

NESTCON BERHAD (“NESTCON” OR “COMPANY”)

(I) PROPOSED ACQUISITION; AND

(II) PROPOSED DIVERSIFICATION

(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)

1. INTRODUCTION

On behalf of the Board of Directors of Nestcon (“**Board**”), Apex Securities Berhad (“**Apex Securities**”) wishes to announce that the Company proposes to undertake the following:

- (i) proposed acquisition by Nestcon Iskandar Puteri Sdn. Bhd. (“**Nestcon Iskandar**” or “**Purchaser**”), an indirect 70%-owned subsidiary of Nestcon, of 3 parcels of land held under the following land titles:

- (a) H.S.(D) 593419, PTD 212929 (“**Plot F**”),
(b) H.S.(D) 593420, PTD 212928 (“**Plot G**”), and
(c) H.S.(D) 593421, PTD 212927 (“**Plot H**”)

all located in Mukim Pulai, Daerah Johor Bahru, Johor Darul Ta’zim, with a total land area of approximately 33,782.284 square metre (“**sq m**”) from KLG Iskandar Puteri Sdn. Bhd. (“**KLG Iskandar**” or “**Vendor**”) for a total purchase consideration of RM95.00 million (“**Proposed Acquisition**”); and

- (ii) proposed diversification of the existing business of Nestcon and its subsidiaries (“**Nestcon Group**” or “**Group**”) to include property development (“**Proposed Diversification**”).

Plot F, Plot G and Plot H are collectively referred to as “**Lands**”.

Further details on the Proposals are set out in the ensuing sections.

2. DETAILS OF THE PROPOSED ACQUISITION

On 10 April 2026, Nestcon Iskandar had entered into a conditional sale and purchase agreement (“**SPA**”) with KLG Iskandar to acquire the Lands for a total purchase consideration of RM95.00 million (“**Purchase Consideration**”) as detailed below:

Lands	Land area (sq m)	Purchase Consideration (RM’000)
Plot F	16,437.495	47,000
Plot G	9,891.842	28,000
Plot H	7,452.947	20,000
Total	33,782.284	95,000

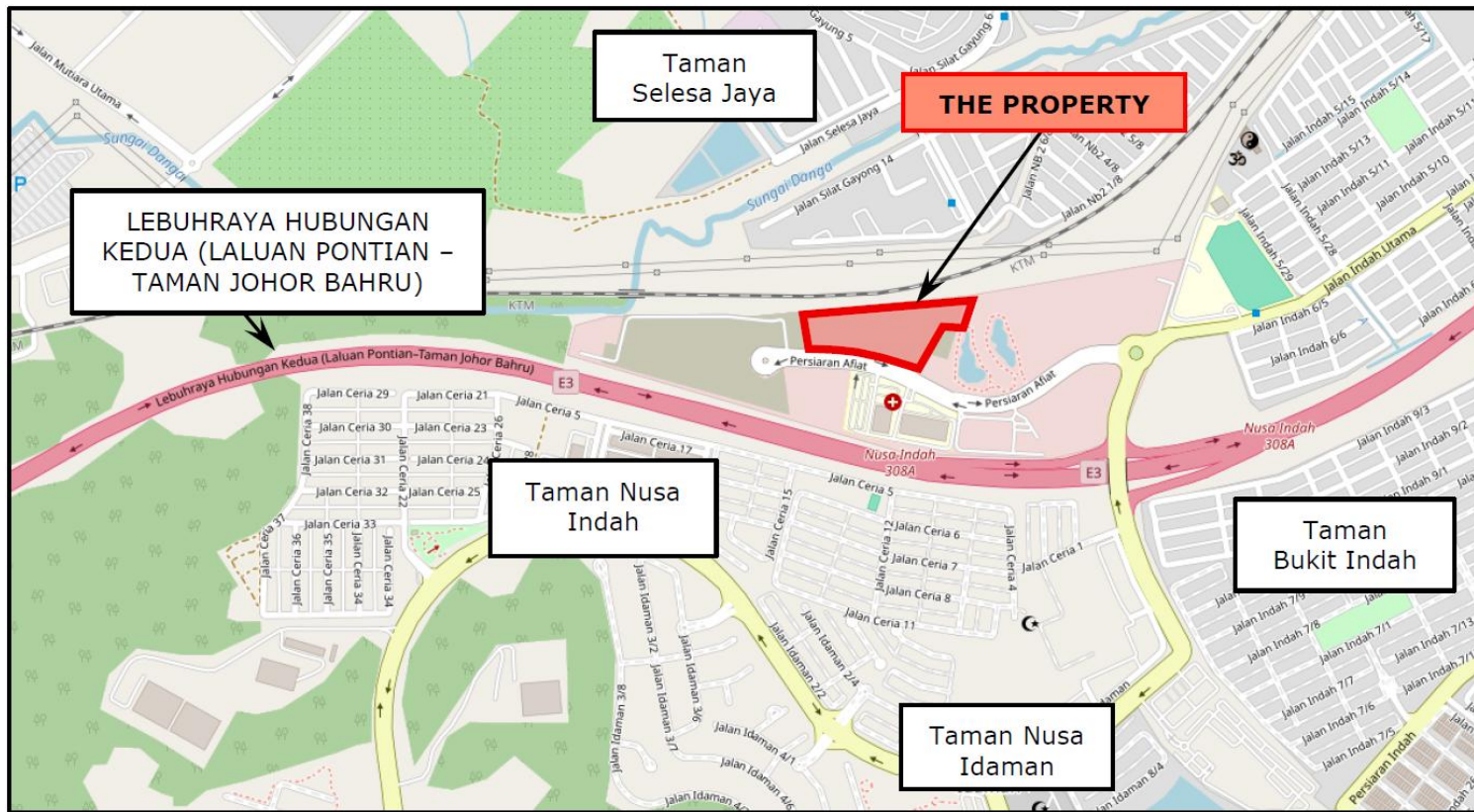
Pursuant to the SPA, Nestcon Iskandar is acquiring the Lands from KLG Iskandar on an “as is where is” basis, free from all encumbrances with vacant possession and are further subject to the terms and conditions of the SPA. The salient terms of the SPA are set out in **Appendix I** of this announcement.

Upon completion of the Proposed Acquisition, Nestcon Iskandar will become the registered owner of the Lands.

2.1 Information on the Lands

The Lands are located along Jalan Persiaran Afiat, Taman Kesihatan Afiat, in the Mukim of Pulai, Daerah Johor Bahru, Johor Darul Ta'zim. It lies off the north side of Lebuhraya Hubungan Kedua (Laluan Pontian – Taman Johor Bahru) at about 14.5 kilometres north-west of the City Centre of Johor Bahru. The Lands are located within the Iskandar Puteri locality of Johor Bahru in close proximity to Bukit Indah, a suburban township. The neighbourhood of the Lands is a mature and established area consisting mostly of township and residential development schemes interspersed with commercial elements catering to the residential population.

The location of the Lands is illustrated in the map below:



(Source: Valuation Report)

The details of the Lands are as follows:

Lands	Plot F	Plot G	Plot H
Mukim / District / State	Mukim Pulai, Daerah Johor Bahru, Johor Darul Ta'zim		
Title description	H.S.(D) 593419, PTD 212929	H.S.(D) 593420, PTD 212928	H.S.(D) 593421, PTD 212927
Land area	16,437.495 sq m (4.062 acres)	9,891.842 sq m (2.444 acres)	7,452.947 sq m (1.842 acres)
Tenure	Freehold		
Category of land use	Building		
Registered owner	KLG Iskandar		
Existing use	Vacant parcel of land with approved plot ratio of 1:6		
Encumbrances	Unencumbered		
Express condition	<ul style="list-style-type: none"> (i) This land shall be used as a multi-storey buildings for commercial purposes (business complex, offices, exhibition centre) and related activities, to be constructed in accordance with plans approved by the relevant local authority. (ii) All waste and pollution resulting from these activities must be channelled to designated locations as determined by the relevant authority. (iii) All policies and conditions imposed and enforced from time to time by the relevant authority must be strictly complied with. 		
Restrictions-in-interest	<ul style="list-style-type: none"> (i) The landowner is prohibited from offering or selling any building units (parcels) on this land until construction has commenced in accordance with plans approved by the relevant local authority. (ii) Any building parcel erected on this land, once transferred to a Bumiputera individual or Bumiputera company, shall not thereafter be sold, leased, or transferred in any manner whatsoever to a non-Bumiputera individual or non-Bumiputera company without the prior consent of the state authority. (iii) Any building parcel erected on this land shall not be sold or transferred in any manner whatsoever to non-citizens or foreign companies without the prior consent of the state authority. 		

Lands	Plot F	Plot G	Plot H
Audited net book value as at 31 December 2024	RM13.27 million	RM7.99 million	RM6.02 million
Valuer	Khong & Jaafar Sdn. Bhd. (“ KJSB ”)		
Date of valuation	12 March 2026		
Market value	RM95.00 million		
Method of valuation	Market/Comparison Approach and Income Approach (Discounted Cash Flow Methodology)		

Upon the completion of the Proposed Acquisition, barring any unforeseen circumstances, Nestcon Iskandar intends to undertake a mixed commercial and residential development comprising serviced apartments and retail units on the Lands (“**Development Project**”). The details of the Development Project are set out in Section 5.5 of this announcement.

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2.2 Basis and justification of arriving at the Purchase Consideration

The Purchase Consideration of RM95.00 million was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the following:

- (i) the market value of the Lands of RM95.00 million as appraised by KJSB vide its valuation report dated 10 April 2026 using the Market/Comparison Approach as primary approach and Income Approach (Discounted Cash Flow Methodology) to cross check against the primary approach (“**Valuation Report**”);
- (ii) the rationale for the Proposed Acquisition as set out in Section 4.1 of this announcement; and
- (iii) the Development Project as set out in Section 5.5 of this announcement.

Premised on the above, the Board is of the view that the Purchase Consideration is justifiable.

2.3 Mode of satisfaction of the Purchase Consideration

Pursuant to the terms of the SPA, the Purchase Consideration to be paid to KLG Iskandar will be satisfied entirely via cash in the following manner:

Timing of settlement	RM'000	%
(i) Deposit		
<u>Earnest Deposit</u> The Purchaser has paid the earnest deposit to the Vendor prior to the execution of the SPA.	3,500	3.68
<u>Balance Deposit</u> To be paid to the Vendor's solicitor as stakeholder upon the SPA becoming unconditional on the Unconditional Date (as defined in Appendix I of this announcement).	6,000	6.32
(ii) Balance Purchase Consideration	85,500	90.00
To be paid to the Vendor's solicitor as stakeholder within 3 months after the SPA becomes unconditional on the Unconditional Date, and the aforesaid period shall be automatically extended by a further 2 months from the expiry date stated above.		
Total	95,000	100.00

Further details on the mode of satisfaction of Purchase Consideration are set out in Section 3 and 4 of Appendix I of this announcement.

2.4 Information on Nestcon Iskandar

Nestcon Iskandar is a 70%-owned subsidiary of Nestcon Property Sdn. Bhd. (“**Nestcon Property**”), which is in turn a wholly-owned subsidiary of Nestcon. Nestcon Iskandar is a private limited company incorporated in Malaysia on 7 January 2025 under the Companies Act 2016. The principal activity of Nestcon Iskandar is to carry out property development and management.

As at 3 April 2026, being the latest practicable date prior to this announcement (“**LPD**”), Nestcon Iskandar’s has an issued share capital of RM1,000.00 comprising 1,000 ordinary shares. The directors and shareholders of Nestcon Iskandar and their respective shareholdings are as follows:

Name	Designation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Ong Yong Chuan	Director	-	-	-	-
Lim Joo Seng	Director	-	-	-	-
Lim Aik Hoe	Shareholder	150	15.00	-	-
Lim Aik Kiat	Shareholder	150	15.00	-	-
Nestcon Property	Shareholder	700	70.00	-	-
Total		1,000	100.00	-	-

As at the LPD, Nestcon Iskandar does not have any subsidiaries, joint ventures, or associated companies.

2.5 Information on KLG Iskandar

KLG Iskandar is a private limited company incorporated in Malaysia on 22 March 2024 under Companies Act 2016. The principal activity of KLG Iskandar is to carry out property development business.

As at the LPD, KLG Iskandar has an issued share capital of RM2.00 comprising 2 ordinary shares. The directors and shareholders of KLG Iskandar and their respective shareholdings are as follows:

Name	Designation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Chong Ngun Kin	Director and Shareholder	1	50.00	-	-
Lee Siang Huat	Director and Shareholder	1	50.00	-	-
Total		2	100.00	-	-

As at the LPD, KLG Iskandar does not have any subsidiaries, joint ventures, or associated companies.

2.6 Source of funding

The Purchase Consideration will be funded via a combination of internally generated funds and/or bank borrowings, the proportion of which will be determined at a later date after taking into consideration, among others, the gearing level, interest costs and internal cash requirements of Nestcon Group.

2.7 Liabilities to be assumed

Save for the bank borrowings that may be obtained to fund the Proposed Acquisition and the obligations and liabilities arising from or in connection with the SPA pursuant to the Proposed Acquisition and the Development Project, there are no other liabilities, including contingent liabilities or guarantees, expected to be assumed by and/or that may remain with the Group arising from the Proposed Acquisition.

2.8 Additional financial commitment

Save for the Purchase Consideration and the estimated gross development cost (“**GDC**”) of approximately RM1.03 billion in relation to the Development Project as set out in Section 5.5 of this announcement, there is no additional financial commitment expected to be incurred by the Group pursuant to the Proposed Acquisition.

The Board intends to fund the estimated GDC for the Development Project of approximately RM1.03 billion through a combination of internally generated funds and/or bank borrowings. The breakdown of such funding is yet to be determined at this juncture as it will depend on, amongst others, the level of the Group’s internal funds, availability and suitability of funding alternatives at the relevant time.

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3. DETAILS OF THE PROPOSED DIVERSIFICATION

Presently, the Group is principally engaged in

- (i) provision of construction services for building and infrastructure (“**Building and Infrastructure**”); and
- (ii) engineering, procurement, construction and commissioning (“**EPCC**”) of solar photovoltaic (“**PV**”) systems, project management of renewable energy activities, as well as owning and operating solar PV assets (“**Renewable Energy Business**”).

At this juncture, the Group has not undertaken any property development activities. The Proposed Acquisition represents an opportunity for the Group to venture into property development business as it provides the Group with an opportunity to diversify its earnings base.

The key financial performance of the Group for the past 3 financial years up to the financial year ended (“**FYE**”) 31 December 2024 and the latest unaudited financial results for FYE 31 December 2025 are as follows:

	Audited			Unaudited
	FYE 31 December 2022	FYE 31 December 2023	FYE 31 December 2024	FYE 31 December 2025
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Building and Infrastructure	454,869	759,205	820,867	710,926
- Renewable Energy Business	6,649	15,941	17,265	12,827
Total	461,518	775,146	838,132	723,753
(Loss)/Profit after tax attributable to the owners of the Company				
- Building and Infrastructure	(15,090)	3,310	6,621	11,356
- Renewable Energy Business	(258)	182	1,238	133
	(15,348)	3,492	7,859	11,489

Based on the above, the Building and Infrastructure segment has been the primary revenue driver for the Group, recording a consistent year-on-year increase from FYE 31 December 2022 to FYE 31 December 2024.

The Group's revenue recorded an increase of RM62.98 million or 8.12% from RM775.15 million in FYE 31 December 2023 to RM838.13 million in FYE 31 December 2024. This growth was primarily driven by the Building and Infrastructure segment, mainly due to higher level of construction activities and commencement of new construction projects in FYE 31 December 2024.

For FYE 31 December 2025, the Group recorded a revenue of RM723.75 million, a decrease of RM114.38 million or 13.65% compared to RM838.13 million in FYE 31 December 2024. The lower revenue was mainly attributable to the completion of several construction contracts, which resulted in reduced construction activities in FYE 31 December 2025.

As at the LPD, the Group's unbilled contract value for its construction projects under the Building and Infrastructure segment is approximately RM1.48 billion, which is expected to be recognised up to FYE 2028 based on expected progress. Several of the Group's existing construction projects are as follows:

Project name/ Location	Description	Estimated completion date	Contract value RM'000	Total value completed as at the LPD RM'000	Estimated value of unbilled order book RM'000
Building segment					
Kuchai Sentral Phase 2 Project/ Kuchai Lama	Construction of 1 block of 30-storey and 1 block of 34-storey apartment suites with other relevant facilities	2 November 2026	241,370	146,810	94,560
Ashwood Project/ Kuala Lumpur	Construction of 1 block of 49-storey condominiums and 1 block of 7-storey villas with other relevant facilities	28 May 2028	228,300	26,162	202,138
99 Legend Project/ Kuala Lumpur	Construction of 1 block of 57-storey and 1 block of 51-storey apartment suites with other relevant facilities	14 September 2028	355,000	5,512	349,488
Civil engineering and infrastructure segment					
Iskandar Project/ Johor Bahru	Earthwork and main infrastructure work for Wawari phase 1 township development	30 August 2026	79,500	64,930	14,570
Beringin Project/ Hulu Selangor	Earthwork and infrastructure work for Beringin High-Tech Auto Valley ecosystem phase 1 integrated automotive township development	18 November 2026	173,980	69,301	104,679

With regards to the Group's Renewable Energy Business, the Group has been actively participating in tenders for EPCC of solar PV systems projects. As at the LPD, the Group's unbilled contract value for its EPCC of solar PV systems projects is approximately RM22.43 million which is expected to be recognised in FYE 2026. The details of the Group's key substantial EPCC of solar PV systems projects are as follows:

Project Description	Built capacity	Estimated completion date	Contract value RM'000	Balance contract value as at the LPD RM'000
Design, engineering, procurement, construction, installation, testing and commissioning for the development of floating solar plant at Tanjung Dua Belas, Kuala Langat	15MWp	31 December 2026	45,920	10,068

Taking into consideration that the Development Project could potentially contribute an estimated gross development profit ("**GDP**") of RM336.97 million to the Group (as set out in Section 5.5) as well as the Group's financial performance as stated above, the Board (save for Datuk Ir. Dr. Lim Jee Gin ("**Datuk Ir. Dr. Lim**") anticipates that, barring any unforeseen circumstances, the Group's property development business may contribute 25% or more of the net profits of the Group and/or result in a diversion of 25% or more of the Group's net assets ("**NA**") in the future as the Group will continue to identify and secure additional projects to further expand the property development business in the long term.

In view of the above, the Board proposes to seek approval from the shareholders of Nestcon for the Proposed Diversification pursuant to Rule 10.13(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), at an extraordinary general meeting ("**EGM**") to be convened.

Notwithstanding the Proposed Diversification, the Board will continue with the existing businesses of the Group in the same manner. The Board will continuously review the Group's business operations from time to time with the intention to improve the Group's financial performance and position.

3.1 Key management personnels

The Group has identified the following key management personnels to spearhead and oversee the operations of the Group's property development business. For avoidance of doubt, Datuk Ir. Dr. Lim, being the Group Managing Director of Nestcon, will not be involved in the operations of the Group's property development business in view of his interest in other property development business activities.

The profiles of the key management personnels are set out below:

(i) Ong Yong Chuan

Ong Yong Chuan, a Malaysian male aged 51, is the Group's Executive Director. He graduated with a Bachelor of Engineering (Civil) (Hons) from Universiti Putra Malaysia in 1999.

He began his industrial training as a Site Engineer with Pembinaan Puncak Cergas Sdn. Bhd. in 1998 where he was involved in the planning, managing, executing and supervising of construction of schools using pre-cast components in Negeri Sembilan. He left to join Danau Reka Sdn. Bhd. in 2002 as a Project Engineer where he was involved in managing and supervising building construction projects up to his departure in 2006.

In 2007, he joined Baxtium Construction Sdn. Bhd. as a Director and shareholder where he was responsible for the overall planning and business development activities for the company. He was also responsible for managing and supervising the company's building construction works to ensure compliance with customers' requirements, in addition to fulfilling the project requirement in terms of quality, time and cost of projects.

In 2013, he co-founded Nestcon Builders Sdn. Bhd. (a wholly-owned subsidiary of Nestcon) ("**Nestcon Builders**") to venture into the provision of building construction services. In 2014, he left Baxtium Construction Sdn. Bhd. and joined Nestcon Builders as a Director.

(ii) Lim Joo Seng

Lim Joo Seng, a Malaysian female aged 52, is the Group's Finance Director. She obtained her Bachelor of Commerce (Accounting) from Macquarie University in Sydney, Australia in 1998. She is a member of Certified Public Accountants of Australia and Malaysian Institute of Accountants, both since 2003.

Upon graduation, she started her career in 1999 as a Tax Assistant in Sekhar & Tan, where she was involved in preparation of tax returns for clients. In 2000, she joined Deloitte KassimChan as an Audit Senior, where she was involved in statutory audits for clients in various industries as well as special assignments relating to listing exercises and mergers and acquisitions. In 2004, she left the firm and joined Eversafe Engineering Sdn. Bhd. as Finance Manager and was responsible for the company's financial reporting and accounting matters.

In 2005, she left the company and joined Deloitte Touche Tohmatsu CPA Ltd as a Manager based in China and was responsible for leading, managing and coordinating audit engagements with clients from various industries. She was also involved in special assignments related to listing and financial due diligence. In 2010, she left and joined XinRen Aluminium Holdings Limited as a Chief Financial Officer, where she was responsible for overseeing its restructuring exercise and preparation of its listing in Singapore. She was also responsible for managing, coordinating and monitoring the company's projects from acquisitions of strategic companies to external funding exercises.

In 2017, she left XinRen Aluminium Holdings Limited and started providing financial advisory services on a freelance basis. She ceased providing financial advisory services on a freelance basis in 2019 prior to joining the Group in her current position in December 2019 and is mainly responsible for the Group's financial functions, which include financial planning, reviewing and reporting.

As at the LPD, she is the Independent Non-Executive Director for KGW Group Berhad (a company listed on the ACE Market of Bursa Securities) and Nexion Technologies Limited (a company listed on the Hong Kong Stock Exchange).

Moving forward, upon the successful establishment of the property development business, the Board intends to appoint additional personnel to assist the aforesaid key management personnel to manage the property development business. The recruitment plan will depend on the size and requirements of the future development projects to be undertaken by the Group and the availability of suitable candidates.

4. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS

4.1 Proposed Acquisition

Nestcon Group is principally engaged in Building and Infrastructure and Renewable Energy Business. The Proposed Acquisition provides an opportunity for the Group to venture into property development through the Development Project.

The Development Project is expected to contribute positively to the financial performance of the Group after taking into consideration the estimated GDP of the Development Project of RM336.97 million. Additionally, the Group will continue to seek further opportunities by exploring viable joint ventures and/or property development projects as part of its plan to expand its revenue stream to include property development activities.

Based on the above, the Board believes that the Proposed Acquisition will facilitate the Group's objective to venture into the property development via the Development Project in order to provide alternative revenue source to reduce the Group's dependence on its existing business segments.

4.2 Proposed Diversification

In conjunction with the Proposed Acquisition, the approval from the shareholders of Nestcon will be required pursuant to Rule 10.13(1) of the Listing Requirements for the Proposed Diversification as the Group is currently not principally involved in the property development business.

Moving forward, apart from the Development Project, the Group may also undertake other property development projects as and when the opportunities arise. In turn, property development activities are expected to contribute positively to the future earnings of the Group, premised on the prospects of the property market in Malaysia as set out in Section 5.3.

Further to the above, due to certain similarities in the nature of the property development business and the Group's existing Building and Infrastructure segment, there may be synergies to be derived in the form of potential sharing of resources (e.g. manpower, machinery and equipment) as well as technical knowledge and/or experience (e.g. in the building and construction field).

In view of the above, the Board believes that the diversification of the Group's existing business activities to include property development segment is expected to enhance the Group's prospect moving forward.

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5. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS OF THE GROUP

5.1 Overview and outlook of the Malaysian economy

Global gross domestic product (GDP) growth is projected at 3% in 2025 and 3.1% in 2026, contributed by stronger trade activity in first half of 2025, easing global financial conditions, and targeted fiscal measures in several large economies. Nonetheless, the pace of expansion remains below the pre-pandemic average of 3.7%, highlighting a recovery that is steady yet remains exposed to risks. In 2026, Malaysia's economy is projected to expand between 4% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored by private consumption, boosted by the implementation of the salary adjustment under Phase 2 of the Public Service Remuneration System, continuation of targeted assistance programmes and robust tourism activities in conjunction with Visit Malaysia 2026 ("VM2026").

In addition, strong investment performance will be supported by higher capital expenditures, particularly in high impact strategic sectors. The services and manufacturing will remain key drivers of growth, complemented by sustained construction and agriculture sectors. Malaysia's economy remains strong, having grown by a steady 4.4% in the first six months of the year. Growth is projected to continue within the range of 4% – 4.8% in 2025 and 4% – 4.5% in 2026. These projections are consistent with the International Monetary Fund in the World Economic Outlook Update, July 2025, which forecasts Malaysia's growth at 4.5% for 2025 and 4% for 2026. The growth will mainly be underpinned by strong domestic demand, moderate inflation, favourable labour market and proactive policies undertaken by the Government. The performance will also be supported by the ASEAN-Malaysia Chairmanship 2025 and VM2026. The economy continues to be steered by the Ekonomi MADANI framework and the Government remains committed to positioning Malaysia as an attractive destination for quality investments. At the same time, ongoing improvements in the wage-setting mechanism and rising business efficiency are expected to strengthen the wage structure, thus contributing to a higher labour income share.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

5.2 Overview and outlook of the construction industry in Malaysia

The construction sector expanded strongly by 13.1% in the first half of 2025, supported by solid performance across all subsectors. The non-residential buildings subsector recorded robust expansion, driven by acceleration and realisation of private investment in industrial facilities, commercial complexes and data centres, reflecting sustained business activities and rising digitalisation. The residential buildings subsector also posted a steady growth, supported by continued demand for affordable housing and government initiatives to promote home ownership. In addition, the specialised construction activities subsector recorded stable growth, driven by telecommunications infrastructure projects and coastal reclamation activities. The civil engineering subsector sustained its positive performance, underpinned by ongoing works on infrastructure projects, such as the Pan Borneo Highway Sabah and Rapid Transit System Link (RTS Link).

For the rest of 2025, the sector is expected to grow by 7.3%. The civil engineering subsector is anticipated to expand, supported by continued rollout of large-scale public infrastructure projects towards the end of the Twelfth Malaysia Plan, 2021–2025 (Twelfth Plan) period. Ongoing projects, including the Sarawak Sabah Link Road (SSLR), will continue to drive momentum in the subsector. The non-residential buildings subsector will continue to gain from investment in commercial and industrial facilities, including data centre development in Johor and Selangor. In addition, the residential buildings subsector growth is expected to be bolstered by new launches in the affordable and mid-market housing as well as integrated township development in key growth corridors amid favourable financing conditions. Overall, the construction sector is projected to record a steady growth of 10.1% for 2025.

The construction sector is expected to remain stable in 2026 by recording a growth of 6.1%, underpinned by positive performance across all subsectors. The realisation of approved strategic investments under national policies and commencement of projects under the Thirteenth Plan will further support the sector's performance. Within the subsectors, major infrastructure and utilities development such as LRT Mutiara Line, HHFS and ASEAN Power Grid will steer the civil engineering subsector's performance. In addition, the non-residential buildings subsector is anticipated to be driven by sustained demand for industrial facilities, logistics hubs and data centres, in line with the expansion of high technologies as well as digitalisation. Meanwhile, the residential buildings subsector is expected to benefit from government-led affordable housing programmes and targeted home ownership initiatives supported by policy measures under the Thirteenth Plan as well as new projects by private sectors. On the other hand, specialised construction activities subsector is projected to grow in tandem with other subsectors' performance, supported by sustained demand for site preparation, mechanical and electricals, as well as finishing works.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

5.3 Overview and outlook of the property development in Malaysia

The property sector in Malaysia remained resilient in 2025 with moderate market activity in all subsectors, recording a total volume of 416,413 transactions with a value of about RM241.87 billion. The property market was supported by Malaysia's strong economic growth and the implementation of the New Industrial Master Plan 2030, National Energy Transition Roadmap, 13 Malaysia Plan and Budget 2025.

With respect to commercial properties, a total of 46,649 transactions worth RM58.7 billion were recorded in 2025, indicating a marginal 1.44% increase in volume and a corresponding 1.19% increase in value as compared to the previous year, 2024.

The commercial subsector was supported by selective market activity, particularly for well-located commercial land parcels. The MADANI Economic Framework, which focuses on restructuring Malaysia's economic agenda together with key policy initiatives, has contributed to improved business sentiment and supported the commercial property market.

The commercial sector remains resilient, with price appreciation observed in certain locations. This trend is primarily attributed to sustained demand for retail, service-oriented and mixed-use commercial spaces, supported by urbanisation, population catchment growth and evolving consumer and business activities.

Furthermore, the expansion of data centres has contributed to the commercial land market, as certain commercial-zoned parcels are permitted for the development and operation of data centre facilities, thereby supporting demand for strategically located commercial land.

The property market performance is expected to be in line with the moderate economic growth projected for 2026 given the unpredictable external environment, global economic challenges, domestic demand uncertainties, stable price movement and moderate construction activity. Notwithstanding this, the accommodative policies, continuous government support, well execution of all planned measures outlined in the Budget 2026, and the coordinated implementation of strategies and initiatives under the 13th Malaysia Plan (2026 to 2030), Budget 2026 as well as other roadmaps and plans are expected to remain supportive of the property sector.

(Source: Valuation Report)

5.4 Prospect of the Group

The Malaysian construction industry is expected to maintain steady growth, supported by continued demand from public infrastructure projects and private sector developments, with government initiatives in the industrial, transportation and energy sectors providing a supportive project pipeline.

Nonetheless, the operating environment remains challenging due to higher construction and transportation costs, as well as the expanded service tax regime implemented on 1 July 2025, which may impact project costs, cash flow and margins, particularly for fixed-price contracts. The Group has implemented mitigation measures, including incorporating tax pass-through and price escalation clauses in new contracts, strengthening cash-flow management, and leveraging available exemptions and relief measures.

Operationally, the Group recorded improved earnings during the financial year. Barring any unforeseen circumstances, the Group remains cautiously optimistic, supported by disciplined tender selection, prudent cost management and operational efficiency.

In late February 2026, the United States and Israel launched joint military strikes on Iran, which escalated a wider regional war with global economic implications. This conflict has triggered significant volatility in oil prices and supply chains, posing additional cost pressures on Malaysia's construction and property development business. The construction costs are estimated to rise significantly due to the Iran war's impact on global energy prices and supply chains. The building material cost also expected to increase by at least 5% to 15%. The higher cost environment and supply chain uncertainties are expected to challenge project execution timelines and elevate risks within the construction sector.

In this challenging landscape, the Proposed Acquisition represents a deliberate and strategic move to diversify the Group's business portfolio, enabling the Group to capture value across the construction and property development value chain while broadening its revenue base.

Moving forward, upon the completion of the Proposals, the Group expects to establish property development as a new and complementary core business segment, leveraging its established track record and in-house construction expertise through Nestcon Builders to deliver quality development projects in a cost-efficient and timely manner.

Premised on the above, and after taking into consideration the prospects of the Malaysian economy, construction industry and property development industry as set out above, the Board remains cautiously optimistic that, barring any unforeseen circumstances, the Group's existing construction business, Renewable Energy Business and the new property development business are expected to contribute positively to the Group's revenue and earnings, as well as enhance the Company's shareholders' value in the future.

(Source: Management of Nestcon)

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5.5 Prospects of the Lands

Upon the completion of the Proposed Acquisition, Nestcon Iskandar intends to undertake the Development Project on the Lands.

The details of the Development Project are as follows:

Lands	Plot F (Phase 1)	Plot G and Plot H (Phase 2)
Type of development	Mixed commercial and residential development comprising approximately 1,231 units of serviced apartments across two towers and 12 retail units	Mixed commercial and residential development comprising approximately 1,324 units of serviced apartments across two towers and 12 retail units
Estimated gross development value (“ GDV ”) ⁽¹⁾	RM650.95 million	RM720.20 million
GDC ⁽²⁾	RM494.45 million	RM539.63 million
Targeted launch date	First quarter of 2027	First quarter of 2028
Targeted commencement date of construction	Second quarter of 2027	Second quarter of 2028
Targeted completion date	First quarter of 2031	First quarter of 2032
Status of approvals for development	<p>The development proposal was initially approved by the Development Planning Department of Iskandar Puteri City Council for a commercial development with a permissible plot ratio of 1:4 in accordance with the Approved Master Layout Plan for the Lands dated 20 February 2019.</p> <p>An approval-in-principle for variation in activity from a multi-storey commercial building to a serviced apartment development for sale with an increased plot ratio of 1:6 was granted by Service Apartment Committee at a meeting on 7 August 2025 and conveyed by Town and Country Planning Department of Johor on 12 August 2025.</p> <p>Pursuant to this, the development proposal was then forwarded and approved by Johor State Planning Committee at a meeting on 28 August 2025 and this approval was conveyed by Johor State Town and Country Planning Department vide a letter dated 4 September 2025.</p>	

Notes:

- (1) The estimated GDV for the Development Project based on the feasibility study prepared by the Management of Nestcon is as follows:

Description	No. of units	Size per unit (sq.ft)	Price per unit		Total Price
			RM psf	RM/ unit	RM million
Phase 1					
Tower A					
Type A	246	711	634	450,138	110.73
Type B	279	970	581	563,208	157.14
Type C	62	1,140	567	645,997	40.05
Retails (Tower A + B)	12	1,030	734	756,033	9.07
Tower B					
Type A	304	711	634	450,138	136.84
Type B	272	970	581	563,208	153.19
Type C	68	1,140	567	645,997	43.93
Subtotal for Phase 1	1,243				650.95
Phase 2					
Tower C					
Type A	403	711	656	465,842	187.73
Type B	215	970	605	586,551	126.11
Type C	62	1,140	590	672,730	41.71
Retails (Tower C + D)	12	1,025	787	806,509	9.68
Tower D					
Type A	238	711	656	465,842	110.87
Type B	338	970	605	586,551	198.25
Type C	68	1,140	590	672,730	45.75
Subtotal for Phase 2	1,336				720.10
Total for Phase 1 and Phase 2	2,579				1,371.05

- (2) The estimated GDC for the Development Project provided by the Management of Nestcon is as follows:

Description	Phase 1 (RM' million)	Phase 2 (RM' million)	Total (RM' million)
Land cost	47.47	48.48	95.95
Construction cost (including site preparation and foundation works, building construction works, mechanical and electrical works and external infrastructure works)	311.52	343.00	654.52
Development cost (including statutory payment, professional fees, and sales and marketing expenses)	135.46	148.15	283.61
Total	494.45	539.63	1,034.08

(Source: Management of Neston)

6. RISK FACTORS

Save as disclosed below, the Board does not foresee any other material risk arising from the Proposals:

(i) Non-completion risk

The Proposed Acquisition is conditional upon the fulfilment of all conditions precedent as set out in the SPA, the salient terms of which are set out in Appendix I of this announcement. There is no assurance that the Company will be able to obtain all requisite approvals nor ensure that all parties to the SPA will fulfil their respective obligations prescribed therein. In the event that any of the conditions precedent set out in the SPA are not fulfilled within the stipulated period, the SPA may be terminated, and accordingly, the Proposed Acquisition will not be completed. As a result, the potential benefits arising from the Proposed Acquisition will not be materialised.

Notwithstanding the above, the Board will take all reasonable steps to facilitate the completion of the Proposed Acquisition, including ensuring that all conditions of the SPA which are within the Group's control are fulfilled in a timely manner.

(ii) Financing risk

Nestcon Group may be seeking external financing to fund the Proposed Acquisition and Development Projects. Its ability to obtain external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, or any restrictions imposed by the Malaysian government as well as the political, social and economic conditions in Malaysia. The Group may also be exposed to fluctuations in interest rate movements. Any future significant fluctuation of interest rates could have an effect on the Group's cash flows and profitability. Nevertheless, Nestcon Group will endeavor to manage its cash flow position and funding requirements prudently, to address the risk.

(iii) Market valuation of the Lands

KJSB, as the independent valuer of the Lands, has adopted the Market/Comparison Approach as the primary approach and the Income Approach (Discounted Cash Flow Methodology) as a cross check, in valuing the Lands. Under the Market/Comparison Approach, the market value of the Lands is derived by comparing it to prices/evidence of value of similar properties transacted in similar locations or comparable economic areas within a reasonable period of time and adjustments are made for dissimilarities (physical, legal and economic) with the Lands. The next step is a reconciliation of adjusted values and the selection of the most suitable comparable or comparables and a final decision made judgementally based on our professional experience.

On the other hand, under the Income Approach (Discounted Cash Flow Methodology), the market value of the Lands is determined based on the present value of its total projected net cash flow over the projection period of 6 years, which have been calculated by discounting all of its projected net cash flows at a market derived discount rate of 10% per annum.

The market value of Lands as appraised by the KJSB may not be an indication of, and do not guarantee, an equivalent or greater sale price either at present time or at any time in the future.

(iv) Competition risk

Following the Proposed Diversification into the property development business, the Group will face competition from other property development companies in the vicinity and surrounding areas. There can be no assurance that the Group will be able to compete against existing or new competitors, or that increased competitive pressures will not have a material adverse effect on the business, operations or financial condition of the Group.

To mitigate such risk, the Group will leverage its track record in construction works and project delivery to ensure timely completion and quality standards, which will strengthen buyer confidence. Besides, targeting both local purchasers and cross-border investors from Singapore, given the township's connectivity and established reputation as part of the Iskandar Malaysia Flagship Zone.

(v) Business diversification risk

Following the Proposed Diversification, the Group would be exposed to the property development industry and therefore to be subject to risks inherent in that industry. These include, but are not limited to, changes in the supply and demand of properties, changes in the regulatory framework relating to the property market, increase in building materials or labour costs, downturns in the global, regional and/or national economies, changes in law and tax regulations, and changes in business and credit conditions.

Nonetheless, the Group will conduct periodical reviews of the business and operations as well as adopt prudent financial management and efficient operating procedures to limit the impact of the aforementioned risks. However, there can be no assurance that the Group may be able to successfully mitigate the various risks inherent in the property development industry, and if unable to do so, the Group's business operation and financial performance may be materially affected.

(vi) Dependency on key management personnels

Nestcon Group is dependent on the capabilities, skills, competencies and continued effort of the key management personnels to establish the property development business. The loss of any key management personnels without suitable and timely replacement, or the inability to attract and retain other qualified personnel, may adversely affect Nestcon Group's ability to compete effectively in the property development industry.

Recognising the importance of the key management personnels, the Group will continuously adopt appropriate measures to attract and retain them by offering, amongst others, competitive remuneration packages and ongoing training and development programmes. The Group will strive to retain qualified experienced personnel who are essential to the Group's succession plan to ensure continuity and competency in the management team.

(vii) Political, economic and regulatory risks

The performance of the Group is dependent on the performance and growth of the economy and political conditions in Malaysia. Any adverse changes in political, economic and regulatory conditions in Malaysia could materially affect the financials and prospects of the Group. Political, economic and regulatory uncertainties include, amongst others, changes in political state, changes in economic conditions, inflationary pressures, changes in governmental policies such as introduction of new rules or regulations, interest rates, fiscal and monetary policies and method of taxation.

The Group will monitor the key developments in the above-mentioned political, economic and regulatory conditions and take measures to mitigate such risks by reviewing the Group's business strategies in response to any changes in political, economic and regulatory conditions.

7. EFFECTS OF THE PROPOSALS

7.1 Issued share capital and substantial shareholders' shareholdings

The Proposals will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company as the Proposals do not involve any issuance of new ordinary shares in Nestcon ("Nestcon Shares" or "Shares").

7.2 NA, NA per Share and gearing

For illustrative purposes, based on the latest audited financial position of the Group as at 31 December 2024, and assuming that the Purchase Consideration is fully financed via bank borrowings, the effect of the Proposals on the NA and gearing of the Group are as follows:

	Audited as at 31 December 2024 RM'000	(I) Adjusted for subsequent events up to the LPD⁽¹⁾ RM'000	(II) After (I) and the Proposals RM'000
Share capital	126,482	144,733	144,733
Merger reserves	(47,544)	(47,544)	(47,544)
Retained earnings	69,570	69,570	68,781 ⁽²⁾
Equity attributable to owners of the Company	148,508	166,759	165,970
Non-controlling interests	1,838	1,838	1,838
Total equity	150,346	168,597	167,808
Number of Shares in issue ('000)	714,704	779,024	779,024
NA per Share (RM)	0.21	0.21	0.21
Total borrowings (excluding lease liabilities)	203,330	203,330	298,330 ⁽³⁾
Gearing (times)	1.35	1.21	1.78

Notes:

(1) After taking into consideration of the following:

- (i) the issuance of 64,320,000 new Shares on 28 August 2025 and 28 January 2026 pursuant to the private placement which was completed on 28 January 2026; and
- (ii) the estimated expenses of RM0.17 million relating to the private placement.

(2) After deducting estimated expenses of approximately RM0.79 million in relation of the Proposals.

(3) After accounting for the new bank borrowings of RM95.00 million to be secured and draw down pursuant to the Proposed Acquisition, assuming the Purchase Consideration is fully funded via bank borrowings.

7.3 Earnings and earnings per share ("EPS")

The Proposals are not expected to have any immediate material effect on the earnings of the Group. However, the Board believes that the Proposals will contribute positively to the Group's future earnings and EPS as the Group expands its property development business in the future.

7.4 Convertible securities

As at the LPD, the Group does not have any outstanding convertible securities.

8. APPROVALS REQUIRED AND CONDITIONALITY

The Proposals are subject to the approvals being obtained from the following:

- (i) the shareholders of Nestcon for the Proposals at an EGM to be convened; and
- (ii) any other relevant authorities and/or parties, if required.

The Proposed Acquisition is conditional upon the Proposed Diversification but not vice versa.

Further, the Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

9. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, the Board is not aware of any outstanding corporate proposals which has been announced but pending implementation as at the LPD.

10. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the directors, major shareholders, chief executive of Nestcon and/or persons connected with them have any interest, whether direct or indirect, in the Proposals.

In view of Datuk Ir. Dr. Lim's potential conflict of interest in the Proposals due to his shareholdings and/ or directorships in other companies outside of the Group which are principally involved in property development, he has voluntarily abstained from any deliberations and voting in relation to the Proposals at the relevant Board meetings. Datuk Ir. Dr. Lim and persons connected to him will also abstain from voting in respect of his direct and/ or indirect shareholdings in Nestcon on the resolutions pertaining to the Proposed Diversification to be tabled at the EGM to be convened.

Further, in accordance with Nestcon Group's conflict of interest policy, the Audit Committee has assessed the nature of the potential conflict of interest situations by Datuk Ir. Dr. Lim and is satisfied that the safeguarding measures and/ or necessary controls, alongside the conflict of interest policy, are in place in to strengthen the approach to managing and mitigating the potential conflict of interest situation.

11. DIRECTORS' STATEMENT

The Board (save for Datuk Ir. Dr. Lim, who has abstained from deliberating and voting on the Proposals), after having considered all aspects of the Proposals, including but not limited to the salient terms of the SPA, basis and justification for the Purchase Consideration, the rationale and effects of the Proposals, risks associated with the Proposals as well as the prospects of the Lands, is of the opinion that the Proposals are in the best interests of the Group and its shareholders.

12. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable for the Proposed Acquisition pursuant to Rule 10.02(g) of the Listing Requirements is approximately 63.97% calculated based on the Purchase Consideration compared to the audited NA of Nestcon Group for FYE 31 December 2024.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects that:

- (i) the Proposed Diversification shall take immediate effect upon obtaining the approval of the shareholders of the Company at the EGM to be convened; and
- (ii) the Proposed Acquisition is expected to be completed by second half of 2026.

14. ADVISER

Apex Securities has been appointed as the adviser for the Proposals.

15. DOCUMENTS AVAILABLE FOR INSPECTION

The SPA and Valuation Report are available for inspection at the registered office of Nestcon at No. D-09-02, Level 9, EXSIM Tower, Millerz Square @ Old Klang Road, Megan Legasi No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur, Wilayah Persekutuan, during the normal business hours from Monday to Friday (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 10 April 2026.

SALIENT TERMS OF THE SPA

The salient terms of the SPA are as follows:

1. Sale and Purchase

The Vendor agrees to sell and the Purchaser agrees to purchase the Lands with vacant possession on an "as is where is" basis, free from all encumbrances at the Purchase Consideration upon all the terms and subject to all the conditions contained in the SPA.

2. Conditions Precedent

2.1 The sale and purchase of the Lands is conditional upon the following conditions precedent ("**Conditions Precedent**") being obtained, procured and/ or fulfilled within four (4) months from the date of the SPA or such further period as mutually agreed by the Vendor and Purchaser (collectively the "**Parties**" and singularly a "**Party**") in writing ("**Conditional Period**"):

- (a) the approval of the board of directors and shareholders of the Vendor in respect of the sale of the Lands;
- (b) the approval of the board of directors and shareholders of the Purchaser in respect of the acquisition of the Lands;
- (c) the approval of the board of directors and shareholders of the Purchaser's ultimate holding company in respect of the Proposals.
- (d) the Purchaser being satisfied with the results of the feasibility studies on the suitability of the Lands for the Development Project with a plot ratio of not less than 1:6;
- (e) the Purchaser securing financing from a licensed financial institution (the "**Purchaser's Financier**") to part-finance the Purchase Consideration on terms acceptable to the Purchaser;
- (f) such other waivers, consents or approvals as may be required or deemed necessary by the Parties hereto from any third party or governmental, regulatory body or competent authority having jurisdiction over any part of the transactions contemplated under the SPA.

2.2 The date where all the Conditions Precedent are fulfilled or waived, be the unconditional date ("**Unconditional Date**").

2.3 If at any time during the Conditional Period any Party becomes aware that any or all of the Conditions Precedent is not satisfied or incapable of being satisfied, it shall within fourteen (14) days of receipt of the confirmation of the same notify the other Party in writing to rescind the SPA and the SPA shall cease to have effect and each Party shall have no claim under it against the other, save for any antecedent breach.

2.4 If the Conditions Precedent cannot be fulfilled or waived within the Conditional Period or rescinded pursuant to Section 2.3 above:

- (a) the Vendor's solicitor or Vendor shall refund or cause to be refunded to the Purchaser within seven (7) days from the date of written notice from the Purchaser or Purchaser's solicitor, all monies paid by the Purchaser towards the Purchase Consideration free of interest, failing which the Vendor shall further pay interest at the rate of 8% per annum calculated on a daily basis from the expiry of the seven (7) day period until actual payment;

SALIENT TERMS OF THE SPA (cont'd)

- (b) the SPA shall cease to have any effect and all obligations and liabilities of the Parties hereunder shall cease to have effect and none of the Parties shall have any claim against the other, save for any antecedent breach; and
- (c) the Parties shall return all documents and things received in relation to the SPA to the other Party.

3. Mode of Payment

3.1 The Purchaser shall fully settle the Purchase Consideration in the following manner: -

- (a) Prior to the execution of the SPA, the Purchaser has paid to the Vendor a sum of Ringgit Malaysia Three Million and Five Hundred Thousand (RM3,500,000.00) as earnest deposit and towards part-payment of the Purchase Consideration (the "**Earnest Deposit**"), the receipt of which the Vendor has acknowledged;
- (b) Upon the Unconditional Date, pay to the Vendor's solicitor as stakeholder a sum of Ringgit Malaysia Six Million (RM6,000,000.00), being the balance deposit (the "**Balance Deposit**") towards part-payment of the Purchase Consideration. The Vendor's solicitor shall utilise the Balance Deposit to discharge the Vendor's obligations in respect of the lawful outgoing imposed and payable in respect of the Lands and thereafter release the same to the Vendor together with the Balance Purchase Consideration.
- (c) The balance of the Purchase Consideration in the sum of Ringgit Malaysia Eighty-Five Million and Five Hundred Thousand (RM85,500,000.00) (the "**Balance Purchase Consideration**") is to be paid by the Purchaser to the Vendor's solicitor as stakeholder, provided that all obligations of the Vendor pursuant to the SPA has been fulfilled and the SPA shall be deemed completed on the day of receipt by the Vendor's solicitor the Balance Purchase Consideration within three (3) months from the Unconditional Date ("**Completion Period**") (the "**Completion Date**").
- (d) Subject to the registration of the transfer in favour of the Purchaser and the charge in favour of the Purchaser's Financier being effected and the original issue document of title being extracted and deposited with the Purchaser's Financier, the Vendor's solicitor shall release the Balance Purchase Consideration to the Vendor subject always that the vacant possession of the Lands have been delivered to the Purchaser, whichever is later.

4. Extension of Time

Notwithstanding the provisions contained in Section 3.1(c) above, if the Purchaser is unable to pay the Balance Purchase Consideration or such part thereof within the Completion Period, the Vendor agrees to automatically (and without the necessity of a request by the Purchaser) grant to the Purchaser an extension of two (2) month from expiry date of the Completion Period (the "**Extended Completion Period**") to pay the Balance Purchase Consideration or such part thereof, in which event the Purchaser agrees to pay to the Vendor interest on the amount still due to the Vendor, as the case may be, at the rate of 8% per annum calculated on a daily basis from the expiry of the Completion Period to the date of actual payment, such interest to be tendered together with the Balance Purchase Consideration or the amount still due, on or before within the Extended Completion Period.

SALIENT TERMS OF THE SPA (cont'd)

5. Transfer Cannot Be Registered

- 5.1 If the transfer of the Lands in favour of the Purchaser cannot be registered for any reason due to the Vendor's fault, the Vendor shall forthwith take all necessary steps at its own cost and expense to rectify the same so as to enable the Purchaser to be registered as the proprietor of the Lands.

In the event the Vendor fails to rectify such matter within fifteen (15) days, the Purchaser shall be entitled by written notice to the Vendor to terminate and rescind the SPA, whereupon the Vendor shall forthwith refund or cause to be refunded to the Purchaser all monies paid by the Purchaser pursuant to the SPA, within seven (7) days from the receipt of such written notice from the Purchaser or the Purchaser's solicitor.

Failing such refund and/or payment, the Vendor shall further pay to the Purchaser interest at the rate of eight per centum (8%) per annum calculated on a daily basis on the amount then due and owing from the date the same becomes due until the date of full settlement.

Upon full settlement of the said sums together with interest (if any), the SPA shall be terminated and neither party shall have any further claims against the other.

- 5.2 Notwithstanding the above, in the event the transfer of any Lands cannot be registered by any reason whatsoever, the Purchaser shall at its sole discretion be entitled to either: -
- (a) proceed with the completion of the transfer and registration of the Lands capable of being registered, in which event the Purchase Consideration shall be adjusted accordingly and any excess thereafter shall be refunded or caused to be refunded by the Vendor to the Purchaser within seven (7) days from receipt of written notification from the Purchaser or the Purchaser's solicitor, failing which the Vendor shall further pay interest at the rate of eight per centum (8%) per annum calculated on a daily basis on the amount then due until full settlement; or
 - (b) rescind and terminate the SPA in its entirety, whereupon the Vendor shall forthwith refund or cause to be refunded to the Purchaser all monies paid by the Purchaser towards the Purchase Consideration together with the stamp duties, legal costs and other expenses properly and reasonably incurred by the Purchaser within seven (7) days from receipt of written notification from the Purchaser or the Purchaser's solicitor, failing which the Vendor shall further pay interest at the rate of eight per centum (8%) per annum calculated on a daily basis on the amount then due until full settlement.

In the event that the Purchaser has already been registered as the proprietor of any of the Lands and the Purchaser's Financier has already registered charge on any of the Lands prior to such termination, the Purchaser shall re-transfer such Lands to the Vendor and discharge the charge registered on such Lands at the Vendor's cost and expense, including all stamp duties, registration fees and legal costs relating thereto.

Upon full settlement of the refund together with any other payment or interest and completion of the re-transfer or discharge of charge (if applicable), the SPA shall be terminated and neither party shall have any further claims against the other.

SALIENT TERMS OF THE SPA (cont'd)

6. Default by Purchaser

If the Purchaser fails to pay the Balance Purchase Consideration within the Completion Period or the Extended Completion Period, as the case may be, and the Vendor is not at fault and has fully fulfilled its obligation under the SPA, the Vendor will be at liberty to terminate the SPA by notice in writing, whereupon all the Purchaser's rights under the SPA will cease and the Deposit paid under the SPA will be irrevocably forfeited to the Vendor absolutely, and the Vendor shall within seven (7) days refund or cause to be refunded free of interest to the Purchaser any other sums paid by the Purchaser to the Vendor, failing which the Vendor shall further pay to the Purchaser interest on all sum due at the rate of eight per centum (8%) per annum calculated on a daily basis from the date the payment becomes due until the date of full settlement. Upon such refund, the SPA will be treated as null and void and of no further effect and neither party will have any claim whatsoever against the other.

7. Default by Vendor

In the event of any breach by the Vendor of any terms and/or any provisions of the SPA and/or if the Vendor fails or neglects to transfer the Lands to the Purchaser in the manner provided for the SPA after the Purchaser has fully settled the Balance Purchase Consideration or fails to comply with the Vendor's obligations under the SPA, the Purchaser shall have alternative remedies, including the following:-

- (a) to seek specific performance of the SPA; or
- (b) by written notice terminate the SPA whereupon the Vendor shall refund or cause to be refunded free of interest, all monies paid by or on behalf of the Purchaser under the SPA and, in addition thereto, pay to the Purchaser a sum equivalent to the amount of the Deposit as an agreed liquidated damages within five (5) business days. In the event the Vendor fails to make such refund and/or payment within the stipulated time, the Vendor shall further pay to the Purchaser the interest on all sums due at the rate of eight per centum (8%) per annum calculated on a daily basis from the date the payment becomes due until the date of full settlement. Upon such refund and payment being made, the SPA will be deemed terminated and shall thereafter be null and void and of no further effect and neither party will have any claim whatsoever against the other.

8. Vacant Possession

Unless otherwise stated in the SPA, vacant possession of the Lands shall be delivered to the Purchaser in such state and condition of the Lands as inspected by the Purchaser free from all encumbrances, occupiers, tenants, licensees, squatters, invitees whatsoever and any permanent or temporary buildings, structures, shrines, temple, prayer structures/ items, and motor vehicles, equipment, machinery and debris within three (3) business days upon receipt of the Balance Purchase Consideration by the Vendor's solicitor as stakeholder for the Vendor (the "**Vacant Possession Date**") failing which the Vendor shall pay late delivery interest to the Purchaser at the rate of eight per centum (8%) per annum on the Purchase Consideration calculated on a day to day basis from expiry of the Vacant Possession Date to the date where vacant possession of the Lands are actually delivered to the Purchaser.

Notwithstanding the above, the Purchaser shall be entitled, at any time, to access the Lands upon providing the Vendor with three (3) days' notice.