

SECOND-PARTY OPINION REPORT

KAMI BUILDERS SDN BHD

External Review Parameters

Scope of review	❖ Kami Builders Sdn Bhd's ASEAN Sustainability SRI Sukuk Framework
Instrument types	❖ Green, Social or Sustainability Sukuk
Relevant guidelines	International Capital Market Association (ICMA) <ul style="list-style-type: none">❖ Green Bond Principles (GBP)❖ Social Bond Principles (SBP)❖ Sustainability Bond Guidelines (SBG) ASEAN Capital Markets Forum (ACMF) <ul style="list-style-type: none">❖ ASEAN Green Bond Standards (GBS)❖ ASEAN Social Bond Standards (SBS)❖ ASEAN Sustainability Bond Standards (SUS) Securities Commission Malaysia (SC) <ul style="list-style-type: none">❖ Sustainable and Responsible Investment (SRI) Sukuk Framework
Validity	Valid as long as the cited framework and relevant guidelines remain unchanged from the publication of this report

Sustainable Finance Rating



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EXECUTIVE SUMMARY

RAM Sustainability has assigned a **Silver** Sustainable Finance Rating (SFR) to the ASEAN Sustainability SRI Sukuk Framework (the Framework) prepared by Kami Builders Sdn Bhd (KBSB or the Issuer).

The Framework’s *Silver* SFR is driven by the anticipated environmental and social benefits from its eligible green and social projects. We have assigned this category a *Tier-1 to Tier-2* Environmental Benefit (EB) ranking in view of the possible positive net environmental impacts from the likely range of certifications to be pursued by KBSB. A *Tier-2 to Tier-3* Social Benefit (SB) ranking was assigned to its Access to Essential Services project category for the construction of infrastructure to support access to affordable and quality education reflecting the potential range of scale, depth and duration of the social benefit.

Table 1: RAM Sustainability’s EB and SB Assessment of KBSB’s Eligible Project Categories

Eligible Project Category under Relevant Guidelines	KBSB Eligible Projects	RAM Sustainability EB and SB Ranking
Green Building	Green Building	 Environmental Benefit Tier-1 to Tier-2
Access to Essential Services	Access to Essential Services	 Social Benefit Tier-2 to Tier-3

KBSB, a property investment and development company, will issue SRI Sukuk Murabahah under its ASEAN Sustainability SRI Sukuk Programme with a nominal value of up to RM300 million (the Programme). KBSB is responsible to construct a new green campus to be leased to Global Integrated Training Associates (GITA), its sister company, for its expansion of Quest International University (QIU) in Perak, Malaysia (New QIU Campus).

Proceeds from the first tranche of the under the Programme of up to RM90 million (Tranche 1) will be used to partially finance/reimburse construction and development of the New QIU Campus, as well as to defray and reimburse any issuance expenses. It is expected to expand QIU’s student capacity from 2,200 currently to an estimate between 6,000 to 10,000. This reflects a substantial increase from its current capacity and demonstrates important expansion of its ability to further contribute to access to education, although this remains moderate in comparison to its peer private universities.

The New QIU Campus is an eligible project under both the green and social project categories: Green Building and Access to Essential Services. It received a provisional Green Real Estate (GreenRE) *Silver* Certification in September 2025, under the GreenRE Non-Residential Building (NRB) v3.2 rating system. In addition, KBSB has committed to implementing the necessary upgrades for the New QIU Campus to attain a GreenRE *Gold* certification upon completion in Q3 2028. QIU is a private university that supports comprehensive tertiary education in Perak. In FY 2024, 88% of QIU’s students were Malaysians, out of which, 97% were from B40 and M40 households, indicating QIU’s role in supporting access to education for lower and middle-income groups. While some course fees are slightly higher than other private universities in the state, QIU offers programmes in arts, business, science and medicine allowing local students a wide range of options without needing to relocate.

The SFR also considers KBSB’s sustainability governance, with a structure in place under which the Board of Directors (BOD) exercise ultimate oversight of its sustainability matters, according to the Issuer. The Issuer adopts the sustainability policy and human rights commitments of its holding company, Wawasan QI Properties Sdn Bhd (WQIP), which guides its overall sustainability management approach. Overall, RAM Sustainability views the Framework to be aligned with the transparency and disclosure requirements of the relevant sustainable finance guidelines and standards.

As part of our due diligence under our external review process, RAM Sustainability has conducted an ESG scan assessment. While there are no identified controversies directly attributable to KBSB, GITA or WQIP, we note that the shareholders at WQIP are senior executives of the QI Group. The QI Group and its affiliates, notably QNet, have regulatory history and public controversies in some jurisdictions relating mainly to their multi-level marketing (MLM) business. While the ASEAN Sustainability SRI Sukuk Framework limits the use of proceeds to eligible environmental and/or social projects as defined in the Framework, adverse regulatory developments involving the QI Group/QNet may indirectly pose reputational, governance and conduct risks to the Issuer.

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RAM Sustainability is not aware of any conflict of interest relating to the opinion it provides in this report. RAM Sustainability will adequately disclose all relevant information in the report if there is any such instance.

METHODOLOGY

RAM Sustainability’s Second-Party Opinion independently assesses an issuer/borrower’s Framework for bond, sukuk, loan or other relevant financial instruments against market best practices in adherence to regulations and guidelines, namely that of the SC, ACFM, ICMA and/or the Loan Market Association.

Our analytical process also examines the contribution of eligible projects to environmental and social benefits as well as climate change resilience and adaptation, and the issuer/borrower’s sustainability governance. In most situations, we would also consider technological advancements, relevant peer comparisons, evolving best practices and, ultimately, the environmental and/or social impact created. As sustainable finance continues to evolve, RAM Sustainability will stay updated with new considerations and adapt accordingly to ensure that our approach stays current and consistent with prevailing best practices.

After considering the above, our opinion is consolidated into a Sustainable Finance Rating – **Bronze, Silver, Gold or Platinum.**

The Framework reviewed by RAM Sustainability may meet the market or regulatory requirements to label bond, sukuk, loan and other sustainability-related instruments as ‘green’, ‘social’, ‘sustainability’, ‘sustainability-linked’, ‘blue’, ‘climate’, ‘transition’ or meet United Nations Sustainable Development Goals (SDGs).

RAM Sustainability’s Second-Party Opinion Report will display opinion on the Framework’s characteristics and the current/future impacts of eligible projects to the environment, social and/or SDG as follows:







Alignment to Relevant Guidelines

RAM Sustainability classifies the transparency and disclosure strength of green, social, sustainability bond/sukuk or sustainability-linked finance frameworks in comparison to applicable guidelines or best practices.

Level	Framework Characteristics
Weak	Not observable in the framework.
Aligned	Observable in the framework but is below best practice.
Strong	Observable in the framework and in line with best practice.
Advanced	Observable in the framework and is more stringent, comprehensive and establishes a new benchmark and new best practice.

Environmental and Social Benefit Assessment

RAM Sustainability provides qualitative and quantitative assessments on the net impact, on both green and social dimensions, of eligible projects, assets and/or categories’ contribution to a low-carbon future or social solutions, respectively. Environmental Benefit (EB) and Social Benefit (SB) tiers are assigned to individual eligible projects and/or categories, indicating the potential environmental and/or social impact.

Tiering	Definition
 Environmental Benefit Tier-1	Proceeds toward eligible project, asset or category has significant contribution towards climate and environmental benefit(s).
 Environmental Benefit Tier-2	Proceeds toward eligible project, asset or category has some contribution towards climate and environmental benefit(s).
 Environmental Benefit Tier-3	Proceeds toward eligible project, asset or category has small contribution towards climate and environmental benefit(s).
 Social Benefit Tier-1	Proceeds toward eligible project, asset or category provides significant social benefit(s) by contributing to measurable societal solutions on a significant scale, depth and duration.
 Social Benefit Tier-2	Proceeds toward eligible project, asset or category has considerable social benefit(s) by contributing to measurable societal solutions on a sizeable scale, depth and duration.
 Social Benefit Tier-3	Proceeds toward eligible project, asset or category has demonstrable social benefit(s) by contributing to measurable societal solutions on a minor scale, depth and duration.
Not Applicable	Unclear purpose of proceeds that may cause significant harm to the environment or directly cause social harm will not be assigned an EB or SB rating, respectively.

SECOND-PARTY OPINION ON THE FRAMEWORK

1. Corporate Profile

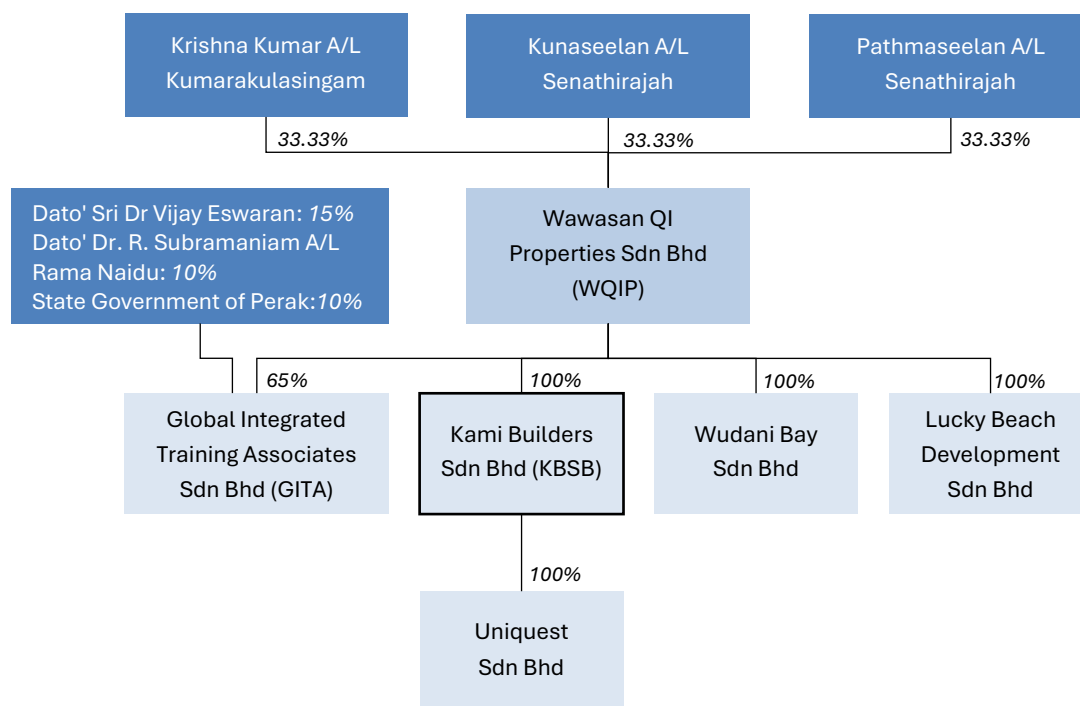


Figure 1: KBSB’s Corporate Structure

Source: KBSB

KBSB, incorporated in 1988, is a wholly owned subsidiary of WQIP and primarily functions as a property investment and development company. WQIP is wholly owned by three individual shareholders – Krishna Kumar A/L Kumarakulasingam, Kunaseelan A/L Senathirajah and Pathmaseelan A/L Senathirajah, who are also senior executives in QI Group.

WQIP’s partially owned subsidiary, GITA, is the operator of QIU, a private university located in Ipoh, Perak and established under the Private Higher Education Institutions Act 1996. Dato’ Sri Dr. Vijay Eswaran and Dato’ Dr. R. Subramaniam A/L Rama Naidu are shareholders of GITA and also serve as QIU Council Members, with Dato’ Sri Dr. Vijay Eswaran acting as Council Chairman, while Dato’ Dr. R. Subramaniam A/L Rama Naidu is a director of GITA. The other shareholder is the Perak State Government, which holds a 10% stake.

GITA has entered into Design and Build Agreement with KBSB, the legal owner of the 10-acre leasehold land where the New QIU Campus will be developed.

KBSB also owns Uniquet Sdn Bhd, an investment holding entity that is currently dormant. Other subsidiaries under WQIP include Wudani Bay Sdn Bhd and Lucky Beach Development Sdn Bhd which serve as property developers for future hotel-related projects.

2. Alignment to Relevant Guidelines

Our review examines the four core components under the Framework in accordance with the relevant guidelines:

- (i) Use of Proceeds
- (ii) Project Evaluation and Selection Process
- (iii) Management of Proceeds
- (iv) Reporting Commitments

We find the Framework to have an Aligned level of disclosure. Table 1 shows the assessment of each component's alignment to relevant guidelines. For a detailed review, see Appendix 1 for the SRI Sukuk Framework Checklist, Appendix 2 for the ASEAN SUS Checklist and Appendix 3 for the ICMA External Review Form.

Table 2: RAM Sustainability's Assessment of KBSB's Framework

Components	GBP/SBP	GBS/SBS	SRI Sukuk Framework
Use of Proceeds (By Asset/Project Category):	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>
i) Indicative Proceeds Allocation	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>
ii) Exclusion List:			
- Issue Transaction-level	<i>Strong</i>	<i>Strong</i>	<i>Strong</i>
- Group-level	<i>KBSB operates as a property investment and development company.</i>		
Project Evaluation & Selection Process	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>
Management of Proceeds	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>
Reporting Commitments:	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>
i) Allocation reporting	<i>Strong</i>	<i>Strong</i>	<i>Strong</i>
ii) Impact reporting	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>

2.1 Use of Proceeds

Broadly defined, green projects refer to innovative, climate-friendly solutions that help deliver clear environmental benefits. Social projects refer to solutions that are geared towards positive societal outcomes for a target population group. The eligible categories outlined in the Framework are eligible activities as per the relevant guidelines (see Section 3.1).

Proceeds from Tranche 1 SRI Sukuk Murabahah will be used to partially finance/reimburse construction and development of the New QIU Campus, as well as to defray and reimburse of any issuance expenses.

Table 3: KBSB's Tranche 1 SRI Sukuk Murabahah Proceed Utilisation

No	Purpose of Utilisation	Amount (MYR)	Percentage (%)
1	To partially finance/reimburse construction and development of the New QIU Campus	88,000,000	98
2	To finance the defrayment and reimbursement of any issuance expenses	2,000,000	2
	Total	90,000,000	100

Source: KBSB

For refinancing eligible projects, KBSB has established a 6-years look-back period. While there is no specific recommendation for look-back period, a period of 36 months or less are considered standard practice.

Ineligible Projects

The Framework includes a list of activities for which proceeds from projects involving such activities are prohibited. It aligns with the exclusions outlined in the GBS, SBS and SUS. The Framework's ineligible activities are as follows:

- i. Alcohol
- ii. Gambling
- iii. Tobacco
- iv. Weaponry
- v. Fossil fuel power generation

2.2 Project Evaluation and Selection Process

The Framework describes an evaluation and selection process that the Issuer undertakes to ensure that the projects selected for green and social financing are eligible and that environmental and social risks are managed.

KBSB will conduct the following step-by-step process for the project evaluation and selection process:



Figure 2: KBSB's Internal Process for Selecting Eligible Assets/Projects

Source: KBSB

The process starts with a project feasibility review. This step involves identifying potential opportunities, confirming the need for the proposed development, defining its scope and objectives as well as outlining the expected value the projects will deliver. KBSB will then form a consultant committee to fill any expertise gaps. This committee may include internal representatives and external specialists in engineering, architecture, sustainability, project management and certified green consultants. With the support of the consultant committee, KBSB will evaluate and validate proposed projects to ensure they meet the criteria in the Framework.

In the ESG and sustainability planning stage, KBSB conducts an ESG baseline assessment to identify green building certifications, screen environmental risks and explore opportunities to improve sustainability matters. It also conducts environmental and social impact assessments on the local community, after consulting local authorities. KBSB is committed to complying with relevant ESG standards and recognised best practices relating to the eligible projects.

A financial analysis will also be conducted to estimate construction costs which includes developing a financial model and calculating the expected return on investment. Based on all assessment findings, Project Leadership, comprising the Project Sponsor, Engagement Partner and Co-Engagement Partner, will prepare a recommendation proposal for BOD approval. Once approved, the eligible projects will be financed through the SRI Sukuk Murabahah and monitored throughout the sukuk tenure.

For the immediate project under Tranche 1, KBSB has carried out feasibility studies, including air quality monitoring, geotechnical assessments and due diligence for civil and structural, architectural as well as mechanical and electrical components.

In our view, the processes employed by KBSB are consistent with best practices observed for the evaluation of eligible green and social financing.

2.3 Management of Proceeds

KBSB has defined the internal processes linked to the management of proceeds. The proceeds from the issuance will be managed on a per-bond basis and transferred directly to the Designated Accounts (DA) under the Programme, in line with the intended utilisation. These accounts will be operated solely by the Security Trustee, Pacific Trustees Berhad, who is responsible for managing and disbursing the funds. All disbursement accounts will be maintained with Shariah-compliant banks.

KBSB has set out permitted investments for unutilised funds in the DA as follows:

- i. Shariah compliant money market instruments issued by licensed financial institutions pursuant to the Islamic Financial Services Act 2013 (IFSA) with a short-term rating of P1 and a minimum long-term rating of AA₃ by RAM or their equivalent;
- ii. deposits with licensed Islamic financial institutions in Malaysia pursuant to the IFSA with a short-term rating of P1 and a minimum long-term rating of AA₃ by RAM or their equivalent;
- iii. Islamic treasury bills, Islamic money market instruments and sukuk issued by Bank Negara Malaysia (BNM) or the Government of Malaysia with a short-term rating of P1 and a minimum long-term rating of AA₃ by RAM or their equivalent; and/or
- iv. Shariah compliant money market fund/investment fund approved by the SC or BNM.

While we view the process for management of proceeds above to be sound, we note that the Issuer has yet to establish any ESG screening criteria or ESG policy in relation to the permitted investments to ensure its unutilised proceeds are channeled towards purposes in line with the sustainability objectives.

2.4 Reporting Commitments

The Issuer is required to establish a formal process to communicate the allocation of proceeds and the positive impact created. KBSB is committed to annual allocation and impact reporting on an annual basis until proceeds are fully allocated on a timely basis. The report may include the following information:

Table 4: KBSB's Reporting Commitments

<p>Allocation Reporting</p>	<ul style="list-style-type: none"> ▪ The original amount earmarked for the eligible projects ▪ The amount of eligible projects financed/refinanced at least on an annual basis until full allocation and on timely basis in the case of material developments ▪ The unutilised amount and where such unutilised amount is placed or pending utilisation ▪ The description of the eligible projects to which the proceeds from the SRI Sukuk Murabahah have been allocated
<p>Impact Reporting</p>	<p>Where feasible, KBSB may provide the following performance indicators for eligible projects, including respective calculation methodologies and key assumptions:</p> <p><u>Green Building</u></p> <ol style="list-style-type: none"> i. Type of certification and level ii. Final and/or primary energy use <ul style="list-style-type: none"> ▪ kWh/m² of green building area per annum ▪ Energy use reduced/avoided vs local baseline/building code (%) ▪ Renewable energy (RE) generated on site (%) iii. Carbon reductions <ul style="list-style-type: none"> ▪ kgCO₂/m² of green building area per annum ▪ annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent vs local baseline/baseline certification level ▪ carbon emissions reduced/avoided vs local baseline/baseline certification level (%) iv. Water efficiency <ul style="list-style-type: none"> ▪ water reduced/avoided vs local baseline/baseline certification level/International Green Construction Code (IGCC)/International Plumbing (%) v. Waste management <ul style="list-style-type: none"> ▪ waste minimised, reused or recycled of total waste (%) ▪ waste minimised, reused or recycled of total waste (gross) ▪ waste removed per tonne vi. Use of materials with lower environmental footprint <ul style="list-style-type: none"> ▪ embodied energy (and carbon) over lifecycle (cradle to grave) (tons) ▪ embodied energy (and carbon) reduced over lifecycle (cradle to grave) vs local benchmark/baseline vii. Water efficiency – for both new buildings and retrofitted buildings <ul style="list-style-type: none"> ▪ amount of rainwater harvested and reused per annum (m³) ▪ recharge to groundwater (mm/d) / (mm/a) viii. Waste management <ul style="list-style-type: none"> ▪ Recycling, re-use or composting of non-hazardous waste (%)

	<p>ix. Indoor air quality</p> <ul style="list-style-type: none"> ▪ Reduction of particular matter vs local baseline: sulphur oxides (SOx), nitrogen oxides (NOx) and carbon monoxide (CO) and non-methane volatile organic compounds (NMVOCs) <p>x. Light quality and energy efficiency</p> <ul style="list-style-type: none"> ▪ Number of LED or SSL lighting fixtures with lumen/watt (Lm/W) ▪ Energy efficiency from installation of motion detectors (kWh) vs baseline/previous equipment ▪ Energy efficiency from installation of low-E window glass panels vs baseline/previous equipment <p>xi. Transport connectivity and clean transportation infrastructure – for both new buildings and retrofitted buildings</p> <ul style="list-style-type: none"> ▪ Land use density including transit-oriented development (people and jobs per unit of land area) ▪ Number of electric vehicles charging stations (%) ▪ Number of shuttle buses provided ▪ Distance to public transportation (in km) <p><i>Access to Essential Services</i></p> <p>i. Student reach (breakdown by gender)</p> <ul style="list-style-type: none"> ▪ Increase of girls or young woman with advanced degrees (%) ▪ Increase of population which graduated from tertiary education (%) <p>ii. Target population</p> <ul style="list-style-type: none"> ▪ Percentage of B40 students ▪ Percentage of M40 students <p>iii. Number of education facilities/or initiatives</p> <ul style="list-style-type: none"> ▪ Number of sponsorships granted to students to low-income students ▪ Research centre established for social impact <p>iv. Number of textbooks and teaching materials supplied</p> <p>v. Number of vulnerable students</p> <p>vi. Teachers trained</p> <ul style="list-style-type: none"> ▪ Improved teacher-student ratio <p>vii. Number of people provided with skill development and/or vocational training ideally for in demand subjects (breakdown by gender)</p>
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Source: The Framework

Annual progress reports, along with this Second Opinion Report, will be made publicly available on KBSB's corporate website (www.kamibuilders.com). The Second Opinion Report will also be available on RAM Sustainability's website (<https://www.ram.com.my/sustainability>).


In our view, the disclosure requirements prescribed in the Framework are clearly defined and in line with market practice.

3. Sustainability Impact

3.1 Environmental Benefit & Social Benefit Assessment

RAM Sustainability is of the view that the green and social projects defined in the Framework are eligible project categories. We have assigned EB and SB rankings to KBSB’s eligible project categories.

Table 5: RAM Sustainability’s EB and SB Assessment of KBSB’s Eligible Project Categories

No.	Eligible Project Category under Relevant Guidelines	KBSB Eligible Projects	RAM Sustainability EB and SB Ranking
1	Green Building	Green Building	

Rationale:

The Framework’s eligibility criteria for green buildings are that buildings must be certified to Leadership in Energy and Environmental Design (LEED) *Silver*, Building Research Establishment Environmental Assessment Method (BREEAM) *Good*, Green Building Index (GBI) *Silver*, GreenRE *Silver* or above. This applies to the construction and development of new residential or commercial buildings.

For Tranche 1, the first project to be financed under this eligible project category, the New QIU Campus, has obtained provisional GreenRE *Silver* certification under the NRB v3.2¹ in September 2025.

Under the GreenRE building certification NRB v3.2, the energy modelling requirement specifies that a building must demonstrate at least 25% energy savings over the reference model as per ASHRAE 90.1 provisions² to qualify for GreenRE *Gold*. This reflects a higher energy performance threshold compared to conventional buildings which helps reduce operational carbon emissions. According to the Issuer, KBSB has committed to implementing the necessary upgrades and has received confirmation from green building consultant that the New QIU Campus will be awarded a GreenRE *Gold* certification upon completion in Q3 2028. Overall, the New QIU Campus is designed to operate with a BEI of about 121 kWh/m²/year, making it 10% more energy efficient than the recommended BEI of 135 kWh/m²/year for commercial buildings under the Malaysian Standard MS1525:2014 – Energy Efficiency and Use of Renewable Energy for Non-Residential Buildings. We note that this refers to the modelled building performance and may not accurately reflect the New QIU Campus’ operational performance; however, the required points to obtain a GreenRE *Gold* certification are underpinned by the New QIU Campus’ energy performance as energy efficiency is the largest points contributor in GreenRE.

Meanwhile, we understand that the Issuer plans to obtain recertification to maintain its campus’s sustainability performance. We have assigned an EB tier ranking of *Tier-1 to Tier-2* to KBSB’s eligible Green Building project category to reflect the range of possible net environmental impacts resulting from the Issuer’s likely range of certifications.


According to the International Energy Agency (IEA), building operations consumed 30% of global final energy and contributed to 26% of global energy-related emissions in 2022³. A building’s operational

¹ This rating system is classified into (i) energy efficiency and (ii) other green requirements which consist of water efficiency, environmental protection, indoor environmental quality, other green features and carbon emission resulted from the associated energy used.

² ANSI/ASHRAE/IES Standard 90.1: Energy Standard for Buildings Except Low-Rise Residential Buildings provides the minimum requirements for energy-efficient design of most sites and buildings, typically used as a baseline in green building certifications.

³ [Buildings Tracking Report – July 2023](#) (IEA, 2023)

phase accounts for 80%-90% of its total lifecycle emissions due to required energy use⁴. That said, we note that KBSB’s aspiration in green buildings supports this climate change mitigation agenda.

2	Access to Essential Services	Access to Essential Services	
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Rationale:

This eligible social project category allows financing of education infrastructure projects that support access to affordable and quality technical, vocational and tertiary education. KBSB also expects new employment and training opportunities to arise from these projects.

The Malaysia Education Blueprint 2026–2035 explicitly prioritises reducing disparities and narrowing gaps across regions, income groups and education pathways. This challenge is more pronounced among low-income families, with 78% of households reporting rising education-related costs such as transportation, co-curricular activities and school meals⁵. These affordability pressures are mirrored at the state level, where Perak has consistently recorded the highest share of low-income households at 57.8% in 2019, maintaining this position since 2016. Perak, located in the northwest of Peninsular Malaysia, is the fifth most populous state, with 2.6 million residents in 2024 and contributed 5.2% to Malaysia’s GDP in 2023⁶. Yet, it continues to have fewer higher education options than major urban centres.

The development of the New QIU Campus contributes to the expansion of access to higher education for underserved communities in Perak. It also supports the objectives of Perak Sejahtera 2030 which aims to strengthen human capital by producing skilled workforce and reducing youth outmigration especially in the Technical and Vocational Education and Training (TVET) programme. Perak Investment Management Centre (InvestPerak) has also issued a letter to request the Majlis Bandaraya Ipoh to fast-track the approval process for the New QIU Campus development, recognising it as an economic catalyst for Ipoh with the potential to create new job opportunities.

Table 6: Comparison of fees for the Key Programmes Offered by QIU

Faculty	Programme	QIU Fees* (RM)	Other Perak Private Universities ⁷ Average Fees* (RM)	Difference between QIU Fees and Other Perak Private Universities Average Fees (%)
Business and Management	Bachelor of Accountancy	50,000	47,375	6
	Diploma in Business Management	22,500	19,100	18
	Bachelor of Business Administration (Hons)	45,000	44,775	1
Medicine	Bachelor of Medicine and Bachelor of Surgery	330,000	293,150	13

Note: The Fees are as of November 2025

Source: KBSB and other Perak Universities’ Websites

⁴ <https://c2e2.unepccc.org/wp-content/uploads/sites/3/2016/09/unep-sbci-common-carbon-metric.pdf> (UNEP SBCI)

⁵ [Living on the Edge \(key findings\)\(ENG\).pdf](#) (UNICEF Malaysia, 2024)

⁶ [About - Perak Sejahtera 2030](#) (Perak Sejahtera 2030)

⁷ [Other Perak Private Higher Education Institutions based on Malaysian Qualifications Register as of December 2025](#) (MQA)

Table 6 presents a comparison of fees for the key programmes offered by QIU and other Perak private universities. The programmes under the Faculty of Business and Management remain the most popular among QIU students, while programmes under the Faculty of Medicine have the highest programme fees. When benchmarked against the other Perak institutions, QIU's fees are higher, ranging between 1% to 18% higher for business and management programmes, and 13% for medical programmes. Despite this, QIU remains an important education provider in Perak as it offers programmes across arts, business, science and medicine, giving students a wider range of study options within the state. In addition, QIU offers specialised programmes such as Early Childhood and Special Needs Education, further expanding educational pathways available to students. The strong local demand, reflected by the fact that 69% of its students in 2024 are from Perak, further supports QIU role in the state's education landscape.

Beyond tuition fees, the overall cost of studying at QIU is also determined by the lower cost of living in Perak compared to urban centres such as Kuala Lumpur or Penang. Generally, students in Perak incur lower expenses for accommodation, food and transportation which overall reduces the total cost of pursuing higher education. This is particularly important for students from B40 and M40 households who may not have the financial capacity to relocate out of state. In FY 2024, students from these income groups accounted for 97% of QIU's Malaysian students enrolment, reflecting the university's role in expanding educational access for lower and middle-income communities.

According to QIU, the planned campus expansion will also allow the university to accommodate more students than the current campus can, given space constraints. The expanded capacity will enable QIU to admit more students, thereby allowing more students to benefit from the current fee structure. In addition to tuition-based revenue, QIU also operates non-tuition programmes such as corporate training and research activities such as pharmaceutical product development and stem cell research which help support the overall cost fees of its academic programmes. Accessibility is further enhanced through its merit-based scholarships which supported 14% of students in 2024.

In terms of depth and duration of social benefits arising from the New QIU Campus, access to tertiary education is expected to deliver long-term socioeconomic benefits, including improved employability and income prospects for graduates. These benefits may extend beyond individual students to their families and communities over time, contributing to intergenerational upliftment and supporting efforts to move B40 and M40 households out of poverty or the middle-income trap. While the social benefits are expected to expand sizeably following the completion of the New QIU Campus, the scale may remain limited in comparison to larger peer private universities.

3.2 National-Level Drivers and High-Level Mapping to UNSDGs

RAM Sustainability is also of the view that KBSB’s SRI Sukuk Murabahah will support the following national-level objectives, plans and relevant UNSDGs⁸ related to areas defined in the eligible asset/project category.

Table 7: National-Level Drivers and KBSB’s Green and Social Project Category Mapping to UNSDGs based on ICMA’s Green, Social and Sustainability Bonds: A High-Level Mapping to SDGs

<p>Green Building</p>						
<p><u>Emphasis on green buildings</u></p> <p>Under the National Energy Policy 2022-2040 (DTN), green buildings are included in the emphasis on low-carbon activities as part of Key Economic Growth Activities (KEGA) 12: Green Economy. The National Energy Efficiency Action Plan 2015 further identifies Energy Audits in Buildings and Industries and Energy-Efficient Building Design as key initiatives in the government’s target to achieve an 8% reduction in energy demand from the baseline. The Energy Efficient and Conservation Act (EECA) will require the energy intensity performance of office buildings exceeding 8,000 sqm to comply with energy efficiency ratings prescribed by the Energy Commission, the failure of which would necessitate an energy audit and energy improvement plan.</p> <p>KBSB will utilise the SRI Sukuk Murabahah to finance and refinance the construction and development of new residential or commercial buildings that meet widely accepted green building standards.</p>						
<p>Affordable Essential Services</p>						
<p><u>Ensuring inclusive and equitable quality education</u></p> <p>The Malaysia Education Blueprint 2026–2035 sets out a long-term reform agenda aimed at building an education system that is high-quality, inclusive, and equitable, guided by the principle that no student should be left behind regardless of socio-economic background or geographic location. The Blueprint places strong emphasis on narrowing disparities in education outcomes by focusing on equity of access, availability of resources, and quality of delivery, rather than solely expanding enrolment.</p> <p>To reduce disparities across regions and income groups, the Blueprint prioritises closing gaps in infrastructure, learning resources, and digital access, particularly in underserved and non-urban areas. Official statements highlight efforts to address uneven access to facilities, STEM education, internet connectivity, and teacher quality, which have historically contributed to unequal education outcomes.</p> <p>In terms of education pathways, the Blueprint seeks to reduce structural inequalities by strengthening both academic and TVET routes. TVET is repositioned as a mainstream and credible pathway, with earlier exposure and clearer progression routes, to ensure students with different aptitudes have</p>						

⁸ [Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals](#) (ICMA, 2023)

equitable opportunities to pursue quality education and future employment. This approach is aligned with the Blueprint’s broader focus on holistic student development, employability, and lifelong learning. KBSB will utilise the SRI Sukuk Murabahah to finance construction of projects that relate to affordable educational infrastructure to support access to affordable and quality education.

4. Sustainability Assessment

Sustainability Governance

KBSB’s BOD ultimately governs sustainability matters for KBSB, supported by a Project Leadership, Sustainability Steering Committee and Sustainability Working Committee. The BOD are responsible for implementing initiatives that uphold economic, environmental, and social practices.



Source: KBSB

Figure 3: KBSB’s Sustainability Governance Structure

KBSB also adheres to the Human Rights Policy established by WQIP. WQIP is committed to eliminating all forms of modern slavery, including forced labour, human trafficking and child labour, across its operations and supply chain. The Board regularly reviews and monitors the Group’s commitment to respecting and upholding human rights.

While KBSB is in the early stages of incorporating sustainability governance into its operations, it has shown strong ESG commitment through the establishment of the Programme and the construction of green building projects.

Sustainability Strategies

KBSB is guided by WQIP's Sustainability Policy which serves as the foundation for its sustainability strategy approach. In line with WQIP's sustainability strategy, KBSB's sustainability strategy is based on three core pillars: empowering people, transforming communities and safeguarding the environment. Building on these three pillars, KBSB has developed its own sustainability strategy that focuses on key areas relevant to its operations which include the following:

1. Green Building
2. Carbon and Energy Management
3. Waste and Resource Efficiency
4. Social Impact

Sustainability Management

KBSB's sustainability management outlines how the Issuer operationalises its sustainability pillars through actions across social, environmental and operational areas. Under the pillars of empowering people and transforming communities, KBSB translates its commitments into practical initiatives that promote inclusive education. This includes providing scholarships and bursaries, as well as supporting education-related infrastructure that benefits B40 and M40 communities. These efforts are guided by the Madani values of sustainability, well-being, innovation, respect, confidence and compassion.

For safeguarding the environment, KBSB's sustainability management approach is reflected in several key initiatives. In green building practices, KBSB plans to achieve GreenRE *Gold* Final Certification for the New QIU Campus within six months post-completion and intends to pursue similar certifications for future developments. In carbon and energy management, KBSB is progressively adopting renewable and efficient technologies such as rooftop solar panels, EV charging stations and LED lighting which will enhance energy efficiency across its properties.

KBSB also incorporates waste and resource efficiency into its construction and operational processes. This includes sustainable construction methods, proper waste segregation, recycling programmes and responsible procurement practices. Additional operational features, such as rainwater harvesting systems, bioswales, organic waste composting and dedicated recycling stations for paper, glass and plastics, further reinforce its environmental management efforts.

ESG Scan

As part of our external review due diligence, RAM Sustainability has conducted an ESG scan to identify any ESG matters that may directly or indirectly affect the Issuer's reputation or business profile.

While there are no identified controversies directly attributable to KBSB, GITA or WQIP, we note that the shareholders at WQIP are senior executives of the QI Group. The QI Group and its affiliates, notably QNet, have regulatory history and public controversies in some jurisdictions relating mainly to their MLM business. While the ASEAN Sustainability SRI Sukuk Framework limits the use of proceeds to eligible environmental and/or social projects as defined in the Framework, adverse regulatory developments involving the QI Group/QNet may indirectly pose reputational, governance and conduct risks to the Issuer.

APPENDIX 1: SRI SUKUK FRAMEWORK CHECKLIST

Reference:

Guidelines on Unlisted Capital Market Products Under the SC's Lodge and Launch Framework

Part 3: Corporate Bonds and Sukuk

Chapter 7: SRI Sukuk

No.	Item	Requirement	Alignment	Comment
7.07 & 7.08	Eligible SRI Projects	<p>An Eligible SRI project refers to a project that seeks to achieve any one or a combination of the following objectives:</p> <ul style="list-style-type: none"> (a) Preserving and protecting the environment and natural resources. (b) Conserving the use of energy. (c) Promoting the use of RE. (d) Reducing greenhouse gas emissions. (e) Addressing or mitigating a specific social issue or seeking to achieve positive social outcomes, especially but not exclusively for a target population. (f) Improving society's quality of life. 	Yes	<p>Proceeds from KBSB's SRI Sukuk Murabahah under the Framework may be allocated to partially or fully finance/re-finance new and/or existing eligible projects under the following categories:</p> <ul style="list-style-type: none"> i. Green Building ii. Access to Essential Services
		<p>Eligible SRI projects may include, but are not limited to, the following:</p> <ul style="list-style-type: none"> (a) Green projects that relate to: <ul style="list-style-type: none"> (i) Renewable energy. (ii) Energy efficiency. (iii) Pollution prevention and control. (iv) Environmentally sustainable management of living natural resources and land use. (v) Terrestrial and aquatic biodiversity conservation. (vi) Clean transportation. (vii) Sustainable water and wastewater management. (viii) Climate change adaptation. (ix) Eco-efficient and/or circular economy- 		

No.	Item	Requirement	Alignment	Comment
		<p>adapted products, production technologies and processes.</p> <p>(x) Green buildings which meet regional, national or internationally recognised standards or certifications.</p> <p>(b) Social projects that relate to:</p> <p>(i) Affordable basic infrastructure.</p> <p>(ii) Access to essential services.</p> <p>(iii) Affordable housing.</p> <p>(iv) Employment generation, including the potential effects of SME financing and microfinancing.</p> <p>(v) Food security.</p> <p>(vi) Socioeconomic advancement and empowerment.</p> <p>(c) Projects which are the combination of green and social projects, as described in (a) and (b) above.</p> <p>(d) Waqf projects that relate to the development of waqf properties or assets.</p>		
7.10 & 7.11	Utilisation of Proceeds	An issuer must ensure that the proceeds raised from the issuance of the SRI sukuk are utilised only for the purpose of funding any activities or transactions relating to the Eligible SRI projects, as described in paragraph 7.08 above.	Yes	As in 7.07 & 7.08 above.
		In relation to the activities or transactions that involve the acquisition of a company undertaking Eligible SRI projects, an issuer must ensure that the company to be acquired does not carry on any other business or projects except the Eligible SRI projects.	Yes	Proceeds from KBSB's SRI Sukuk Murabahah will only be used to finance and refinance eligible projects that meet the eligibility criteria defined in the Framework.

No.	Item	Requirement	Alignment	Comment
7.12	Process for Project Evaluation and Selection	An issuer must establish internal processes for the evaluation and selection of the Eligible SRI projects, as identified in paragraph 7.08 above.	Yes	The Framework outlines the Issuer's evaluation and selection process for eligible projects, ensuring that chosen activities meet eligibility criteria. For more details, see section 2.2.
7.13	Management of Proceeds	An issuer must ensure that the proceeds allocated to the Eligible SRI projects are deposited into a designated account or otherwise tracked in an appropriate manner.	Yes	The Issuer has defined the internal processes linked to the management of proceeds. The proceeds from the issuance will be transferred directly to the DA under the Programme, in line with the intended purpose of utilisation. These accounts will be operated solely by the Security Trustee, who is responsible for managing and disbursing the funds. All disbursement accounts will be maintained with Shariah-compliant banks. For more details, see Section 2.3.
7.14	Reporting	An issuer must provide the following information to the sukukholders, annually through a designated website: (a) The original amount allocated to the Eligible SRI projects. (b) The amount utilised for the Eligible SRI projects. (c) The unutilised amount and where such unutilised amount is placed or invested pending utilisation. (d) The list of Eligible SRI projects to which the SRI sukuk proceeds have been allocated, and a brief description of the said Eligible SRI projects and their impact or expected impact, including the key underlying methodology or assumptions used to determine the impact or expected impact.	Yes	The Issuer is committed to publishing allocation and impact reporting, consolidated into a report, on an annual basis, or in a timely manner in the case of material developments, and until full allocation of net proceeds. The allocation and impact reports will be made publicly available on KBSB's corporate website (www.kamibuilders.com).
7.05 & 7.16	Disclosure Requirements	The information relating to the issuer and the details of the issuer's SRI Sukuk Framework must be made publicly accessible via a designated website to be disclosed by the issuer. Such information on the designated website must be made available at the point	Yes	The allocation and impact reports, along with this Second Opinion Report, will be made publicly available on KBSB's corporate website (www.kamibuilders.com). The Second Opinion Report will also be available on RAM Sustainability's website (https://www.ram.com.my/sustainability).

No.	Item	Requirement	Alignment	Comment
		of issuance and throughout the tenure of the SRI sukuk.		
		<p>For the purpose of disclosure of the details of the issuer and the SRI Sukuk Framework under paragraph 7.05 above, the following information must be included:</p> <p>(a) The overall SRI objectives that the issuer intends to achieve.</p> <p>(b) The utilisation of proceeds from the issuance of the SRI sukuk. Where all or part of the proceeds are used for refinancing, an issuer must provide the amount of proceeds allocated to refinancing and which Eligible SRI projects will be refinanced.</p> <p>(c) The Eligible SRI projects to which the proceeds will be allocated.</p> <p>(d) The details of the Eligible SRI projects and, to the extent possible, the impact objectives of the Eligible SRI projects.</p> <p>(e) The processes used by the issuer to evaluate and select the Eligible SRI projects.</p> <p>(f) The criteria used by the issuer to identify and manage material environmental or social risks associated with the Eligible SRI projects.</p> <p>(g) The processes used by the issuer to manage the proceeds from the issuance of the SRI sukuk.</p> <p>(h) A statement that the issuer has complied with the relevant environmental, social and governance standards or recognised best practices relating to the Eligible SRI projects.</p>	Yes	<p>The Issuer has committed to publishing its Framework, which contains items (a) to (h), on its corporate website (www.kamibuilders.com)</p> <p>For more detailed information on disclosure requirements, see Section 2.4 Reporting Commitments.</p>
7.17	External Review	If an external reviewer is appointed to assess and provide a report on the Eligible SRI projects or the issuer's compliance with the requirements under these guidelines, such external reviewer's report must be	Yes	RAM Sustainability has been appointed as an independent expert to provide a second opinion on the Framework. RAM Sustainability's analysis covers an assessment of the Framework against the disclosure requirements of the relevant

No.	Item	Requirement	Alignment	Comment
		made available on the designated website.		<p>guidelines and the Issuer's sustainability responsibilities.</p> <p>RAM Sustainability's Second Opinion Report shall be publicly available on KBSB's website and RAM Sustainability's website.</p> <p>The Issuer may also appoint independent third parties to verify its allocation & impact reporting and management of proceeds post-issuance, the review of which will be included in the annual progress report.</p>

APPENDIX 2: ASEAN SUS CHECKLIST

Reference:

ASEAN Capital Markets Forum – ASEAN SUS

Item	No.	Requirement	Alignment	Comment
Eligible Issuers and Issuance	GBS 3.1 SBS 3.1	(i) Must be an ASEAN Issuer; or (ii) In the case of a Non-ASEAN Issuer, the eligible Green and Social Projects must be located in any of the ASEAN countries.	Yes	KBSB is an entity incorporated in Malaysia and is therefore an ASEAN Issuer
	GBS 3.2 SBS 3.2	ASEAN Green and Social Bonds issuances must be originated from any of the ASEAN member countries.	Yes	The SRI Sukuk Murabahah to be issued under the Framework will originate from Malaysia.
Eligible Green Projects	GBS 4.1.5 SBS 4.1.6	There are several broad categories of eligibility for Green Projects which contribute to environmental objectives such as climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control. Social Projects directly aim to help address or mitigate a specific social issue and/or seek to achieve positive social outcomes especially, but not exclusively, for a target population(s).	Yes	Proceeds from KBSB's SRI Sukuk Murabahah under the Framework may be allocated to partially or fully finance/re-finance new and/or existing eligible projects under the following categories: <ul style="list-style-type: none"> i. Green Building ii. Access to Essential Services
Ineligible Projects	GBS 4.1.6 SBS 4.1.7	For clarification purposes, fossil fuel power generation projects are excluded from the ASEAN GBS. Projects which involve activities that pose a negative social impact related to alcohol, gambling, tobacco and weaponry are excluded from the ASEAN SBS.	Yes	The SRI Sukuk Murabahah proceeds, according to the Framework, will not be utilised to fund projects related to alcohol, gambling, tobacco, weaponry and fossil fuel power generation. See section 2.1 for full exclusion criteria.
Continuous Accessibility to Information and Reporting	GBS 4.2.1 SBS 4.2.1	The Issuer of ASEAN Green and Social Bonds must clearly communicate to investors – <ul style="list-style-type: none"> (i) The environmental sustainability and social objectives; (ii) The process by which the Issuer determines how the 	Yes	Eligibility criteria for the use of proceeds and the process of evaluation and selection of eligible projects have been described in the Framework.

Item	No.	Requirement	Alignment	Comment
		<p>projects fit within the eligible Green and Social Projects categories identified above; and</p> <p>(iii) The related eligibility criteria, including, if applicable, exclusion criteria or any other process applied to identify and manage potentially material environmental and social risks associated with the Green and Social Projects.</p>		
	GBS 4.2.5 SBS 4.2.5	<p>The Issuer must make the following publicly available on a website designated by the Issuer at the time of the issuance and throughout the tenure of ASEAN Green and Social Bonds:</p> <p>(i) The process for project evaluation;</p> <p>(ii) The use of proceeds; and</p> <p>(iii) External review report on the process (if any).</p>	Yes	<p>The Issuer has committed to disclosing the necessary information on its corporate website. The Issuer will report on the allocation of proceeds and impacts of its eligible projects annually.</p> <p>For more details, see section 2.4.</p>
	GBS 4.3.1 SBS 4.3.1	<p>Prior to the issuance of the ASEAN Green and Social Bonds, the Issuer must disclose to investors in the documentation for the issuance of the ASEAN Green and Social Bonds the process for managing the net proceeds from the ASEAN Green and Social Bonds.</p>	Yes	<p>The Issuer has disclosed the required information in the Framework which will be published on its corporate website.</p>
	GBS 4.3.4 SBS 4.3.4	<p>The Issuer must also disclose to investors in the documentation for the issuance of the ASEAN Green and Social Bonds the intended types of temporary placement for the balance of unallocated proceeds.</p>	Yes	<p>The Issuer has disclosed the information in the Framework whereby KBSB will hold any unallocated proceeds in cash or cash equivalent Shariah-compliant instruments and/or invest in other Shariah-compliant marketable instruments.</p>

Item	No.	Requirement	Alignment	Comment
	GBS 4.4.5 SBS 4.4.5	The Issuer must provide to investors the annual reporting and the external review on the annual reporting, if any, through a website designated by the Issuer and/or annual reports throughout the tenure of the ASEAN Green and Social Bonds.	Yes	The allocation and impact reports will be made publicly available on KBSB's corporate website (www.kamibuilders.com).
Encourage More Frequent Reporting	GBS 4.4.1 SBS 4.4.1	Issuers must report to investors at least on an annual basis and encouraged to make more frequent reporting on the use of proceeds until full allocation, and as necessary thereafter in the event of material developments. This should include a list of the projects to which the ASEAN Green and Social Bonds proceeds have been allocated, as well as a brief description of the projects and the amounts allocated and their expected impact.	Yes	The Issuer is committed to publishing allocation and impact reporting, consolidated into a report, on an annual basis, or in a timely manner in the case of material developments, and until full allocation of net proceeds.
External Review	GBS 5.1 SBS 5.1	Issuers are recommended to appoint external review providers for their ASEAN Green and Social Bonds issuances.	Yes	The Issuer has appointed RAM Sustainability as the independent external reviewer for its Framework.
	GBS 4.2.4 SBS 4.2.4	It is recommended that the Issuer's process for project evaluation and selection be supported by an external review.	Yes	The second opinion report by RAM Sustainability covers project evaluation and selection.
	GBS 4.3.5 SBS 4.3.5	It is recommended that the Issuer's management of proceeds be supplemented by the use of an auditor, or other third party to verify the internal tracking method and the allocation of funds from the ASEAN Green and Social Bonds proceeds.	-	This is a voluntary process. The Issuer has not made any commitment to appoint auditor or other third party to verify the internal tracking method and allocation of proceeds from the SRI Sukuk Murabahah issuances.

Item	No.	Requirement	Alignment	Comment
	GBS 4.3.6 SBS 4.3.6	Where the Issuer appoints an auditor or other third party to verify the Issuer's management of proceeds, the Issuer must make the report produced by the auditor or other third party publicly available on a website designated by the Issuer at the time of issuance of the ASEAN Green and Social Bonds.	-	This is a voluntary process. The Issuer has not made any commitment to appoint an auditor or other third party to verify the internal tracking method and allocation of proceeds from the SRI Sukuk Murabahah issuances.
	GBS 4.4.4 SBS 4.4.4	It is recommended that the Issuer's annual reporting on the use of proceeds be supplemented by a confirmation of such use of proceeds by an external reviewer along with any relevant updates of the external review.	-	This is a voluntary process. The Issuer has not made any commitment to appoint an auditor or other third party to verify annual reporting on the use of SRI Sukuk Murabahah proceeds.

APPENDIX 3: ICMA EXTERNAL REVIEW FORM



Green, Social and Sustainability Bonds External Review Form

This form complements the Bond Information Template that should have been filled in by the issuer. It provides additional information on the role of the External Reviewer when assessing the issuer's sustainability framework. This form may be used or adapted, where appropriate, to summarise the scope of the review.

Section 1. Basic Information

Issuer name: Kami Builders Sdn Bhd

Bond ISIN⁹: Not available

Independent External Review provider's name: RAM Sustainability Sdn Bhd

Completion date of this form: 19 March 2026

Date of the review: 19 March 2026

Section 2. Overview

SCOPE OF REVIEW

The review:

- assessed the 4 core components of the Principles (**complete review**) and confirmed the alignment with the GBP, SBP and SBG.
- assessed only some of them (**partial review**) and confirmed the alignment with the GBP/SBP/SBG (*delete where appropriate*); please indicate which ones:
 - Use of Proceeds
 - Management of Proceeds
 - Process for Project Evaluation and Selection
 - Reporting
- assessed the alignment with other regulations or standards (CBI, EU GBS, ASEAN Green Bond Standard, ISO 14030, etc.); please indicate which ones: **SC SRI Sukuk Framework, ASEAN GBS, ASEAN SBS and ASEAN SUS**

⁹ The ISIN code is mandatory for publishing the form in the Sustainable Bond Issuers Database.

ROLE(S) OF INDEPENDENT REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input checked="" type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Does the review include a sustainability quality score¹⁰?

- | | |
|--|---|
| <input type="checkbox"/> Of the issuer | <input checked="" type="checkbox"/> Of the project |
| <input checked="" type="checkbox"/> Of the framework | <input type="checkbox"/> Other (<i>please specify</i>): |
| <input type="checkbox"/> No scoring | |

ASSESSMENT OF THE PROJECT(S)

Does the review include:

- The environmental and/or social features of the type of project(s) intended for the Use of Proceeds?
- The environmental and/or social benefits and impact targeted by the eligible Green and/or Social Project(s) financed by the Green, Social or Sustainability Bond?
- The potentially material environmental and/or social risks associated with the project(s) (where relevant)?

ISSUER'S OVERARCHING OBJECTIVES

Does the review include:

- An assessment of the issuer's overarching sustainability objectives and strategy, and the policies and/or processes towards their delivery?
- An identification and assessment of environmental, social and governance related risks of adverse impact through the Issuer's [actions] and explanations on how they are managed and mitigated by the issuer?
- A reference to the issuer's relevant regulations, standards, or frameworks for sustainability-related disclosure and reporting?

¹⁰ The external review may indicate the provider's opinion of the overall sustainability quality of a bond or bond framework and assess whether it has a meaningful impact on advancing contribution to long-term sustainable development.

CLIMATE TRANSITION STRATEGY¹¹

Does the review assess:

- The issuer's climate transition strategy & governance?
- The alignment of both the long-term and short/medium-term targets with the relevant regional, sector, or international climate scenario?
- The credibility of the issuer's climate transition strategy to reach its targets?
- The level/type of independent governance and oversight of the issuer's climate transition strategy (e.g. by independent members of the board, dedicated board sub-committees with relevant expertise, or via the submission of an issuer's climate transition strategy to shareholders' approval).
- If appropriate, the materiality of the planned transition trajectory in the context of the issuers overall business (including the relevant historical datapoints)?
- The alignment of the issuer's proposed strategy and targets with appropriate science-based targets and transition pathways ¹² that are deemed necessary to limit climate change to targeted levels?
- The comprehensiveness of the issuer's disclosure to help investors assess its performance holistically¹³?

Overall comment on this section: Not available

Section 3. Detailed Review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Does the review assess:

- the environmental/social benefits of the project(s)?
- whether those benefits are quantifiable and meaningful?
- for social projects, whether the target population is properly identified?

Does the review assess if the issuer provides clear information on:

- the estimated proceeds allocation per project category (in case of multiple projects)?
- the estimated share of financing vs. re-financing (and the related lookback period)?

¹¹ Where issuers wish to finance projects towards implementing a net zero emissions strategy aligned with the goals of the Paris Agreement, guidance on issuer level disclosures and climate transition strategies may be sought from the [Climate Transition Finance Handbook](#).

¹² GHG emissions reduction targets that are in line with the scale of reductions required to keep the average global temperature increase to ideally 1.5°C, or at the very least to well below 2°C above pre-industrial temperatures. Science Based Targets Initiative (SBTi) is a branded verification body for science-based targets and SBTi verification is one way for issuers to validate the alignment of their emission reduction trajectories with science-based reference trajectories. In addition, ICMA has published a [Methodologies Registry](#) which includes a list of tools to specifically help issuers, investors, or financial intermediaries validate their emission reduction trajectories..

¹³ Including information such as the respective contribution (e.g. %) of the different measures to the overall reduction, the total expenses associated with the plan, or the issuer's climate policy engagement.

Overall comment on this section:

Proceeds from KBSB's SRI Sukuk Murabahah under the Framework may be allocated to partially or fully finance/re-finance new and/or existing eligible projects under the following categories:

- i. Green Building
- ii. Access to Essential Services

In the immediate term, proceeds from KBSB's Tranch 1 SRI Sukuk Murabahah will be exclusively used to finance and/or refinance the development and construction of the new QIU New Campus, defrayment and reimbursement of any issuance expenses and any other eligible green, social or sustainability projects as detailed in the Framework. For refinancing eligible projects, the maximum look-back period is 6 years.

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Does the review assess:

- whether the eligibility of the project(s) is aligned with official or market-based taxonomies or recognised international standards? Please specify which ones.¹⁴
- whether the eligible projects are aligned with the overall sustainability strategy of the issuer and/or if the eligible projects are aligned with material ESG-related objectives in the issuer's industry?
- the process and governance to set the eligibility criteria including, if applicable, exclusion criteria?
- the processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s)?
- any process in place to identify mitigants to known material risks of negative social and/or environmental impacts from the relevant project(s)?

Overall comment on this section:

The Framework outlines the Issuer's evaluation and selection process for eligible projects, ensuring that chosen activities meet eligibility criteria.

¹⁴ The EU Taxonomy, CBI Taxonomy, UK Taxonomy, China catalogue, etc.

3. MANAGEMENT OF PROCEEDS

Does the review assess:

- the issuer's policy for segregating or tracking the proceeds in an appropriate manner?
- the intended types of temporary investment instruments for unallocated proceeds?
- Whether an external auditor will verify the internal tracking of the proceeds and the allocation of the funds?

Overall comment on this section:

KBSB will hold any unallocated proceeds in the relevant Designated Accounts which can be used for Permitted Investment.

4. REPORTING

Does the review assess:

- the expected type of allocation and impact reporting (bond-by-bond or on a portfolio basis)?
- the frequency and the means of disclosure?
- the disclosure of the methodology of the expected or achieved impact of the financed project(s)?

Overall comment on this section:

The Issuer is committed to publishing allocation and impact reporting, consolidated into a report, on an annual basis, or in a timely manner in the case of material developments, and until full allocation of net proceeds. The allocation and impact reports will be made publicly available on KBSB's corporate website (www.kamibuilders.com).

Section 4. Additional Information

Useful links (e.g. to the external review provider's methodology or credentials, to the full review, to issuer's documentation, etc.)

The allocation and impact reports, along with the Framework and second opinion report, will be made publicly available on KBSB's corporate website (www.kamibuilders.com).

The Second Opinion Report will also be available on RAM Sustainability's website (<https://www.ram.com.my/sustainability>).

Analysis of the contribution of the project(s) to UN Sustainable Development Goals:

Additional assessment in relation to the issuer/bond framework/eligible project(s):

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP

- 1) **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- 2) **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- 3) **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- 4) **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

ABOUT RAM SUSTAINABILITY

RAM Sustainability is a provider of sustainability services and ESG analytics. Incorporated on 31 May 2000, RAM Sustainability is a wholly owned subsidiary of RAM Holdings Berhad (RAM Group). RAM Sustainability is the first ASEAN-based provider of ESG ratings and second opinions and has the distinction of being the first Registered Observer of ICMA's Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and Sustainability-Linked Bond Principles in ASEAN. It was a member of ICMA's Advisory Council to the Green Bond Principle and Social Bond Principle Executive Committee for three consecutive terms. For further details, please refer to <https://www.ram.com.my/sustainability>.

About RAM Group

The RAM Group, formerly known as Rating Agency Malaysia Berhad, is a leading provider of independent credit ratings, research, training, risk analysis and bond pricing. Established in November 1990 as Malaysia's first credit rating agency, RAM Group transferred its rating operations to RAM Rating Services Berhad (RAM Ratings) on 1 July 2007. RAM Ratings is a wholly owned subsidiary of the Group.

As the largest credit rating agency in Malaysia and ASEAN, RAM Ratings has assessed over USD 480 billion in bonds from more than 750 entities. Its diverse portfolio includes corporates, sovereign nations, financial institutions, insurance companies, project finance and structured finance obligations. Renowned for rating Islamic securities (sukuk), RAM Ratings has won numerous awards in this arena, including the GIFA Power Award (Islamic Rating) at the Global Islamic Finance Awards (GIFA) in 2021, 2022, and 2023, and The Best Islamic Rating Agency (Malaysia) award at The Asset Triple A Islamic Finance Awards 2022. It recently received FocusEconomics Analyst Forecast Awards for first place in Interest Rate Forecasting and second in Inflation Rate Forecasting.

On 26 May 2016, RAM Ratings joined the United Nations-supported Principles for Responsible Investment's Statement on ESG in Credit Ratings, committing to a systematic incorporation of ESG into credit ratings. RAM Group became a member of the United Nations Global Compact on 9 April 2024, reinforcing its dedication to sustainability and corporate responsibility.

RAM Solutions Sdn Bhd, effective from 1 March 2023, integrated sustainability solutions into its credit opinion business, operating independently of external reviewers. Another subsidiary, Bond Pricing Agency Malaysia Sdn Bhd, is the sole provider of bond-pricing and valuation data on the Malaysian bond market.

Bursa Malaysia RAM Capital Sdn Bhd (BR Capital), incorporated on 27 December 2022 as a joint venture between Bursa Malaysia Berhad (51%) and RAM Holdings Berhad (49%), is a recognised market operator registered with the Securities Commission Malaysia. BR Capital operates a digital platform that allows eligible issuers to raise debt financing through the issuance of investment notes.

For further details, go to <https://www.ram.com.my>.



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