible, effective, and low-cost options for mitigation and adaptation are already available (*high confidence*). The availability, feasibility and potential of mitigation and adaptation options in the near-term differs across systems and regions (*very high confidence*). {4.1, 4.5.1–4.5.6} (Figure SPM.7)

Energy Systems

C.3.2 Net zero CO₂ energy systems entail: a substantial reduction in overall fossil fuel use, minimal use of unabated fossil fuels⁵¹, and use of carbon capture and storage in the remaining fossil fuel systems; electricity systems that emit no net CO₂; widespread electrification; alternative energy carriers in applications less amenable to electrification; energy conservation and efficiency; and greater integration across the energy system (*high confidence*). Large contributions to emissions reductions with costs less than USD 20 tCO₂-eq-1 come from solar and wind energy, energy efficiency improvements, and methane emissions reductions (coal mining, oil and gas, waste) (*medium confidence*). There are feasible adaptation options that support infrastructure resilience, reliable power systems and efficient water use for existing and new energy generation systems (*very high confidence*). Energy generation diversification (e.g., via wind, solar, small scale hydropower) and demand side management (e.g., storage and energy efficiency improvements) can increase energy reliability and reduce vulnerabilities to climate change (*high confidence*). Climate responsive energy markets, updated design standards on energy assets according to current and projected climate change, smart-grid technologies, robust transmission systems and improved capacity to respond to supply deficits have high feasibility in the medium- to long-term, with mitigation co-benefits (*very high confidence*). {4.5.1} (Figure SPM.7)

Industry and Transport

C.3.3 Reducing industry GHG emissions entails coordinated action throughout value chains to promote all mitigation options, including demand management, energy and materials efficiency, circular material flows, as well as abatement technologies and transformational changes in production processes (*high confidence*). In transport, sustainable biofuels, low-emissions hydrogen, and derivatives (including ammonia and synthetic fuels) can support mitigation of CO₂ emissions from shipping, aviation, and heavy-duty land transport but require production process improvements and cost reductions (*medium confidence*). Sustainable biofuels can offer additional mitigation benefits in land-based transport in the short and medium term (*medium confidence*). Electric vehicles powered by low-GHG emissions electricity have large potential to reduce land-based transport GHG emissions, on a life cycle basis (*high confidence*). Advances in battery technologies could facilitate the electrification of heavy-duty trucks and complement conventional electric rail systems (*medium confidence*). The environmental footprint of battery production and growing concerns about critical minerals can be addressed by material and supply diversification strategies, energy and material efficiency improvements, and circular material flows (*medium confidence*). 4.5.2, 4.5.3} (Figure SPM.7)

51 In this context, 'unabated fossil fuels' refers to fossil fuels produced and used without interventions that substantially reduce the amount of GHG emitted throughout the life cycle; for example, capturing 90% or more CO₂ from power plants, or 50–80% of fugitive methane emissions from energy supply.

Cities, Settlements and Infrastructure

C.3.4 Urban systems are critical for achieving deep emissions reductions and advancing climate resilient development (*high confidence*). Key adaptation and mitigation elements in cities include considering climate change impacts and risks (e.g. through climate services) in the design and planning of settlements and infrastructure; land use planning to achieve compact urban form, co-location of jobs and housing; supporting public transport and active mobility (e.g., walking and cycling); the efficient design, construction, retrofit, and use of buildings; reducing and changing energy and material consumption; sufficiency⁵²; material substitution; and electrification in combination with low emissions sources (*high confidence*). Urban transitions that offer benefits for mitigation, adaptation, human health and well-being, ecosystem services, and vulnerability reduction for low-income communities are fostered by inclusive long-term planning that takes an integrated approach to physical, natural and social infrastructure (*high confidence*). Green/natural and blue infrastructure supports carbon uptake and storage and either singly or when combined with grey infrastructure can reduce energy use and risk from extreme events such as heatwaves, flooding, heavy precipitation and droughts, while generating co-benefits for health, well-being and livelihoods (*medium confidence*). {4.5.3}

Land, Ocean, Food, and Water

C.3.5 Many agriculture, forestry, and other land use (AFOLU) options provide adaptation and mitigation benefits that could be upscaled in the near-term across most regions. Conservation, improved management, and restoration of forests and other ecosystems offer the largest share of economic mitigation potential, with reduced deforestation in tropical regions having the highest total mitigation potential. Ecosystem restoration,

reforestation, and afforestation can lead to trade-offs due to competing demands on land. Minimizing trade-offs requires integrated approaches to meet multiple objectives including food security. Demand-side measures (shifting to sustainable healthy diets⁵³ and reducing food loss/waste) and sustainable agricultural intensification can reduce ecosystem conversion, and methane and nitrous oxide emissions, and free up land for reforestation and ecosystem restoration. Sustainably sourced agricultural and forest products, including long-lived wood products, can be used instead of more GHG-intensive products in other sectors. Effective adaptation options include cultivar improvements, agroforestry, community-based adaptation, farm and landscape diversification, and urban agriculture. These AFOLU response options require integration of biophysical, socioeconomic and other enabling factors. Some options, such as conservation of high-carbon ecosystems (e.g., peatlands, wetlands, rangelands, mangroves and forests), deliver immediate benefits, while others, such as restoration of high-carbon ecosystems, take decades to deliver measurable results. {4.5.4} (Figure SPM.7)

C.3.6 Maintaining the resilience of biodiversity and ecosystem services at a global scale depends on effective and equitable conservation of approximately 30% to 50% of Earth's land, freshwater and ocean areas, including currently near-natural ecosystems (*high confidence*). Conservation, protection and restoration of terrestrial, freshwater, coastal and ocean ecosystems, together with targeted management to adapt to unavoidable impacts of climate change reduces the vulnerability of biodiversity and ecosystem services to climate change (*high confidence*), reduces coastal erosion and flooding (*high confidence*), and could increase carbon uptake and storage if global warming is limited (*medium confidence*). Rebuilding overexploited or depleted fisheries reduces negative climate change impacts on fisheries (*medium confidence*) and supports food security, biodiversity, human health and well-being (*high confidence*). Land restoration contributes to climate change mitigation and adaptation with synergies via enhanced ecosystem services and with economically positive returns and co-benefits for poverty reduction and improved livelihoods (*high confidence*). Cooperation, and inclusive decision making, with Indigenous Peoples and local communities, as well as recognition of inherent rights of Indigenous Peoples, is integral to successful adaptation and mitigation across forests and other ecosystems (*high confidence*). {4.5.4, 4.6} (Figure SPM.7)

⁵² A set of measures and daily practices that avoid demand for energy, materials, land, and water while delivering human well-being for all within planetary boundaries {4.5.3}

⁵³ 'Sustainable healthy diets' promote all dimensions of individuals' health and well-being; have low environmental pressure and impact; are accessible, affordable, safe and equitable; and are culturally acceptable, as described in FAO and WHO. The related concept of 'balanced diets' refers to diets that feature plant-based foods, such as those based on coarse grains, legumes, fruits and vegetables, nuts and seeds, and animal-sourced food produced in resilient, sustainable and low-GHG emission systems, as described in SRCLL.

Health and Nutrition

C.3.7 Human health will benefit from integrated mitigation and adaptation options that mainstream health into food, infrastructure, social protection, and water policies (*very high confidence*). Effective adaptation options exist to help protect human health and wellbeing, including: strengthening public health programs related to climate-sensitive diseases, increasing health systems resilience, improving ecosystem health, improving access to potable water, reducing exposure of water and sanitation systems to flooding, improving surveillance and early warning systems, vaccine development (*very high confidence*), improving access to mental healthcare, and Heat Health Action Plans that include early warning and response systems (*high confidence*). Adaptation strategies which reduce food loss and waste or support balanced, sustainable healthy diets contribute to nutrition, health, biodiversity and other environmental benefits (*high confidence*). {4.5.5} (Figure SPM.7)

Society, Livelihoods, and Economies

C.3.8 Policy mixes that include weather and health insurance, social protection and adaptive social safety nets, contingent finance and reserve funds, and universal access to early warning systems combined with effective contingency plans, can reduce vulnerability and exposure of human systems. Disaster risk management, early warning systems, climate services and risk spreading and sharing approaches have broad applicability across sectors. Increasing education including capacity building, climate literacy, and information provided through climate services and community approaches can facilitate heightened risk perception and accelerate behavioural changes and planning. (*high confidence*) {4.5.6}

Synergies and Trade-Offs with Sustainable Development

C.4 Accelerated and equitable action in mitigating and adapting to climate change impacts is critical to sustainable development. Mitigation and adaptation actions have more synergies than trade-offs with Sustainable Development Goals. Synergies and trade-offs depend on context and scale of implementation. (*high confidence*) {3.4, 4.2, 4.4, 4.5, 4.6, 4.9, Figure 4.5}

C.4.1 Mitigation efforts embedded within the wider development context can increase the pace, depth and breadth of emission reductions (*medium confidence*). Countries at all stages of economic development seek to improve the well-being of people, and their development priorities reflect different starting points and contexts. Different contexts include but are not limited to social, economic, environmental, cultural, political circumstances, resource endowment, capabilities, international environment, and prior development (*high confidence*). In regions with high dependency on fossil fuels for, among other things, revenue and employment generation, mitigating risk for sustainable development requires policies that promote economic and energy sector diversification and considerations of just transitions principles, processes and practices (*high confidence*). Eradicating extreme poverty, energy poverty, and providing decent living standards in low-emitting countries / regions in the context of achieving sustainable development objectives, in the near term, can be achieved without significant global emissions growth (*high confidence*). {4.4, 4.6, Annex I: Glossary}

C.4.2 Many mitigation and adaptation actions have multiple synergies with Sustainable Development Goals (SDGs) and sustainable development generally, but some actions can also have trade-offs. Potential synergies with SDGs exceed potential trade-offs; synergies and trade-offs depend on the pace and magnitude of change and the development context including inequalities with consideration of climate justice. Trade-offs can be evaluated and minimised by giving emphasis to capacity building, finance, governance, technology transfer, investments, development, context specific gender-based and other social equity considerations with meaningful participation of Indigenous Peoples, local communities and vulnerable populations. (*high confidence*) {3.4.1, 4.6, Figure 4.5, 4.9}

C.4.3 Implementing both mitigation and adaptation actions together and taking trade-offs into account supports co-benefits and synergies for human health and well-being. For example, improved access to clean energy sources and technologies generate health benefits especially for women and children; electrification combined with low-GHG energy and shifts to active mobility and public transport can enhance air quality, health, employment, and can elicit energy security and deliver equity. (*high confidence*) {4.2, 4.5.3, 4.5.5, 4.6, 4.9}

Equity and Inclusion

C.5 Prioritising equity, climate justice, social justice, inclusion and just transition processes can enable adaptation and ambitious mitigation actions and climate resilient development. Adaptation outcomes are enhanced by increased support to regions and people with the highest vulnerability to climatic hazards. Integrating climate adaptation into social protection programs improves resilience. Many options are available for reducing emission-intensive consumption, including through behavioural and lifestyle changes, with co-benefits for societal well-being. (*high confidence*) {4.4, 4.5}

C.5.1 Equity remains a central element in the UN climate regime, notwithstanding shifts in differentiation between states over time and challenges in assessing fair shares. Ambitious mitigation pathways imply large and sometimes disruptive changes in economic structure, with significant distributional consequences, within and between countries. Distributional consequences within and between countries include shifting of income and employment during the transition from high- to low-emissions activities. (*high confidence*) {4.4}

C.5.2 Adaptation and mitigation actions, that prioritise equity, social justice, climate justice, rights-based approaches, and inclusivity, lead to more sustainable outcomes, reduce trade-offs, support transformative change and advance climate resilient development. Redistributive policies across sectors and regions that shield the poor and vulnerable, social safety nets, equity, inclusion and just transitions, at all scales can enable deeper societal ambitions and resolve trade-offs with sustainable development goals. Attention to equity and broad and meaningful participation of all relevant actors in decision making at all scales can build social trust which builds on equitable sharing of benefits and burdens of mitigation that deepen and widen support for transformative changes. (*high confidence*) {4.4}

- C.5.3** Regions and people (3.3 to 3.6 billion in number) with considerable development constraints have high vulnerability to climatic hazards (see A.2.2). Adaptation outcomes for the most vulnerable within and across countries and regions are enhanced through approaches focusing on equity, inclusivity and rights-based approaches. Vulnerability is exacerbated by inequity and marginalisation linked to e.g., gender, ethnicity, low incomes, informal settlements, disability, age, and historical and ongoing patterns of inequity such as colonialism, especially for many Indigenous Peoples and local communities. Integrating climate adaptation into social protection programs, including cash transfers and public works programs, is highly feasible and increases resilience to climate change, especially when supported by basic services and infrastructure. The greatest gains in well-being in urban areas can be achieved by prioritising access to finance to reduce climate risk for low-income and marginalised communities including people living in informal settlements. (*high confidence*). {4.4, 4.5.3, 4.5.5, 4.5.6}
- C.5.4** The design of regulatory instruments and economic instruments and consumption-based approaches, can advance equity. Individuals with high socio-economic status contribute disproportionately to emissions and have the highest potential for emissions reductions. Many options are available for reducing emission-intensive consumption while improving societal well-being. Socio-cultural options, behaviour and lifestyle changes supported by policies, infrastructure, and technology can help end-users shift to low-emissions-intensive consumption, with multiple co-benefits. A substantial share of the population in low-emitting countries lack access to modern energy services. Technology development, transfer, capacity building and financing can support developing countries/ regions leapfrogging or transitioning to low-emissions transport systems thereby providing multiple co-benefits. Climate resilient development is advanced when actors work in equitable, just and inclusive ways to reconcile divergent interests, values and worldviews, toward equitable and just outcomes. (*high confidence*) {2.1, 4.4}

Governance and Policies

C.6 **Effective climate action is enabled by political commitment, well-aligned multilevel governance, institutional frameworks, laws, policies and strategies and enhanced access to finance and technology. Clear goals, coordination across multiple policy domains, and inclusive governance processes facilitate effective climate action. Regulatory and economic instruments can support deep emissions reductions and climate resilience if scaled up and applied widely. Climate resilient development benefits from drawing on diverse knowledge. (*high confidence*) {2.2, 4.4, 4.5, 4.7}**

- C.6.1** Effective climate governance enables mitigation and adaptation. Effective governance provides overall direction on setting targets and priorities and mainstreaming climate action across policy domains and levels, based on national circumstances and in the context of international cooperation. It enhances monitoring and evaluation and regulatory certainty, prioritising inclusive, transparent and equitable decision-making, and improves access to finance and technology (see C.7). (*high confidence*) {2.2.2, 4.7}
- C.6.2** Effective local, municipal, national and subnational institutions build consensus for climate action among diverse interests, enable coordination and inform strategy setting but require adequate institutional capacity. Policy support is influenced by actors in civil society, including businesses, youth, women, labour, media, Indigenous Peoples, and local communities. Effectiveness is enhanced by political commitment and partnerships between different groups in society. (*high confidence*) {2.2; 4.7}
- C.6.3** Effective multilevel governance for mitigation, adaptation, risk management, and climate resilient development is enabled by inclusive decision processes that prioritise equity and justice in planning and implementation, allocation of appropriate resources, institutional review, and monitoring and evaluation. Vulnerabilities and climate risks are often reduced through carefully designed and implemented laws, policies, participatory processes, and interventions that address context specific inequities such as those based on gender, ethnicity, disability, age, location and income. (*high confidence*) {4.4, 4.7}
- C.6.4** Regulatory and economic instruments could support deep emissions reductions if scaled up and applied more widely (*high confidence*). Scaling up and enhancing the use of regulatory instruments can improve mitigation outcomes in sectoral applications, consistent with national circumstances (*high confidence*). Where implemented, carbon pricing instruments have incentivized low-cost emissions reduction measures but have been less effective, on their own and at prevailing prices during the assessment period, to promote higher-cost measures necessary for further reductions (*medium confidence*). Equity and distributional impacts

of such carbon pricing instruments, e.g., carbon taxes and emissions trading, can be addressed by using revenue to support low-income households, among other approaches. Removing fossil fuel subsidies would reduce emissions⁵⁴ and yield benefits such as improved public revenue, macroeconomic and sustainability performance; subsidy removal can have adverse distributional impacts, especially on the most economically vulnerable groups which, in some cases can be mitigated by measures such as redistributing revenue saved, all of which depend on national circumstances (*high confidence*). Economy-wide policy packages, such as public spending commitments, pricing reforms, can meet short-term economic goals while reducing emissions and shifting development pathways towards sustainability (*medium confidence*). Effective policy packages would be comprehensive, consistent, balanced across objectives, and tailored to national circumstances (*high confidence*). {2.2.2, 4.7}

- C.6.5** Drawing on diverse knowledges and cultural values, meaningful participation and inclusive engagement processes—including Indigenous Knowledge, local knowledge, and scientific knowledge—facilitates climate resilient development, builds capacity and allows locally appropriate and socially acceptable solutions. (*high confidence*) {4.4, 4.5.6, 4.7}

⁵⁴ Fossil fuel subsidy removal is projected by various studies to reduce global CO₂ emission by 1-4%, and GHG emissions by up to 10% by 2030, varying across regions (*medium confidence*).

Finance, Technology and International Cooperation

- C.7** Finance, technology and international cooperation are critical enablers for accelerated climate action. If climate goals are to be achieved, both adaptation and mitigation financing would need to increase many-fold. There is sufficient global capital to close the global investment gaps but there are barriers to redirect capital to climate action. Enhancing technology innovation systems is key to accelerate the widespread adoption of technologies and practices. Enhancing international cooperation is possible through multiple channels. (*high confidence*) {2.3, 4.8}

- C.7.1** Improved availability of and access to finance⁵⁵ would enable accelerated climate action (*very high confidence*). Addressing needs and gaps and broadening equitable access to domestic and international finance, when combined with other supportive actions, can act as a catalyst for accelerating adaptation and mitigation, and enabling climate resilient development (*high confidence*). If climate goals are to be achieved, and to address rising risks and accelerate investments in emissions reductions, both adaptation and mitigation finance would need to increase many-fold (*high confidence*). {4.8.1}

- C.7.2** Increased access to finance can build capacity and address soft limits to adaptation and avert rising risks, especially for developing countries, vulnerable groups, regions and sectors (*high confidence*). Public finance is an important enabler of adaptation and mitigation, and can also leverage private finance (*high confidence*). Average annual modelled mitigation investment requirements for 2020 to 2030 in scenarios that limit warming to 2°C or 1.5°C are a factor of three to six greater than current levels⁵⁶, and total mitigation investments (public, private, domestic and international) would need to increase across all sectors and regions (*medium confidence*). Even if extensive global mitigation efforts are implemented, there will be a need for financial, technical, and human resources for adaptation (*high confidence*). {4.3, 4.8.1}

- C.7.3** There is sufficient global capital and liquidity to close global investment gaps, given the size of the global financial system, but there are barriers to redirect capital to climate action both within and outside the global financial sector and in the context of economic vulnerabilities and indebtedness facing developing countries. Reducing financing barriers for scaling up financial flows would require clear signalling and support by governments, including a stronger alignment of public finances in order to lower real and perceived regulatory, cost and market barriers and risks and improving the risk-return profile of investments. At the same time, depending on national contexts, financial actors, including investors, financial intermediaries, central banks and financial regulators can shift the systemic underpricing of climate-related risks, and reduce sectoral and regional mismatches between available capital and investment needs. (*high confidence*) {4.8.1}

- C.7.4** Tracked financial flows fall short of the levels needed for adaptation and to achieve mitigation goals across all sectors and regions. These gaps create many opportunities and the challenge of closing gaps is largest in developing countries. Accelerated financial support for developing countries from developed countries and other sources is a critical enabler to enhance adaptation and mitigation actions and address inequities in

access to finance, including its costs, terms and conditions, and economic vulnerability to climate change for developing countries. Scaled-up public grants for mitigation and adaptation funding for vulnerable regions, especially in Sub-Saharan Africa, would be cost-effective and have high social returns in terms of access to basic energy. Options for scaling up mitigation in developing countries include: increased levels of public finance and publicly mobilised private finance flows from developed to developing countries in the context of the USD 100 billion-a-year goal; increased use of public guarantees to reduce risks and leverage private flows at lower cost; local capital markets development; and building greater trust in international cooperation processes. A coordinated effort to make the post-pandemic recovery sustainable over the longer-term can accelerate climate action, including in developing regions and countries facing high debt costs, debt distress and macroeconomic uncertainty. (*high confidence*) {4.8.1}

55 Finance originates from diverse sources: public or private, local, national or international, bilateral or multilateral, and alternative sources. It can take the form of grants, technical assistance, loans (concessional and non-concessional), bonds, equity, risk insurance and financial guarantees (of different types).

56 These estimates rely on scenario assumptions.

C.7.5 Enhancing technology innovation systems can provide opportunities to lower emissions growth, create social and environmental co-benefits, and achieve other SDGs. Policy packages tailored to national contexts and technological characteristics have been effective in supporting low-emission innovation and technology diffusion. Public policies can support training and R&D, complemented by both regulatory and market-based instruments that create incentives and market opportunities. Technological innovation can have trade-offs such as new and greater environmental impacts, social inequalities, overdependence on foreign knowledge and providers, distributional impacts and rebound effects⁵⁷, requiring appropriate governance and policies to enhance potential and reduce trade-offs. Innovation and adoption of low-emission technologies lags in most developing countries, particularly least developed ones, due in part to weaker enabling conditions, including limited finance, technology development and transfer, and capacity building. (*high confidence*) {4.8.3}

C.7.6 International cooperation is a critical enabler for achieving ambitious climate change mitigation, adaptation, and climate resilient development (*high confidence*). Climate resilient development is enabled by increased international cooperation including mobilising and enhancing access to finance, particularly for developing countries, vulnerable regions, sectors and groups and aligning finance flows for climate action to be consistent with ambition levels and funding needs (*high confidence*). Enhancing international cooperation on finance, technology and capacity building can enable greater ambition and can act as a catalyst for accelerating mitigation and adaptation and shifting development pathways towards sustainability (*high confidence*). This includes support to NDCs and accelerating technology development and deployment (*high confidence*). Transnational partnerships can stimulate policy development, technology diffusion, adaptation and mitigation, though uncertainties remain over their costs, feasibility and effectiveness (*medium confidence*). International environmental and sectoral agreements, institutions and initiatives are helping, and in some cases may help, to stimulate low GHG emissions investments and reduce emissions (*medium confidence*). {2.2.2, 4.8.2}

57 Leading to lower net emission reductions or even emission increases.

SCBUILD/0109 PROSPECT

Presently, SCBUILD/0109 Group has an outstanding order book from the development of Large Scale Solar Photovoltaic Plant ("LSS Plant") of 4.00 MW in Arau, Perlis, Malaysia, RM636,336,000.00 from the Joint Venture Agreement on the development of 4 lands in Kubang Pasu, Kedah and RM84,000,000.00 from the Collaboration Agreement on the development of a building construction project in Alor Setar, Kedah. SCBUILD/0109 YEAR 2020 – 2030 AND EXPAND TO YEAR 2050 MOVING FORWARD BUSINESSES PLANS will continue to look for more Construction and related activities including Investment on Renewable Energy on Solar Power Plants, Solar Power on The Roofs, Property Development, Affordable Houses, Infrastructure Works And Its Related Businesses to strengthen the financial performance of SCBUILD/0109 Group.

The Group is focusing its efforts to increase its Solar Power Plants, Solar Power on The Roof Projects and construction contracts will continue to secure more contract as well as to improve the future performance of the Group. In addition, the Group is exploring other business opportunities including acquisition of company that is in the business of construction and its related industry, venturing into the business of Renewable Energy (RE) in solar power generation that would contribute positively to the Group.

The Group is expanding and strengthening its manpower with relevant expertise in Renewable Energy and Construction industry to submit tender for Large Scale Solar Program and related Renewable Energy Program and Construction projects and to submit proposals to government for affordable housing projects and other construction related projects.

SCBUILD/0109 strives to Secure more contracts from The Government and Private Sector on its Core Business Renewable Energy and Construction and its related Industries including Investment on Renewable Energy (RE) on Solar Power Plants, Solar Power On The Roof, Affordable Houses, Infrastructures works, EV Chargers And Its Related Industries And Businesses to replenish SCBUILD/0109's order book as well as to continue improve performance of the Group.

SCBUILD/0109 Believes Renewable Energy (RE) on Solar Power Plants, Solar Power On The Roofs, Property Development, Affordable Houses, Infrastructures Works, EV Chargers And Its Related Industries And Businesses will contribute positively to the Group.

SCBUILD/0109 is optimistic in the Outlook for the Group in the coming years with the expansion into Renewable Energy (RE) on Solar Power Plants, Solar Power On The Roofs, Property Development, Affordable Houses, Infrastructures works and Its Related Business under Environment, Social and Governance (ESG) initiative projects that Solutions On Climate Change On Global Warning And Flooding.

SCBUILD/0109 Prospect in line with **INVEST SCBUILD/0109 FUTURE**, BUY SCBUILD/0109 AT BURSA MALAYSIA, OUR FUTURE AND OUR FUTURE GENERATIONS AT SCBUILD/0109, INVEST SCBUILD/0109 FOR LONG TERM IN MALAYSIA, ASEAN MEMBER COUNTRIES AND ASIA

SCBUILD/0109 COMMITTED TO BUILD ENVIRONMENTAL • SOCIAL • GOVERNANCE ESG INITIATIVES PROJECTS THROUGH SCBUILD/0109 ENERGY TRANSITION, SCBUILD/0109 TRANSITION HOUSE AND SCBUILD/0109 INDUSTRY TRANSITION > SCBUILD/0109 BEGIN MOVING FORWARD YEAR 2020 TO 2030 AND EXPAND TO YEAR 2050 IN RENEWABLE ENERGY FROM 2000 MW OR 3000 MW TO 5000 MW SOLAR POWER PLANTS AND IN REAL ESTATE FROM 2000 UNITS OR 3000 UNITS TO 5000 UNITS AFFORDABLE HOUSES > SCBUILD/0109 COMMITTED TO ACHIEVE NET ZERO CARBON EMISSION YEAR 2050 BY IMPLEMENTING MITIGATION AND ADAPTATION OPTIONS ACROSS SYSTEMS TO REDUCE CLIMATE CHANGE THREAT TO HUMAN WELLBEING AND PLANETARY HEALTH > SCBUILD/0109 SHAREHOLDERS UNITED • BEYOND YEAR 2100 • WISH SHAREHOLDERS AND YOUNG PEOPLE OF THE WORLD JOINTLY TOGETHER TO CREATE INNOVATION THROUGH SCBUILD/0109 HUMAN CAPITAL LAB ASIA INITIATIVES TO ACHIEVE BUILD BETTER BASICS FOR PEOPLE AND PLANET AS WELL AS TO ACHIEVE PREVENTIVE, PROGRESSIVE, PROSPERITY OF THE WORLD.

SCBUILD/0109 is Confident that the Group can achieve better performance in the future in line with SCBUILD/0109 YEAR 2020 – 2030 AND EXPAND TO YEAR 2050 MOVING FORWARD BUSINESSES PLANS as follows:

SCBUILD/0109 YEAR 2020 – 2030 AND EXPAND TO YEAR 2050 MOVING FORWARD BUSINESSES PLANS

LEVEL	TARGETS PROPOSED
0.	SCBUILD/0109 YEAR 2020 – 2030 AND EXPAND TO YEAR 2050 <u>Committed To Net-Zero Carbon Emission By 2050</u> Proposes Multiple Effect Solutions On Climate Change And Target To Build 2,000 Megawatt (MW) to 5,000 Megawatt (MW) Of Solar Power Plants And Solar Power On The Roofs In Malaysia, ASEAN Members Countries And Asia.
1.	SCBUILD/0109 YEAR 2020 – 2030 AND EXPAND TO YEAR 2050 <u>Fundraising Of RM2Billion Or RM3Billion To RM5Billion</u> To Finance Construction And Related Industries Including Renewable Energy On Solar Power Plants, Solar Power On The Roofs, Property Development, Affordable Houses, Infrastructure Works, EV Chargers And Its Related Industries And Businesses, Lease Or Purchase Of Lands, Working Capitals, General Expenses, Operating Costs, Acquisition Of Construction And Related Businesses, Shares Buy Back And Etc.
2.	SCBUILD/0109 YEAR 2020 – 2030 AND EXPAND TO YEAR 2050 <u>Merger And Acquisition With Construction And Related Industries</u> Including Renewable Energy On Solar Power Plants, Solar Power On The Roofs, Property Development, Affordable Houses, Infrastructure Works, EV Chargers And Its Related Industries And Businesses.
3.	SCBUILD/0109 YEAR 2020 – 2030 AND EXPAND TO YEAR 2050 <u>Target To Build 2,000 Megawatt (MW) to 5,000 Megawatt (MW) Of Solar Power Plants</u> For Multiple Effect Solutions On Climate Change In Malaysia, ASEAN Members Countries And Asia.
4.	SCBUILD/0109 YEAR 2020 – 2030 AND EXPAND TO YEAR 2050 <u>Target To Build 2,000 Units to 5,000 Units Of Affordable Houses With Solar Power On The Roofs, 2 Meters Social Distance Walkway And Bicycle Lane With Internet Connectivity</u> For Multiple Effect Solutions On Climate Change And Coronavirus Pandemic To Create Safety, Healthy, Wealthy, Love, Home For The Peoples And Planet.
5.	SCBUILD/0109 YEAR 2020 – 2030 AND EXPAND TO YEAR 2050 <u>Committed To Malaysia Plan Especially In Renewable Energy And Real Estate And Its Related Businesses</u> For Multiple Effect Solutions On Climate Change And Coronavirus Pandemic Across The World To Create Safety, Healthy, Wealthy, Love, Home For The Peoples And Planet.
6.	SCBUILD/0109 YEAR 2020 – 2030 AND EXPAND TO YEAR 2050 <u>To Build Shareholders And Investors Relationship Also Related Promotions</u> In Malaysia, ASEAN Members Countries And In Asia As Well As America, Europe And United Kingdom (UK) To Invest In OUR FUTURE AND OUR FUTURE GENERATIONS @ SCSBUILD/0109 Stocks And Funding For Multiple Effect Solutions On Climate Change And Coronavirus Pandemic Across The World To Create Safety, Healthy, Wealthy, Love, Home For The Peoples And Planet.
7.	SCBUILD/0109 YEAR 2020 – 2030 AND EXPAND TO YEAR 2050 <u>To Use Advance Technologies</u> , Smart Phones, Computers, Internet, Artificial Intelligence (AI), Automations, Robotics, Future Technologies And Etc. For Multiple Effect Solutions On Businesses, Climate Change And Coronavirus Pandemic Across The World To Create Safety, Healthy, Wealthy, Love, Home For The Peoples And Planet.
8.	SCBUILD/0109 YEAR 2020 – 2030 AND EXPAND TO YEAR 2050 <u>To Apply SCSBUILD/0109 TOOLS OF 5S (Simple, Strong, Solid, Sustain, Standardise)</u> Simple Business, Strong Organization, Solid Assets, Sustainable Future, Standardise Models and <u>3M (Multiple, Maximum And Minimum)</u> Multiple Income, Maximum Profit And Minimum Cost For All SCSBUILD/0109 Businesses.
9.	SCBUILD/0109 YEAR 2020 – 2030 AND EXPAND TO YEAR 2050 <u>To Welcome Younger Generation Age Of 20s-30s To Invest In SCSBUILD/0109 Stocks</u> and also Proposals From SCSBUILD/0109 Shareholders and Investors That Can Make Businesses Profitable And Increase In Share Price In line With INVEST SCSBUILD/0109 FUTURE , BUY SCSBUILD/0109 AT BURSA MALAYSIA, OUR FUTURE AND OUR FUTURE GENERATIONS AT SCSBUILD/0109, INVEST SCSBUILD/0109 FOR LONG TERM IN MALAYSIA, ASEAN MEMBER COUNTRIES AND ASIA

SCBUILD/0109 COMMITTED TO BUILD ENVIRONMENTAL • SOCIAL • GOVERNANCE ESG INITIATIVES PROJECTS THROUGH SCBUILD/0109 ENERGY TRANSITION, SCBUILD/0109 TRANSITION HOUSE AND SCBUILD/0109 INDUSTRY TRANSITION > SCBUILD/0109 BEGIN MOVING FORWARD YEAR 2020 TO 2030 AND EXPAND TO YEAR 2050 IN RENEWABLE ENERGY FROM 2000 MW OR 3000 MW TO 5000 MW SOLAR POWER PLANTS AND IN REAL ESTATE FROM 2000 UNITS OR 3000 UNITS TO 5000 UNITS AFFORDABLE HOUSES > SCBUILD/0109 COMMITTED TO ACHIEVE NET ZERO CARBON EMISSION YEAR 2050 BY IMPLEMENTING MITIGATION AND ADAPTATION OPTIONS ACROSS SYSTEMS TO REDUCE CLIMATE CHANGE THREAT TO HUMAN WELLBEING AND PLANETARY HEALTH > SCBUILD/0109 SHAREHOLDERS UNITED • BEYOND YEAR 2100 • WISH SHAREHOLDERS AND YOUNG PEOPLE OF THE WORLD JOINTLY TOGETHER TO CREATE INNOVATION THROUGH SCBUILD/0109 HUMAN CAPITAL LAB ASIA INITIATIVES TO ACHIEVE BUILD BETTER BASICS FOR PEOPLE AND PLANET AS WELL AS TO ACHIEVE PREVENTIVE, PROGRESSIVE, PROSPERITY OF THE WORLD.

SCBUILD/0109 CORPORATE EXERCISE DEVELOPMENT / SHARE PRICE

The rights issue shares of SCBUILD/0109 were issued at RM0.005 per share in 2024. In 2025, the current market share price increased to RM0.01 per share, representing a 100% increase compared to the 2024 rights issue price.

On 2 October 2025, the company announced Private Placement has been completed following the listing of a total of 1,227,685,900 Placement Shares on the Bursa Malaysia Securities Berhad.

On 3 April 2024, the Company announced that 870,013,636 new shares were issued under the Share Grant Plan pursuant to Long Term Incentive Plan.

On 21 February 2024, the company is pleased to announce 2,148,181,818 new shares were issued pursuant to the proposed rights issue at an issue price of RM0.005 per share. The rights issue was completed following the listing of and quotation for the 2,148,181,818 rights issue shares.

DIVIDEND

The Board of Directors do not recommend a dividend for the FYE 31 January 2026.

APPRECIATION & ACKNOWLEDGEMENT

I wish to express my sincere gratitude to my fellow Directors, and Management team for their trust and support in the past year and continue to empower me as Chairman, Managing Director and Chief Executive Officer to lead SCBUILD/0109 and in line with **INVEST SCBUILD/0109 FUTURE**, BUY SCBUILD/0109 AT BURSA MALAYSIA, OUR FUTURE AND OUR FUTURE GENERATIONS AT SCBUILD/0109, INVEST SCBUILD/0109 FOR LONG TERM IN MALAYSIA, ASEAN MEMBER COUNTRIES AND ASIA.

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Further, I would like to extend my sincere appreciation to our customers, suppliers, business associates, the financiers, the government agencies and regulatory authorities for their continued support to SCBUILD/0109.

I would also like to express my sincere appreciation to our esteemed shareholders for your continued support, confidence and trust in me and to lead SCBUILD/0109. I will continue to work hard to provide better shareholder value to each and every one of you.

Lastly, I wish to express my deepest gratitude to the SCBUILD/0109's management team and our staff for their unwavering support and commitments.

LOH BOON GINN
AHLI MAHKOTA KEDAH
CHAIRMAN AND MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER OF SCBUILD/0109