

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") takes no responsibility for the contents of this Circular (as defined herein), Valuation Certificate (as defined herein) and Valuation Report (as defined herein) makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

This circular has been reviewed by Apex Securities Berhad, being the Adviser to the Company for the Proposals (as defined herein).



NESTCON BERHAD

(Registration No. 202001008684 (1365004-W))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) PROPOSED ACQUISITION BY NESTCON ISKANDAR PUTERI SDN. BHD., AN INDIRECT 70%-OWNED SUBSIDIARY OF NESTCON, OF 3 PARCELS OF LAND LOCATED IN MUKIM PULAI, DAERAH JOHOR BAHRU, JOHOR DARUL TA'ZIM, WITH A TOTAL LAND AREA OF APPROXIMATELY 33,782.284 SQUARE METRE FROM KLG ISKANDAR PUTERI SDN. BHD. FOR A TOTAL CASH CONSIDERATION OF RM95.00 MILLION ("PROPOSED ACQUISITION"); AND**
- (II) PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OF NESTCON AND ITS SUBSIDIARIES TO INCLUDE PROPERTY DEVELOPMENT ("PROPOSED DIVERSIFICATION")**

(COLLECTIVELY, REFERRED TO AS THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



APEX SECURITIES BERHAD

(Registration No. 197901003400 (47680-X))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of the Company will be held at DoubleTree by Hilton Shah Alam i-City, Finance Avenue, 40000 Shah Alam, Selangor on Tuesday, 30 June 2026 at 11:00 a.m. or immediately after the conclusion of the Sixth Annual General Meeting of the Company ("**6th AGM**"), which will be held at the same venue on the same day at 10:00 a.m., or at any adjournment thereof. The Notice of EGM and Form of Proxy are enclosed together with this Circular.

A member entitled to attend, participate and vote at the EGM is entitled to appoint not more than two (2) proxies to attend, participate and vote on his/ her behalf. In such event, the completed and signed Form of Proxy should be lodged at the Company's share registrar, Symphony Corporate Services Sdn Bhd ("**Symphony**") office at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, 40460 Kota Kemuning, Shah Alam, Selangor not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Alternatively, the Form of Proxy may also be electronically submitted via Symphony's Online website at <https://www.symphonycorporateservices.com.my> (Domain Registration No. D1C534619-MYNIC). Please refer to the Administrative Guide for the EGM for further details. The lodging of the Form of Proxy shall not preclude you from attending, participating, and voting in person at the EGM, should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Sunday, 28 June 2026 at 11:00 a.m.

Date and time of EGM : Tuesday, 30 June 2026 at 11:00 a.m. or immediately upon the conclusion of the 6th AGM or any adjournment thereof

This Circular is dated 15 June 2026

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

ACE Market	:	ACE Market of Bursa Securities
Act	:	Companies Act, 2016 as amended from time to time and includes any re-enactment thereof
Announcement	:	Announcement dated 10 April 2026 in relation to the Proposals
Apex Securities Adviser	or :	Apex Securities Berhad (Registration No. 197901003400 (47680-X))
Board	:	Board of Directors of our Company
Building Infrastructure	and :	Provision of construction services for building and infrastructure
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Circular	:	This circular to our shareholders dated 15 June 2026 in relation to the Proposals
Datuk Ir. Dr. Lim	:	Datuk Ir. Dr. Lim Jee Gin, the Group Managing Director and major shareholder of our Company
Development Project	:	Mixed commercial and residential development comprising serviced apartments and retail units on the Lands
Director(s)	:	The director(s) of our Company and shall have the meaning given in Section 2(1) of the Act and Capital Markets and Services Act 2007
EGM	:	Extraordinary general meeting
EPCC	:	Engineering, procurement, construction and commissioning
EPS	:	Earnings per Share
FYE	:	Financial year ended/ending 31 December, as the case may be
GDC	:	Gross development cost
GDP	:	Gross development profit
GDV	:	Gross development value
KJSB or Valuer	:	Khong & Jaafar Sdn. Bhd. (Registration No. 197701000226 (0031218-T))
KLK Iskandar or Vendor	:	KLK Iskandar Puteri Sdn. Bhd. (Registration No. 202401011689 (1557539-K))
Lands	:	Collectively, Plot F, Plot G and Plot H
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities, as amended from time to time
LPD	:	29 May 2026, being the latest practicable date prior to the date of this Circular

DEFINITIONS (Cont'd)

NA	:	Net assets
Nestcon or Company	:	Nestcon Berhad (Registration No. 202001008684 (1365004-W))
Nestcon Builders	:	Nestcon Builders Sdn. Bhd. (Registration No. 201301033505 (1063335-M)), a wholly-owned subsidiary of Nestcon
Nestcon Group or Group	:	Collectively, our Company and subsidiaries
Nestcon Iskandar or Purchaser	:	Nestcon Iskandar Puteri Sdn. Bhd. (Registration No. 202501001035 (1602450-U)), a 70%-owned subsidiary of Nestcon Property and an indirect 70%-owned subsidiary of Nestcon
Nestcon Property	:	Nestcon Property Sdn. Bhd. (Registration No. 202401028164 (1574012-M)), a wholly-owned subsidiary of Nestcon
Nestcon Share(s) or Share(s)	:	Ordinary share(s) in our Company
PAT	:	Profit after tax
Plot F	:	A parcel of land held under H.S.(D) 593419, PTD 212929, Mukim Pulai, Daerah Johor Bahru, Johor Darul Ta'zim, measuring approximately 16,437.495 sq m (4.062 acres)
Plot G	:	A parcel of land held under H.S.(D) 593420, PTD 212928, Mukim Pulai, Daerah Johor Bahru, Johor Darul Ta'zim, measuring approximately 9,891.842 sq m (2.444 acres)
Plot H	:	A parcel of land held under H.S.(D) 593421, PTD 212927, Mukim Pulai, Daerah Johor Bahru, Johor Darul Ta'zim, measuring approximately 7,452.947 sq m (1.842 acres)
Proposals	:	Collectively, Proposed Acquisition and Proposed Diversification
Proposed Acquisition	:	Proposed acquisition by Nestcon Iskandar, an indirect 70%-owned subsidiary of Nestcon, of the Lands, with a total land area of approximately 33,782.284 sq m from KLG Iskandar for the Purchase Consideration
Proposed Diversification	:	Proposed diversification of the existing business of Nestcon Group to include property development
Purchase Consideration	:	Total purchase consideration of RM95.00 million to be satisfied entirely via cash
PV	:	Photovoltaic
Renewable Business Energy	:	EPCC of solar PV systems, project management of renewable energy activities, as well as owning and operating solar PV assets.
SPA	:	Conditional sale and purchase agreement dated 10 April 2026 entered between Nestcon Iskandar and KLG Iskandar for the acquisition of the Lands
sq ft	:	Square feet
sq m	:	Square metre(s)

DEFINITIONS (Cont'd)

Valuation Certificate : Valuation certificate in relation to the Lands issued by KJSB dated 10 April 2026, as set out in Appendix II of this Circular

Valuation Report : Valuation report in relation the Lands issued by KJSB dated 10 April 2026

CURRENCY

RM and sen : Ringgit Malaysia and sen

All references to “**we**”, “**us**”, “**our**” and “**ourselves**” in this Circular, if any, shall mean our Company or where the context requires, our Group.

References to “**you**” or “**your**” in this Circular, shall mean our shareholders, unless the context otherwise requires.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any statute, rules, regulations, enactment or rules of the stock exchange is a reference to such statute, rules, regulations, enactment or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time of day and date, unless otherwise stated.

Any discrepancy in the figures included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Group’s plans and objectives will be achieved.

[The rest of this page is intentionally left blank]

TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	v
LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSALS	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED ACQUISITION	2
3. DETAILS OF THE PROPOSED DIVERSIFICATION	9
4. RATIONALE FOR THE PROPOSALS	13
5. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS OF OUR GROUP	14
6. RISK FACTORS	20
7. EFFECTS OF THE PROPOSALS	22
8. APPROVALS REQUIRED AND CONDITIONALITY	23
9. HIGHEST PERCENTAGE RATIO	23
10. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION	23
11. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM	24
12. DIRECTORS' STATEMENT AND RECOMMENDATION	25
13. ESTIMATED TIMEFRAME FOR COMPLETION	26
14. EGM	26
15. FURTHER INFORMATION	26
APPENDICES	
I SALIENT TERMS OF THE SPA	27
II VALUATION CERTIFICATE IN RELATION TO THE LANDS	31
III FURTHER INFORMATION	41
NOTICE OF EGM	ENCLOSED
FORM OF PROXY	ENCLOSED

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE ENTIRE CONTENTS OF THIS CIRCULAR INCLUDING THE APPENDICES AND NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

Key Information	Description	Reference to Circular
Summary of the Proposals	<p>(i) Proposed Acquisition</p> <p>On 10 April 2026, Nestcon Iskandar had entered into a SPA with KLG Iskandar to acquire the Lands for the Purchase Consideration.</p> <p>Upon completion of the Proposed Acquisition, barring any unforeseen circumstances, Nestcon Iskandar intends to undertake the Development Project.</p> <p>(ii) Proposed Diversification</p> <p>At this juncture, our Group has not undertaken any property development activities. The Proposed Acquisition represents an opportunity for our Group to venture into property development business as it provides our Group with an opportunity to diversify our earnings base.</p> <p>Taking into consideration that the Development Project could potentially contribute an estimated GDP of RM336.97 million to our Group as well as our Group's financial performance, our Board (save for Datuk Ir. Dr. Lim) anticipates that, barring any unforeseen circumstances, our Group's property development business may contribute 25% or more of the net profits of our Group and/or result in a diversion of 25% or more of our Group's NA in the future as our Group will continue to identify and secure additional projects to further expand the property development business in the long term.</p> <p>In view of the above, our Board proposes to seek approval from our shareholders for the Proposed Diversification pursuant to Rule 10.13(1) of the Listing Requirements of Bursa Securities, at our forthcoming EGM.</p>	Sections 2 and 3
Rationale for the Proposals	<p>(i) Proposed Acquisition</p> <p>Our Board believes that the Proposed Acquisition will facilitate our Group's objective to venture into the property development via the Development Project in order to provide alternative revenue source to reduce our Group's dependence on the existing business segments.</p> <p>(ii) Proposed Diversification</p> <p>Our Board believes that the diversification of our Group's existing business activities to include property development segment is expected to enhance our Group's prospect moving forward.</p>	Section 4

EXECUTIVE SUMMARY (Cont'd)

Key Information	Description	Reference to Circular
Risk factors for the Proposals	<p>The Proposed Acquisition and Proposed Diversification will be subject to, amongst others, the following risks:</p> <ul style="list-style-type: none"> (i) Non-completion risk; (ii) Financing risk; (iii) Market valuation of the Lands; (iv) Risk of property overhang in Johor Bahru; (v) Competition risk; (vi) Business diversification risk; (vii) Dependency on key management personnels; and (viii) Political, economic and regulatory risks. 	Section 6
Approvals required and conditionality	<p>The Proposals are subject to the approvals being obtained from the following:</p> <ul style="list-style-type: none"> (i) our shareholders for the Proposals at our forthcoming EGM; and (ii) any other relevant authorities and/or parties, if required. <p>The Proposed Acquisition is conditional upon the Proposed Diversification but not vice versa.</p> <p>Further, the Proposals are not conditional upon any other proposals undertaken or to be undertaken by our Company.</p>	Section 8
Interest of Directors, major shareholders, chief executive and/or persons connected to them	<p>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.</p> <p>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 our 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 our forthcoming EGM.</p>	Section 11
Directors' statement and recommendation	<p>Our Board (save for Datuk Ir. Dr. Lim) recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM, the details of which are set out in the cover page of this Circular and notice of EGM enclosed.</p>	Section 12



NESTCON

NESTCON BERHAD

(Registration No. 202001008684 (1365004-W))
(Incorporated in Malaysia)

Registered Office:

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 Kuala Lumpur

15 June 2026

Board of Directors

Mohd Noor bin Setapa (*Independent Non-Executive Chairman*)
Datuk Ir. Dr. Lim Jee Gin (*Group Managing Director*)
Ong Yong Chuan (*Executive Director*)
Lim Joo Seng (*Finance Director*)
Yeoh Sheong Lee (*Independent Non-Executive Director*)
Nor Azzam bin Abdul Jalil (*Independent Non-Executive Director*)
Roslinda binti Awang @ Mat Yazid (*Independent Non-Executive Director*)

To: Our shareholders

Dear Sir/Madam,

- (I) **PROPOSED ACQUISITION; AND**
 - (II) **PROPOSED DIVERSIFICATION**
-

1. INTRODUCTION

On 10 April 2026, Apex Securities had, on behalf of our Board, announced that our Company proposed to undertake the Proposals.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AND TO SET OUT THE RECOMMENDATION OF OUR BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ACQUISITION

On 10 April 2026, Nestcon Iskandar had entered into a SPA with KLG Iskandar to acquire the Lands for the 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 Circular.

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 rest of this page is intentionally left blank]

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 Pulau, 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 commercial land with approved plot ratio of 1:6		
Encumbrances	Unencumbered		
Express condition	<p>(i) This land shall be used as a multi-storey buildings for commercial purposes (business complex, offices, exhibition centre) and related activities, to be built in accordance with plans approved by the relevant local authority.</p> <p>(ii) All waste and pollution resulting from these activities must be channelled to designated locations as determined by the relevant authority.</p> <p>(iii) All policies and conditions imposed and enforced from time to time by the relevant authority must be strictly complied with.</p>		
Restrictions-in-interest	<p>(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.</p> <p>(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.</p> <p>(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.</p>		

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	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 the Development Project. The details of the Development Project are set out in Section 5.6 of this Circular.

[The rest of this page is intentionally left blank]

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 and Valuation Certificate (as set out in Appendix II of this Circular) using the Market/Comparison Approach as primary approach and Income Approach (Discounted Cash Flow Methodology) to cross check against the primary approach;
- (ii) the rationale for the Proposed Acquisition as set out in Section 4.1 of this Circular; and
- (iii) the Development Project as set out in Section 5.6 of this Circular.

Premised on the above, our 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 Unconditional Date (as defined in Appendix I of this Circular).	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, 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 Circular.

[The rest of this page is intentionally left blank]

2.4 Information on Nestcon Iskandar

Nestcon Iskandar is a 70%-owned subsidiary of 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 Act. The principal activity of Nestcon Iskandar is to carry out property development and management.

As at the LPD, Nestcon Iskandar's has an issued share capital of RM2,000,000.00 comprising 2,000,000 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	300,000	15.00	-	-
Lim Aik Kiat	Shareholder	300,000	15.00	-	-
Nestcon Property	Shareholder	1,400,000	70.00	-	-
Total		2,000,000	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 the Act. 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.

[The rest of this page is intentionally left blank]

2.6 Source of funding

The Purchase Consideration will be funded via a combination of internally generated funds and/or bank borrowings after taking into consideration, among others, the gearing level, interest costs and internal cash requirements of Nestcon Group. As at the LPD, the cash and bank balances of our Group is RM104.16 million.

For information purposes, our Group has secured new bank borrowings amounting to RM80.80 million to part finance the Proposed Acquisition. The details of the bank borrowings are as follows:

Name of financier	Hong Leong Bank Berhad	
Type of facilities	Fixed Term Loan 1	Fixed Term Loan 2
Facility Limit	RM40.00 million	RM40.80 million
Purpose	To part finance the purchase of Plot F	To part finance the purchase of Plot G and Plot H
Tenure	8 years	10 years

2.7 Liabilities to be assumed

Save for the bank borrowings 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 our Group arising from the Proposed Acquisition.

2.8 Additional financial commitment

Save for the Purchase Consideration and the estimated GDC of approximately RM1.03 billion in relation to the Development Project as set out in Section 5.6 of this Circular, there is no additional financial commitment expected to be incurred by our Group pursuant to the Proposed Acquisition.

Our 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 our Group's internal funds, availability and suitability of funding alternatives at the relevant time.

[The rest of this page is intentionally left blank]

3. DETAILS OF THE PROPOSED DIVERSIFICATION

Presently, our Group is principally engaged in

- (i) Building and Infrastructure; and
- (ii) Renewable Energy Business.

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

The key financial performance of our Group for the past 3 financial years are as follows:

	Audited					
	FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%
Revenue						
- Building and Infrastructure	759,205	97.94	820,867	97.94	710,926	98.23
- Renewable Energy Business	15,941	2.06	17,265	2.06	12,827	1.77
Total	775,146	100.00	838,132	100.00	723,753	100.00
PAT attributable to the owners of our Company						
- Building and Infrastructure	3,310	94.79	6,621	84.25	11,356	98.84
- Renewable Energy Business	182	5.21	1,238	15.75	133	1.16
	3,492	100.00	7,859	100.00	11,489	100.00

Based on the above, the Building and Infrastructure segment has been the primary revenue driver for our Group.

Our Group's revenue recorded an increase of RM62.98 million or 8.12% from RM775.15 million in FYE 2023 to RM838.13 million in FYE 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 2024.

For FYE 2025, our Group recorded a revenue of RM723.75 million, a decrease of RM114.38 million or 13.65% compared to RM838.13 million in FYE 2024. The lower revenue was mainly attributable to the completion of several major construction projects in FYE 2025 while newly secured contracts were still in the early stages of construction. Despite the reduction in revenue, our Group's PAT recorded an increase of RM3.63 million or 46.18% from RM7.86 million in FYE 2024 to RM11.49 million in FYE 2025, mainly due to higher construction activities within the civil engineering and infrastructure segment which generated better margins.

As at the LPD, our Group's unbilled contract value for construction projects under the Building and Infrastructure segment is approximately RM1.47 billion, which is expected to be recognised up to FYE 2028 based on expected progress. Several of our 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	168,963	72,407
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	33,875	194,425
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	14,734	340,266
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	78,770	730
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	83,635	90,345

With regards to our Group's Renewable Energy Business, our Group has been actively participating in tenders for EPCC of solar PV systems projects. As at the LPD, our Group's unbilled contract value for EPCC of solar PV systems projects is approximately RM21.59 million which is expected to be recognised in FYE 2026. The details of our 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	8,390

Taking into consideration that the Development Project could potentially contribute an estimated GDP of RM336.97 million to our Group (as set out in Section 5.6 of this Circular) as well as our Group's financial performance as stated above, our Board (save for Datuk Ir. Dr. Lim) anticipates that, barring any unforeseen circumstances, our Group's property development business may contribute 25% or more of the net profits of our Group and/or result in a diversion of 25% or more of our Group's NA in the future as our 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, our Board proposes to seek approval from our shareholders for the Proposed Diversification pursuant to Rule 10.13(1) of the Listing Requirements of Bursa Securities, at our forthcoming EGM.

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

3.1 Key management personnels

Our Group has identified the following key management personnels to spearhead and oversee the operations of our 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 our Group's property development business in view of his interest in other property development business activities.

(i) Ong Yong Chuan

Ong Yong Chuan, a Malaysian male aged 51, is our 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 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 our 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 Kassim Chan 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 work on a freelance basis. She ceased providing financial advisory work on a freelance basis in 2019 prior to joining our Group in her current position in December 2019 and is mainly responsible for our 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).

Our Board wishes to clarify that Mr. Ong Yong Chuan and Ms. Lim Joo Seng do not have prior experience in property development business. Nevertheless, their existing expertise is highly relevant to our Group's venture into the property development business.

Mr. Ong Yong Chuan's extensive expertise in civil engineering and building construction equips him with strong capabilities in project planning, execution, quality control, and cost management, all of which are directly applicable to the operational aspects of property development. Complementing this, Ms. Lim Joo Seng's background in accounting, finance, financial reporting, restructuring, corporate exercises and due diligence provides the financial discipline and transparency needed to support the financial planning, compliance, and effective monitoring of project viability.

Mr. Ong Yong Chuan and Ms. Lim Joo Seng will spearhead the property development business and will be supported by our Group's existing team for all back-end functions such as accounting, human resources, and administrative matters. Moving forward, upon the successful establishment of the property development business, our 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 our Group and the availability of suitable candidates.

4. RATIONALE FOR THE PROPOSALS

4.1 Proposed Acquisition

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

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

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

4.2 Proposed Diversification

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

Moving forward, apart from the Development Project, our 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 our Group, premised on the prospects of the property market in Malaysia as set out in Section 5.3 of this Circular.

Further to the above, due to certain similarities in the nature of the property development business and our 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, our Board believes that the diversification of our Group's existing business activities to include property development segment is expected to enhance our Group's prospect moving forward.

[The rest of this page is intentionally left blank]

5. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS OF OUR GROUP

5.1 Overview and outlook of the Malaysian economy

Global gross domestic product 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 Overview and outlook of the property development in Johor Bahru

According to the Property Market Report 2025, the state of Johor experienced moderate market activity indicated by a marginal 2.3% drop in the volume of property transactions from 66,894 in 2024 to 65,376 in 2025 and by value, it increased by 2.2% from 48.39 billion in 2024 to 50.54 billion in 2025.

Based on the information published in the 2025 Property Market Report by the Valuation and Property Services Department/NAPIC, the residential market saw a decline in the volume of property transactions by about 1% as compared to 2024. The value of transactions saw continued uptrend of about 1.4% in 2025 as compared to 2024.

The residential stock in the state of Johor and the District of Johor Bahru increased by 9.9% and 11.9% respectively from 2021 to 2025, dominated by terrace houses. In the case of high-rise residential properties inclusive of serviced apartments and SoHos, we observe that about 97.0% are located within the District of Johor Bahru and over the past 5 years, i.e. from 2021 to 2025, the supply has increased by about 20.5%, indicating an increased demand of such property-types. In 2025, the high-rise residential properties in the District of Johor Bahru, comprised a total of 178,687 units made up of 67,124 condominiums and apartments (37.6%), 108,625 serviced apartments (60.8%) and 2,928 SoHos (1.6%).

In the District of Johor Bahru, the future supply (i.e. incoming supply and planned supply) of high-rise residential developments consists of a total of 70,177 units comprising 63.26% of the total future supply of residential stock and they comprise 7,301 units of condominiums and apartments, 59,490 serviced apartments and 3,368 SoHos.

The data indicates that Johor Bahru serves as the primary growth centre for high-rise residential development within Johor, supported by substantial increases in both existing stock and future supply. The notable expansion, particularly in serviced apartments, reflects sustained demand for high-density urban living. Overall, the trend suggests a continued concentration of residential development in Johor Bahru, reinforcing its position as the state's key residential and investment hub.

Overall, sales performance of the residential market (inclusive of SoHos and serviced apartments) in the state of Johor recorded an increase in new launches by 15.2% from 109,601 units in Q4 2024 to 129,241 units in Q4 2025.

The take up rate of the newly launched is generally good for the completed units and the units that are under construction as at end of 2025. The number of unsold residential units (inclusive of SoHos and serviced apartments) in the state of Johor increased from 27,606 units in Q4 2024 to 33,310 units in Q4 2025, recording an increase of 5,704 units (or 20.66%).

In conclusion, while the residential market in Johor continues to exhibit relatively strong take up rates particularly for completed and under-construction units, the significant increase in unsold units reflects a widening imbalance between supply and demand. The expansion in unsold inventory, especially within the not constructed and under-construction categories, indicates that incoming supply may be outpacing market absorption.

Although demand for completed units remains comparatively resilient, the lower take-up rates for units at earlier stages of development suggest a more cautious market sentiment. Overall, these trends point to a moderating market outlook in the near term, with rising supply pressures likely to weigh on overall market performance.

(Source: Valuation Report)

5.5 Prospect of our Group

Moving into 2026, the global economic landscape continues to navigate heightened trade tensions arising from US tariff policies, escalating conflicts in the Middle East, and broader geopolitical uncertainties. Nevertheless, Malaysia's domestic fundamentals remain resilient, with the Economic Outlook 2026, published by the Ministry of Finance, projecting gross domestic product growth of 4.0% to 4.5% with the construction sector expected to expand by 6.1% in 2026. This growth trajectory is expected to be supported by the sustained implementation of major infrastructure projects and the government's continued focus on development expenditure.

The residential buildings subsector is expected to benefit from government-led affordable housing programmes and targeted home ownership initiatives under the Thirteenth Malaysia Plan, alongside new private sector developments. This presents opportunities for our Group to strengthen our Group's portfolio in the residential construction segment.

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. Our 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.

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

Moving forward, upon the completion of the Proposals, our Group expects to establish property development as a new and complementary core business segment, leveraging on 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, our Board remains cautiously optimistic that, barring any unforeseen circumstances, our Group's existing construction business, renewable energy business and the new property development business are expected to contribute positively to our Group's revenue and earnings, as well as enhance our shareholders' value in the future.

(Source: Management of Nestcon)

[The rest of this page is intentionally left blank]

5.6 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 2 towers and 12 retail units	Mixed commercial and residential development comprising approximately 1,324 units of serviced apartments across 2 towers and 12 retail units
Estimated GDV ⁽¹⁾	RM650.95 million	RM720.10 million
Estimated GDC ⁽²⁾	RM494.45 million	RM539.63 million
Estimated GDP	RM156.50 million	RM180.47 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> <p>As at the LPD, there are no other submissions pending approval from the relevant authorities in relation to the Development Project on the Lands.</p>	

Notes:

The differences between the estimated GDV and GDC prepared by the management of Nestcon and those adopted by KJSB under the Income Approach to Value (Discounted Cash Flow Methodology) in the Valuation Certificate (as set out in Appendix II of this Circular) are mainly attributable to the differences in basis and assumptions applied. The management's projections reflect project specific assumptions to reflect internal feasibility, such as selling prices, phased pricing strategies, projected cost escalations, financing considerations and other relevant commercial assumptions. Unlike the feasibility study prepared by the management, KJSB's valuation is based on market derived inputs as required by the Malaysian Valuation Standards and does not incorporate growth assumptions for future development phases of the Development Projects. Furthermore, it should be noted that the Income Approach to Value (Discounted Cash Flow Methodology) was adopted by KJSB as a cross check against the Market/Comparison Approach.

- (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 based on the feasibility study prepared 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 Nestcon)

6. RISK FACTORS

Save as disclosed below, our 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 Circular. There is no assurance that our 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, our 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 our Group's control are fulfilled in a timely manner.

(ii) Financing risk

Our Group will be seeking external financing to fund the Proposed Acquisition and Development Projects. The cost of such financing is 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. Our Group may also be exposed to fluctuations in interest rate movements. Any future significant fluctuation of interest rates could have an effect on our Group's cash flows and profitability. Nevertheless, our Group will endeavor to manage our 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 KJSB's 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) Risk of property overhang in Johor Bahru

Our Group may be exposed to the property overhang situation in Johor, commonly caused by over-supply and low demand for properties and other factors such as economic downturns and unfavourable financial conditions. While the residential market in Johor continues to exhibit relatively strong take up rates for both completed and ongoing projects, the number of unsold residential units (inclusive of SoHos and serviced apartments) in the state of Johor increased from 27,606 units in Q4 2024 to 33,310 units in Q4 2025. The significant increase in unsold units reflects a widening imbalance between supply and demand. Hence, there may be possibility of the occurrence of further property overhang at the time of completion of the Development Projects.

Nevertheless, our Group will closely monitor the outlook and developments in the property market as well as take careful management planning prior to finalising and/ or launching the Development Projects. However, there can be no assurance that there will not be any adverse impact to our Group's financial performance as a result of property overhang.

(v) Competition risk

Following the Proposed Diversification into the property development business, our Group will face competition from other property development companies in the vicinity and surrounding areas. There can be no assurance that our 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 our Group. Notwithstanding the competitive landscape, our Group's preliminary market assessment indicates that there are currently no known competing developments within 10 kilometres radius of the Lands that share a similar expected completion timeline as the Development Projects.

To mitigate such risk, our Group will leverage our 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.

(vi) Business diversification risk

Following the Proposed Diversification, our 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, our 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 our Group may be able to successfully mitigate the various risks inherent in the property development industry, and if unable to do so, our Group's business operation and financial performance may be materially affected.

(vii) Dependency on key management personnels

Our 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 our Group's ability to compete effectively in the property development industry.

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

(viii) Political, economic and regulatory risks

The performance of our 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 our 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.

Our Group will monitor the key developments in the above-mentioned political, economic and regulatory conditions and take measures to mitigate such risks by reviewing our 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 our Company as the Proposals do not involve any issuance of new Nestcon Shares.

7.2 NA, NA per Share and gearing

For illustrative purposes, based on the latest audited financial position of our Group as at 31 December 2025, and assuming that the Purchase Consideration is partially financed via bank borrowings, the effect of the Proposals on the NA and gearing of our Group are as follows:

	Audited as at 31 December 2025 RM'000	(I) Adjusted for subsequent events up to the LPD⁽¹⁾ RM'000	(II) After (I) and the Proposals RM'000
Share capital	138,403	144,733	144,733
Merger reserves	(47,544)	(47,544)	(47,544)
Retained earnings	81,059	81,059	80,270 ⁽²⁾
Equity attributable to owners of our Company	171,918	178,248	177,459
Non-controlling interests	2,284	2,284	2,284
Total equity	174,202	180,532	179,743
Number of Shares in issue ('000)	756,204	779,024	779,024
NA per Share (RM)	0.23	0.23	0.23
Total borrowings (excluding lease liabilities)	185,419	185,419	266,219 ⁽³⁾
Gearing (times)	1.06	1.03	1.48

Notes:

- (1) *After taking into consideration of the following:*
 - (i) *the issuance of 22,820,000 new Shares on 28 January 2026 pursuant to the private placement which was completed on 28 January 2026; and*
 - (ii) *the estimated expenses of RM0.06 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 RM80.80 million secured and to be draw down pursuant to the Proposed Acquisition, assuming the Purchase Consideration is partially funded via bank borrowings.*

7.3 Earnings and EPS

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

7.4 Convertible securities

As at the LPD, our 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) our shareholders for the Proposals at our forthcoming EGM; 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 our Company.

9. 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 2024.

10. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

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

11. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

Save as disclosed below, none of our Directors, major shareholders, chief executive 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 our 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 our forthcoming EGM.

As at the LPD, the details of the property development companies outside of the Nestcon Group which Datuk Ir. Dr. Lim has an interest in are as follows:

Company	Principal place of business	Type of development undertaken	Geographical coverage	Equity interest (%)		Position held
				Direct	Indirect	
Nestcity Cemerlang Sdn. Bhd.	Malaysia	Mixed development	Selangor	50.00	-	Non-executive director/ Shareholder
Nestcity Land Sdn. Bhd.	Malaysia	Residential development	Selangor	43.25	-	Non-executive director/ Shareholder
Nestcity Property Sdn. Bhd.	Malaysia	Residential development	Selangor	60.00	-	Non-executive director/ Shareholder
Nestcity Development Sdn. Bhd.	Malaysia	No developments undertaken as at the LPD	-	50.00	-	Non-executive director/ Shareholder
Picoland Sdn. Bhd.	Malaysia	Residential development	Kuala Lumpur	60.00	-	Non-executive director/ Shareholder

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.

In the event that the geographical coverage or type of development to be undertaken by our Group under the new property development business is similar with the property development companies that Datuk Ir. Dr. Lim has an interest in, the Audit Committee has applied the following measures in ensuring that any potential conflict of interest is mitigated:

- (i) Datuk Ir. Dr. Lim will not participate in any of our Group's property development business as outlined in an irrevocable written undertaking letter dated 9 April 2026 addressed to our Board. This undertaking letter includes a commitment not to solicit or engage in any property development business activities directly or indirectly competing with our Group's business. The Audit Committee shall conduct periodic reviews of this undertaking to ensure compliance and adapt measures where necessary;
- (ii) Nestcity Cemerlang Sdn. Bhd., Nestcity Land Sdn. Bhd., Nestcity Property Sdn. Bhd., Nestcity Development Sdn. Bhd. and Picoland Sdn. Bhd. have granted our Company a right of first refusal to jointly undertake any future property development projects on an arm's length basis under terms and conditions substantially equivalent to those proposed by any third party;
- (iii) Datuk Ir. Dr. Lim shall provide regular updates in respect of his declaration of conflict of interest to the Audit Committee and our Board concerning his interests in other companies. This practice ensures ongoing monitoring and proactive identification of any potential conflict of interest; and
- (iv) Datuk Ir. Dr. Lim and any persons connected to him will abstain from all Board deliberations and voting (in respective of his direct and/ or indirect shareholdings in Nestcon) in the matter that has given/will give rise to the conflict of interest situations.

12. DIRECTORS' STATEMENT AND RECOMMENDATION

Our 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 our Group and shareholders.

Accordingly, our Board (save for Datuk Ir. Dr. Lim) recommends that you **vote in favour** of the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM.

13. ESTIMATED TIMEFRAME FOR COMPLETION

The tentative timeline for the implementation of the Proposals is as follows:

Tentative timing	Event
30 June 2026	<ul style="list-style-type: none">• EGM for the Proposals
July 2026	<ul style="list-style-type: none">• Fulfilment of all the conditions precedent as set out in the SPA
October 2026	<ul style="list-style-type: none">• Completion of the Proposed Acquisition

Barring any unforeseen circumstances and subject to all required approvals being obtained, our Board expects that the Proposed Diversification shall take immediate effect upon obtaining the approval of our shareholders at our forthcoming EGM.

14. EGM

The EGM, the Notice of which is enclosed with this Circular, will be held at DoubleTree by Hilton Shah Alam i-City, Finance Avenue, 40000 Shah Alam, Selangor on Tuesday, 30 June 2026 at 11:00 a.m. or immediately after the conclusion of the Sixth Annual General Meeting of the Company, which will be held at the same venue on the same day at 10:00 a.m., or any adjournment thereof, for the purpose of considering the Proposals contained herein and if thought fit, passing the resolutions so as to give effect to the Proposals.

You may complete and return the enclosed Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event, to arrive at the office of the Company's share registrar, Symphony Corporate Services Sdn Bhd ("**Symphony**") at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, 40460 Kota Kemuning, Shah Alam, Selangor, not less than forty-eight (48) hours before the date and time stipulated for the EGM, or any adjournment thereof. Alternatively, the Form of Proxy may also be electronically submitted via Symphony's Online website at <https://www.symphonycorporateservices.com.my>. Please refer to the Administrative Guide for the EGM for further details. The lodging of the Form of Proxy does not preclude you from attending the EGM and voting in person should you subsequently decide to do so.

15. FURTHER INFORMATION

Please refer to the appendices of this Circular for further information.

Yours faithfully,
For and on behalf of our Board of
NESTCON BERHAD

ONG YONG CHUAN
Executive Director

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 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.

VALUATION CERTIFICATE IN RELATION TO THE LANDS



KHONG & JAAFAR SDN BHD

197701000226 (31218-T)



VALUERS (REAL ESTATE, BUSINESSES, INTANGIBLES & PLANT & MACHINERY), ESTATE AGENTS, PROPERTY CONSULTANTS, PROPERTY MANAGERS, PROPERTY INVESTMENT ADVISORS, MARKET & FEASIBILITY RESEARCHERS, LITIGATION SUPPORT & TENANT REPRESENTATION

PENILAI (HARTA TANAH, PERNIAGAAN, HARTA TANAH TAK KETARA & LOJI), EJEN HARTA TANAH, PERUNDING HARTA TANAH, PENASIHAT PELABURAN HARTA TANAH, PENYELIDIK PASARAN DAN KEMUNGKINAN, SOKONGAN TINDAKAN UNDANG-UNDANG, PERWAKILAN PENYEWA



57-1 Jalan Telawi Tiga, Bangsar Baru, 59100 Kuala Lumpur, Malaysia Tel : +6 03 2282 9699 Fax : +6 03 2282 9799
Email : kjhq@khongjaafar.com.my Website : www.khongjaafar.com.my Facebook : www.facebook.com/KhongJaafarSdnBhd

Our Ref: MV(J) 89/2026

10 April 2026

The Directors
Nestcon Berhad
No. 02-10, Jalan Kenari 13B
Bandar Puchong Jaya
47180 Puchong
Selangor Darul Ehsan

Attention: Mr Ong Yong Chuan – Executive Director

Dear Sir,

VALUATION CERTIFICATE

**LOTS PTD 212927, PTD 212928, PTD 212929, MUKIM PULAI, DAERAH JOHOR BAHRU, JOHOR DARUL TA'ZIM (THREE CONTIGUOUS PARCELS OF COMMERCIAL LAND LOCATED ALONGSIDE JALAN PERSIARAN AFIAT, TAMAN KESIHATAN AFIAT, 81100 ISKANDAR PUTERI, JOHOR DARUL TA'ZIM)
(HEREINAFTER REFERRED TO AS THE "PROPERTY")**

This Valuation Certificate has been prepared for inclusion in the Circular to the shareholders of Nestcon Berhad to be dated 15 June 2026 in relation to the proposed acquisition of the Property by Nestcon Iskandar Puteri Sdn Bhd (a 70%-owned subsidiary of Nestcon Property Sdn Bhd, which in turn is a wholly-owned subsidiary of Nestcon Berhad).

In accordance with your instructions to value the Property, we have inspected the Property on 12 March 2026, extracted particulars of the titles from the Documents of Title at the Pejabat Tanah Dan Galian Johor on 26 March 2026 and completed our investigations, searches and calculations to arrive at our opinion of value.

The material date of valuation is 12 March 2026. Consequently, all available data used to establish the estimate of market value is viewed as of this date.

The basis of valuation is the Market Value of the Property. "Market Value" is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

This report is prepared in compliance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the mandatory Malaysian Valuation Standards, issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers ("Board"). The Board is the regulatory authority for Registered Valuers in Malaysia.

Disclosures as required under Chapter 6 of the Asset Valuation Guidelines are as follows:-

VALUATION CERTIFICATE IN RELATION TO THE LANDS (cont'd)**1. Identification of The Property**

The Property comprises three contiguous parcels of land held under Category of Land Use "Bangunan" with the Express Condition for commercial use (Kompleks Perniagaan, Bangunan Pejabat, Pusat Pameran).

2. Title Particulars

No.	Title No.	Lot No.	Provisional Land Area			
			in square metres	in hectares	in square feet	in acres
1	H.S.(D) 593421	PTD 212927	7,452.947	0.745	80,223	1.842
2	H.S.(D) 593420	PTD 212928	9,891.842	0.989	106,475	2.444
3	H.S.(D) 593419	PTD 212929	16,437.495	1.644	176,932	4.062
Total			33,782.284	3.378	363,630	8.348

Locality : Mukim Pulai, Daerah Johor Bahru, Johor Darul Ta'zim

Category of Land Use : "Bangunan"

Express Condition: i) Tanah ini hendaklah digunakan sebagai Bangunan Bertingkat untuk tujuan komersil (Kompleks Perniagaan, Pejabat, Pusat Pameran) yang berkaitan dengannya, dibina mengikut pelan diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan.
 ii) Segala kekotoran dan pencemaran akibat aktiviti ini hendaklah disalurkan ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa berkenaan.
 iii) Segala dasar dan syarat yang ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa berkenaan hendaklah dipatuhi.

Tenure : Grant-in-perpetuity (commonly referred to as freehold)

Registered Proprietor : KLG ISKANDAR PUTERI SDN BHD

3. General Description:

- 3.1 The Property consists of three contiguous parcels of land held under Category of Land Use "Bangunan" with the Express Condition for commercial use (Kompleks Perniagaan, Bangunan Pejabat, Pusat Pameran). It has a total provisional land area of 33,782.284 square metres or 3.378 hectares (i.e. approximately 363,630 square feet or 8.348 acres).
- 3.2 Collectively, the lots form an irregular shaped parcel of commercial land having frontage onto the north side of Jalan Persiaran Afiat.
- 3.3 Broadly, the Property is bounded by Jalan Persiaran Afiat alongside its southern boundary, a water detention pond on its western side, a recreation park on its eastern side and the Keretapi Tanah Melayu Berhad Railway Line from Port of Tanjung Pelepas alongside its northern boundary.
- 3.4 The land is generally flat and lies slightly above the level of the frontage road. At present the land is generally cleared with some parts overgrown with bushes and shrubs. There are no buildings within the Property and the boundaries are not demarcated with any form of fencing.

VALUATION CERTIFICATE IN RELATION TO THE LANDS (cont'd)**4. The Proposed Development:**

- 4.1. The Property was initially approved for a commercial development with a permissible plot ratio of 1:4 by Jabatan Perancangan Pembangunan of Majlis Bandaraya Iskandar Puteri vide an Approved Master Layout Plan bearing reference no. MBIP (PB/SWT) 2/9 (43) JLD 6 dated 20 February 2019. In accordance with the Approved Master Layout Plan, the Property was approved for development of "Kompleks Perniagaan, Pejabat, Pusat Pameran dan Berkaitan Dengannya".
- 4.2. Subsequently, upon an application for a variation in activity from a multi-storey commercial building to a serviced apartment development for sale, with an increase in the permissible plot ratio from 1:4 to 1:6, an approval-in-principle was granted by the Jawatankuasa Pangsapuri Perkhidmatan (Serviced Apartment Committee) at a meeting on 7 August 2025 and conveyed by Jabatan Perancangan Bandar dan Desa Negeri Johor vide a letter bearing reference no. JPBD.J1/123/12/1 dated 12 August 2025. Pursuant to this, the development proposal was then forwarded and approved by Jawatankuasa Perancang Negeri Johor at a meeting on 28 August 2025 and this approval was conveyed by Jabatan Perancangan Bandar dan Desa Negeri Johor vide a letter bearing reference no. JPBD.(S)/J1/123/8 JLD 20() dated 4 September 2025.
- 4.3. We have been informed by the Client that they intend to develop the Property with serviced apartments and retail units. Based on the Project Overview, we note that the development of the Property is planned over two phases, as follows:-

Phase 1 – Lot PTD 212929

- 4.4. Phase 1 is to comprise the development of Lot PTD 212929 with 2 high rise blocks of serviced apartments to be known as Towers A and B with a total of 1,231 serviced apartment units and 12 retail units. The proposed development of this phase will consist of a 31-storey serviced apartment building (Tower A) and a 34-storey serviced apartment building (Tower B) both atop a 10-storey podium. It is designed for use with 11 retail units and car parking bays on Level 1, car parking bays and common facilities from Levels 2 to 9, a retail unit on Level 10 and serviced apartments from Levels 11 to 41 in Tower A and from Levels 10 to 43 in Tower B.
- 4.5. The proposed development content for this phase is made up as follows:-

Proposed Development Component	Number of Units	Built-Up Area Per Unit (In Square Feet)
Serviced Apartments - Type A	550	711
Serviced Apartments - Type B	551	970
Serviced Apartments - Type C	130	1,140
Retail	12	12,359 (in total)

Phase 2 – Lot PTD 212927 and PTD 212928

- 4.6. Phase 2 is to comprise the development of Lots PTD 212927 and PTD 212928 with 2 high rise blocks of serviced apartments to be known as Towers A and B with a total of 1,324 serviced apartment units and 12 retail units. The proposed development of this phase will consist of a 31-storey serviced apartment building (Tower A) and a 34-storey serviced apartment building (Tower B) both atop an 11-storey podium. It is designed for use with 11 retail units and car parking bays on Level 1, car parking bays and common facilities from Levels 2 to 10, a retail unit on Level 11 and serviced apartments from Levels 12 to 42 in Tower A and from Levels 11 to 44 in Tower B.

VALUATION CERTIFICATE IN RELATION TO THE LANDS (cont'd)

4.7. The proposed development content for this phase is made up as follows:-

Proposed Development Component	Number of Units	Built-Up Area Per Unit (In Square Feet)
Serviced Apartments - Type A	641	711
Serviced Apartments - Type B	553	970
Serviced Apartments - Type C	130	1,140
Retail	12	12,303 (in total)

5. Town Planning:

The Property is presently zoned for commercial use in accordance with the Draft Rancangan Tempatan Iskandar Puteri 2035 Local Plan.

Presently, in accordance with the aforementioned approvals described hereinbefore under item 4.2, the Property has approvals for the proposed development to be serviced apartments at a permissible plot ratio of 1:6.

Our checks with the Majlis Bandaraya Iskandar Puteri indicate that for commercial developments within Iskandar Puteri, the permissible plot ratio relates to the Net Saleable Area permissible and does not refer to the permissible Gross Floor Area.

6. Sale of the Property:

The Property is presently being purchased by the Purchaser, Nestcon Iskandar Puteri Sdn Bhd (a 70%-owned subsidiary of Nestcon Property Sdn Bhd, which in turn is a wholly-owned subsidiary of Nestcon Berhad) from KLG Iskandar Puteri Sdn Bhd (the Vendor) for a consideration of RM95,000,000 vide a Sale and Purchase Agreement dated 10 April 2026.

7. Market Value:

- 7.1. The **Market Value** of the Property held under a grant-in-perpetuity, in its existing condition with vacant possession and subject to the respective Titles being free from encumbrances good marketable and registrable is **RM95,000,000** (Ringgit Malaysia Ninety-Five Million Only) i.e. equivalent to about RM2,812 per square metre or **RM261 per square foot** based on the provisional land area of the Property.
- 7.2. The above estimate of value is arrived at principally by the **Market/Comparison Approach** to value. The Market/Comparison Approach to value where reference is made to recent market transactions/evidences of value and asking prices of similar properties in the immediate neighbourhood of the Property. The Market/Comparison Approach generally estimates the value of the Property by comparing it to prices/evidences 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 Property under consideration. The next step is a reconciliation of adjusted values and the selection of the most suitable comparable or comparables and a final decision made judgementsally based on our professional experience. This is in line with the requirements of the Malaysian Valuation Standards and the Asset Valuation Guidelines of the Securities Commission Malaysia.

VALUATION CERTIFICATE IN RELATION TO THE LANDS (cont'd)

7.3. For this valuation we have considered the following three (3) market sales/evidences of value to arrive at an indicative land value for the Property under consideration:-

	Comparable No. 1	Comparable No. 2	Comparable No. 3
Description	Joint Venture Agreement for Lots PTD 212926, in the Mukim of Pulai, District of Johor Bahru, Johor Darul Ta'zim *See Note 1	Sale of Lot 1155, in the Mukim of Pulai, District of Johor Bahru, Johor Darul Ta'zim	Sale of Lot 27577, in the Mukim of Pulai, District of Johor Bahru, Johor Darul Ta'zim
Source	Details disclosed to Khong & Jaafar Sdn Bhd	Property Transaction Data, Valuation and Property Services Department, Ministry of Finance, Malaysia	
Type	A parcel of vacant commercial land	A parcel of vacant commercial land	A parcel of vacant commercial land
Location	Located along Lebuhraya Hubungan Kedua (Laluan Pontian – Taman Johor Bahru) and Jalan Persiaran Afiat, Taman Kesihatan, Iskandar Puteri	Located along Jalan Skudai, Bandar Baru Uda	Located along Jalan Persisiran Perling 1, Taman Perling
Date of Transaction	9 February 2026	7 October 2024	6 January 2025
Tenure	Freehold	Freehold	Freehold
Planning Aspect	Approved by the Majlis Bandaraya Iskandar Puteri for the land to be developed with serviced apartments at a permissible plot ratio of 1:6, similar to the approvals obtained for the Property.	Zoned for commercial use at a permissible plot ratio of 1:6.	Zoned for commercial use at a permissible plot ratio of 1:4.
Land size	35,436.53 square metres (i.e. approximately 381,435 square feet or 8.758 acres)	23,171 square metres (i.e. approximately 249,410 square feet or 5.726 acres)	20,801 square metres (i.e. approximately 223,900 square feet or 5.140 acres)
Consideration	RM100,000,000	RM76,070,505	RM39,204,000
Analysis of the transaction	RM2,822.90 per square metre or RM262.00 per square foot	RM3,283.00 per square metre or RM305.00 per square foot	RM1,884.00 per square metre or RM175.00 per square foot
Adjustments	Adjustment factors considered are Time, Location and Accessibility, Tenure, Physical Attributes, Size, Planning Aspect/Planning Approvals and Category of Land Use		
Adjusted value	RM2,822.90 per square metre or RM262.00 per square foot	RM2,757.72 per square metre or RM256.20 per square foot	RM2,868.39 per square metre or RM266.44 per square foot

Note 1:-

For comparable No. 1, the Joint Venture Agreement, we note that the Landowner, KLG Nusajaya Sdn Bhd, is entitled to receive not more than seven percent (7%) of the Gross Development Value of the Project (GDV) which shall be paid by Exsim Iskandar Puteri Sdn Bhd to the Landowner at such time and in such manner mutually agreed by the parties. We further note that based on an Addendum to the Joint Venture Agreement dated 27 February 2026, the Landowner's Entitlement is to be paid upfront.

Although this comparable is a Joint Venture Agreement, we have considered it to be equivalent to a market sale and of relevance in determining the value of the Property under consideration because the Landowner's Entitlement is being paid upfront and not on a staggered basis over the course of the development of the land. This approach is also in line with Standard 7.2.1.1 (e) of the Malaysian Valuation Standards.

VALUATION CERTIFICATE IN RELATION TO THE LANDS (cont'd)

- 7.4. Based on the 3 comparables above, we find Comparable 1 to be the best comparable as it was recently transacted and is similar in size and zoning. Another comparable that is good is Comparable No. 3, which is similar in terms of location and size but which has a lower permissible plot ratio. Having considered all relevant factors, we are of the opinion that the Market Value of the Property is RM261 per square foot or RM95,000,000 based on the title land area of 8.348 acres.
- 7.5. We have also crosschecked the value using the **Income Approach** to value (Discounted Cash Flow Methodology), based on the preliminary proposed development content for the Property. We are cognizant of the fact that the Property has not been granted planning permissions as yet, however, this approach may reflect inherently the potential of the Property for a serviced apartment development at a permissible plot ratio of 1:6, in line with approvals obtained from the Jawatankuasa Perancang Negeri Johor.
- 7.6. Using the Income Approach to value, we are of the opinion that the Market Value of the Property held under a grant-in-perpetuity, in its existing condition with vacant possession and subject to its Title being free from encumbrances good marketable and registrable is RM96,300,000 (Ringgit Malaysia Ninety-Six Million and Three Hundred Thousand Only) i.e. equivalent to about RM2,851 per square metre or RM265 per square foot based on the provisional land area of the Property.
- 7.7. A summary of the parameters adopted in our Income Approach to Value (DCF Methodology) is shown below:-

Component	Units	Average Built Up Area (sq. ft.)	Total Sales Value/ Average Selling Price RM per sq. ft	GDV	Building Cost	Development Period
Phase 1 - Serviced Apartments and Retail Units	550	711	RM234,630,000 / RM600	RM636,266,600	RM310,944,370	Year 1 to Year 5
	551	970	RM309,992,600 / RM580			
	130	1140	RM82,992,000 / RM560			
	12	1030	RM8,652,000 / RM700			
Phase 2 - Serviced Apartments and Retail Units	641	711	RM273,450,600 / RM600	RM676,170,400	RM333,985,810	Year 2 to Year 6
	553	970	RM311,117,800 / RM580			
	130	1140	RM82,992,000 / RM560			
	12	1025	RM8,610,000 / RM700			
Bumiputra Discount at 15% on selling price of 40% applicable to all units				(RM78,746,220)		
Other Development Costs					RM197,957,558	
Developer's Profit					RM246,738,156	
Total				RM1,233,690,780	RM1,089,625,894	

- 7.8. The following is a breakdown of the cash flows from Year 1 to Year 6 in our DCF model:-

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Total Cash Inflow	RM88,493,659	RM241,615,447	RM304,366,125	RM274,868,239	RM222,127,894	RM102,219,416
Total Cash Outflow	RM97,688,990	RM209,561,923	RM257,004,601	RM233,327,767	RM198,449,923	RM93,592,690
Net Cashflow	(RM9,195,332)	RM32,053,524	RM47,361,524	RM41,540,472	RM23,677,971	RM8,626,726

VALUATION CERTIFICATE IN RELATION TO THE LANDS (cont'd)

- 7.9. The total Gross Development Value is RM1,233,690,780 shown in the **Income Approach** to Value (DCF Methodology) is arrived at by reference to the selling prices of similar units of ongoing development in the neighbourhood of the Property as well as like economic areas, as follows:-

Description	Built-up area (sq. ft.)	Transacted Price / Developer's Selling Price per sq ft
Serviced Apartment		
<u>Ongoing development</u> Idaman Heights, Riverhaus, Sky Curve Residence, Calla Residence	453 to 1,000	RM503 to RM779
<u>Existing development</u> Sky View Residence, Sky Loft Premium Suites, Sky Tree Residence, 8scape @ Sutera Condominium, Eco Nest @ Eco Botanic	527 to 1,173	RM512 to RM907
Retail Units		
Sky Tree Residence, Eco Nest @ Eco Botanic	624 to 2,745	RM737 to RM950

Source: Khong & Jaafar Research and Valuation and Property Services Department, Sales Transaction Data

- 7.10. The total Gross Development Cost is RM1,089,625,894. The gross development costs are based on industry average costs. The main items of costs are as follows:-

Description	Total Cost	Remarks
1. Serviced Apartment Fee	RM12,336,908	The serviced apartment fee at 1% of GDV as shown in our Discounted Cash Flow is a fee payable in the State of Johor to the Pejabat Tanah Dan Galian Johor which is a requirement for all serviced apartment developments in Johor.
2. Estimated Statutory Contribution	RM31,497,237	Based on information from the relevant agencies and our records from our previous valuations of similar properties and data compiled and kept in our records
3. Titles/Strata Titles and Survey Plans @ RM2,500 per title	RM6,447,500	Based on our records from our previous valuations of similar properties and data compiled and kept in our records. This strata title cost includes surveying costs and costs for application at the relevant local authority.
4. Site Clearing & Earthworks	RM834,800	The rate adopted is RM100,000 per acre. This rate is in line with industry average figures i.e. RM50,000 to RM250,000 per acre depending on the physical attributes of the land including its terrain.
5. Infrastructure (inclusive of sewerage, roads, drainage and street lights) & Landscaping	RM16,696,000	The rate adopted is RM2,000,000 per acre. For this development we are of the opinion that this estimate is reasonable to meet the cost required to provide the same for a serviced apartment development. This rate is also in line with industry average figures i.e. in the region of RM2,000,000 to RM4,000,000 per acre depending on the land area and total infrastructure that needs to be provided and the landscape envisaged by the developer.
6. Building Cost	RM644,930,180	The rate adopted is RM175 per square foot for the serviced apartment building and RM80 per square foot for the car park podium, based on the estimated Gross Floor Area. The cost per square foot for the buildings are based on the building types and specifications. We arrived at the rates per square foot by making reference to industry average figures, our records of construction cost of similar properties and from our analysis of market sales. We have also broadly made reference to the JUBM Group Construction Cost Handbook Malaysia 2025 and to other publicly available data on costings.

VALUATION CERTIFICATE IN RELATION TO THE LANDS (cont'd)

Description	Total Cost	Remarks
7. Professional Fees	RM52,996,878	We adopted a rate of 8% of items 4 to 6 above. The professional fees are the fees payable to Architects, Engineers, Land Surveyors, Planners and Quantity Surveyors based on their scale fee. Records of similar developments and enquiries with the respective professionals reveal that the professional fees normally range from about 5% to 9% depending on the size of the project and the development content.
8. Marketing and Management	RM37,010,723	The rate adopted is 3% of the GDV. This is derived from analyses of sales of similar schemes as well as recognising rates used in our previous valuations and after taking into account the development content of the Property under consideration
9. Interest on Capital	RM40,137,511	The finance cost adopted is 10% per annum on 50% of the costs. This cost is the normal rate we use in all our DCF valuations for similar properties and is in line with industry average borrowing cost from financial institutions. Over a long period of time we have come to our professional judgement that this cost is adequate for schemes under the "Sell Off the Plan Concept" of property developments. Under the "Sell Off the Plan Concept" the cash flow from sales is progressively collected.
10. Developer's Profit	RM246,738,156	The estimate of developer's profit at 20% is derived from analysis of sales of similar developments as well as recognising rates used in our previous valuations and after taking into account the special characteristics of the Property.

- 7.11. The development period assumed in our Discounted Cash Flow model is 6 years, as in our opinion, this is the time frame required for construction and completion and the marketing of the units in the development. The development period is essentially market derived and is also based on analyses of similar ongoing projects.
- 7.12. The annual cash outflow is based on the standard progressive payment schedule applicable for similar developments in the country.
- 7.13. The present value of the net cash flow from the Property over 6 years; at a discount rate of 10% per annum (mid-term convention) reflects adequately the time value of money and also the time frame required for construction and completion and the marketing of the units in the development.
- 7.14. The developer's profit reflects the risk in the project whilst the present value reflects the time value of money. Jointly they make up the defacto discount rate. The discount rate is required to be market derived when estimations of Market Value are the end objective. Our discount rate is market derived and it is, generally, the implied pre-tax discount rate from analyses of sales of development lands from past transactions in Malaysia.
- 7.15 At the end of the Discounted Cash Flow model, after arriving at the net present value of the Property on the basis that the Property is approved at RM107,000,000, we have made a further deduction of 10% or RM10,700,000 to reflect the fact that the Property under consideration has approvals from the Jawatankuasa Perancang Negeri Johor for the variation in activity from a multi-storey commercial building to a serviced apartment development for sale together with an increase in the permissible plot ratio from 1:4 to 1:6 but lacks formal planning permission. This deduction generally reflects some uncertainty associated with the approval process, potential variation in development intensity and timing risks. This discount of 10%, we believe, is adequate and we are of the opinion that any potential purchaser would make such a deduction. The rate of

VALUATION CERTIFICATE IN RELATION TO THE LANDS (cont'd)

10% used is based on our professional judgement and is also market derived based on our analyses of market sales of development lands using the Income Approach to value (Discounted Cash Flow Methodology).

7.16. Reconciliation of Values:-

Valuation Approach	Derivation of Values
Market/Comparison Approach to value	RM95,000,000
Income Approach to value (Discounted Cash Flow Methodology)	RM96,300,000

- 7.17. We have relied more on the **Market/Comparison Approach** to value as compared to the **Income Approach** to value (Discounted Cash Flow Methodology) as the Property is a parcel of commercial land without development approvals and there are sufficient market sale comparables. We are aware that as at the date of valuation, the development is still in its preliminary planning stages and that the proposed development content may be varied upon submission for approvals. Nonetheless the **Income Approach** to value can, in the circumstances, broadly act as a check. The model for the **Income Approach** to value (Discounted Cash Flow methodology) we have used is our standard model which we normally use to analyse transactions as well as value development properties.
- 7.18. In accordance with Standard 6.2.2 (n) of the Malaysian Valuation Standards and Paragraph 5.19 of the Asset Valuation Guidelines, we hereby disclose that the Property was sold by Nusajaya Greens Sdn Bhd and Nusajaya Medical Park Sdn Bhd to KLG Iskandar Puteri Sdn Bhd on 31 July 2024 i.e. approximately 1.61 years before the date of valuation for a total consideration of RM27,362,475 or RM75 per square foot. Our review of the Sale and Purchase Agreements indicate that there are no atypical terms and conditions to the sale of the Property. As at 31 July 2024, the Property was a parcel of land held under Category of Land Use "Bangunan" with the Express Condition for commercial use (Kompleks Perniagaan, Bangunan Pejabat, Pusat Pameran) and the permissible plot ratio was 1:4.
- 7.19. Based on our investigations and cross check with an Income Approach to value (Discounted Cash Flow Methodology), we note that the increase in the value between 2024 and now is primarily because of the enhancement in the development potential of the Property. As at the time of the previous transaction, the Property was subject to a lower permissible plot ratio of 1:4 and was restricted to commercial-type developments such as office, showroom and retail uses, with no approvals for serviced apartment development. Subsequently, the Property has been given approvals for the proposed development of the Property to be with serviced apartments at a permissible plot ratio of 1:6. This change in the allowable development has a material impact on the development intensity and marketability of the Property and thus has a direct positive impact to the residual land value. In addition to the aforementioned, we also note that generally the selling prices for serviced apartments in the neighbourhood have generally increased at a CAGR of between 4.5% to 10% between 2023 and 2026.
- 7.20 We have also searched for historical market sales of commercial lands between 2022 and 2024 to identify the general trend of prices at the time period. Our due diligence revealed that generally the historical market sales of commercial lands in similar suburban locations of Johor Bahru were in the region of RM72 to RM130 per square foot depending on factors such as location and size. Premised on the above, we are of the opinion that the transaction of the Property under consideration in 2024 was broadly in line with the range of historical market transactions of commercial lands in the neighbourhood in 2024.

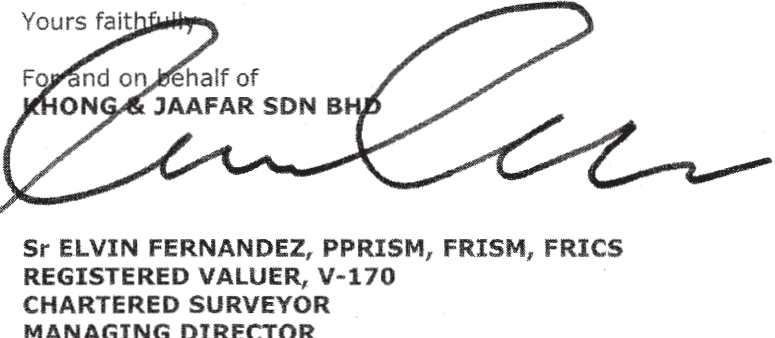
VALUATION CERTIFICATE IN RELATION TO THE LANDS (cont'd)

7.21 We would also like to highlight that these historical market sales of commercial lands are not considered in our current valuation of the Property under consideration and is being reported only to provide context to the 2024 transaction of the Property. We have not relied on these historical market sales as there are more recent and suitable comparable market sales of commercial lands which we can rely on in arriving at the Market Value of the Property using the Market/Comparison Approach to value.

In our opinion the **Market Value** of the Property held under a grant-in-perpetuity, in its existing condition with vacant possession and subject to its title being free from encumbrances good marketable and registrable is **RM95,000,000** (Ringgit Malaysia Ninety-Five Million Only).

Yours faithfully,

For and on behalf of
KHONG & JAAFAR SDN BHD



**Sr ELVIN FERNANDEZ, PPRISM, FRISM, FRICS
REGISTERED VALUER, V-170
CHARTERED SURVEYOR
MANAGING DIRECTOR**

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the completeness and accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular incomplete, false or misleading.

2. CONSENT AND CONFLICT OF INTERESTS

2.1 Adviser

Apex Securities, being the Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

Apex Securities confirms that there is no conflict of interest that exists or is likely to exist in relation to its role as the Adviser to our Company for the Proposals.

2.2 Valuer

KJSB, being the Valuer to our Company for the Lands, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

KJSB confirms that there is no conflict of interest that exists or is likely to exist in relation to its role as the Valuer to our Company for the Lands.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, there are no material litigation, claims or arbitrations, proceedings pending or threatened, against the Lands, or any facts likely to give rise to any proceedings which may materially and adversely affect the Lands.

4. MATERIAL COMMITMENTS

As at the LPD, save as disclosed below, there are no material commitments, incurred or known to be incurred by our Group, which may have a material impact on the results or financial position of our Group:

	As at the LPD
	RM'000
Sale and Purchase Agreement	
Contracted but not provided for	91,500
Property, plant and equipment	
Approved and contracted for	33,550
	125,050

FURTHER INFORMATION (cont'd)

5. CONTINGENT LIABILITIES

As at the LPD, save as disclosed below, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of our Group.

	As at the LPD RM'000
Performance guarantee for construction contracts	97,580
Bank guarantee given by licenced banks as security for performance bond	53,455
	151,035

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Company's registered office 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 (i.e. from 9.00 a.m. to 5.00 p.m.) from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of our forthcoming EGM:

- (i) the constitution of our Company;
- (ii) the SPA;
- (iii) the Valuation Report and Valuation Certificate;
- (iv) the letters of consent and declaration of conflict of interest as referred to in Section 2 of this Appendix; and
- (v) the audited consolidated financial statements of our Group for FYE 2024 and FYE 2025, and the latest unaudited consolidated financial statements of our Group for the financial period ended 31 March 2026.

[The rest of this page is intentionally left blank]



NESTCON

NESTCON BERHAD

(Registration No. 202001008684 (1365004-W))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Nestcon Berhad (“**Nestcon**” or “**Company**”) will be held at DoubleTree by Hilton Shah Alam i-City, Finance Avenue, 40000 Shah Alam, Selangor on Tuesday, 30 June 2026 at 11:00 a.m. or immediately after the conclusion of the Sixth Annual General Meeting of the Company, which will be held at the same venue on the same day at 10:00 a.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION BY NESTCON ISKANDAR PUTERI SDN. BHD., AN INDIRECT 70%-OWNED SUBSIDIARY OF NESTCON (“NESTCON ISKANDAR”), OF 3 PARCELS OF LAND LOCATED IN MUKIM PULAI, DAERAH JOHOR BAHRU, JOHOR DARUL TA’ZIM, WITH A TOTAL LAND AREA OF APPROXIMATELY 33,782.284 SQUARE METRE FROM KLG ISKANDAR PUTERI SDN. BHD. (“KLG ISKANDAR”) FOR A TOTAL CASH CONSIDERATION OF RM95.00 MILLION (“PROPOSED ACQUISITION”)

“THAT subject to the provisions of the Constitution of Nestcon and its subsidiaries (“**Nestcon Group**”), the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”) and the approvals of all authorities (if required), approval be and is hereby granted to Nestcon Iskandar to acquire 3 parcels of land all located in Mukim Pulai, Daerah Johor Bahru, Johor Darul Ta’zim, with a total land area of approximately 33,782.284 square metre from KLG Iskandar for a total cash consideration of RM95.00 million, subject to and upon such terms and conditions as set out in the conditional sales and purchase agreement dated 10 April 2026 entered into between Nestcon Iskandar and KLG Iskandar in relation to the Proposed Acquisition (“**SPA**”).

THAT the Board of Directors of the Company (“**Board**”) be and is hereby authorised and empowered to do all acts, deeds and things and to make all such decisions as they may in their absolute discretion deem fit, necessary expedient and/or appropriate in connection with or to give full effect to the Proposed Acquisition, with full powers to assent to any conditions, modifications, variations and/or amendments as may be required, at their discretion and/or imposed or permitted by the relevant authorities and/or parties.

AND THAT the Board be and is hereby authorised to execute, sign and deliver all such documents and/or agreements with any party or parties, and to take all necessary steps for and on behalf of the company as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Acquisition.”

ORDINARY RESOLUTION 2

PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OF NESTCON GROUP TO INCLUDE PROPERTY DEVELOPMENT (“PROPOSED DIVERSIFICATION”)

“THAT subject to the Listing Requirements of Bursa Securities and approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to the Group to diversify its existing business activities to include property development.

AND THAT the Board be and is hereby authorised to do all acts, deeds and things, to enter into any arrangements, transactions, agreements and/or undertakings and to sign and execute, deliver and cause to be delivered for and on behalf of the Company all such documents as may be necessary to give effect to and to complete the Proposed Diversification with full powers to assent to or make any conditions, modifications, variations and/or amendments in any manner as may be required or permitted or imposed by any relevant by the relevant authorities and to deal with all matters relating thereto and to take all steps and actions as the Board may deem fit or expedient in the best interest of the Group and in order to implement, finalise, and give full effect to the Proposed Diversification.”

**BY ORDER OF THE BOARD
NESTCON BERHAD**

**TEO SOON MEI (SSM PC No. 201908000235) (MAICSA 7018590)
NAZIRAH BINTI NAZRI (SSM PC No. 202408000275) (MAICSA 7071328)**

Company Secretaries

Kuala Lumpur
15 June 2026

Notes:

- (1) *A member who is entitled to attend and vote at the EGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the EGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the EGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (2) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (3) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**Omnibus Account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of 2 or more proxies in respect of any particular Omnibus Account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (4) *The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation’s common seal or under the hand of an officer or attorney duly authorised. Any alteration in the form of proxy must be initialled.*
- (5) *The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or at any adjournment thereof:*
 - (i) *In Hardcopy Form*

The Form of Proxy shall be deposited at the office of the Company’s share registrar, Symphony Corporate Services Sdn Bhd at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, 40460 Kota Kemuning, Shah Alam, Selangor.
 - (ii) *By Electronic Means*

The Form of Proxy shall be electronically submitted via Symphony Corporate Services Sdn Bhd’s Online website at <https://www.symphonycorporateservices.com.my> (Domain Registration No. D1C534619-MYNIC). Please refer to the Administrative Guide for the EGM for further information on the electronic submission.
- (6) *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this Notice of EGM will be put to vote by poll.*

- (7) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 June 2026 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the EGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.*
- (8) *Those form of proxy(s) which are indicated with “√” in the spaces provided to show how the votes are to be cast will also be accepted.*
- (9) *Shareholders are advised to check the Company’s website at <https://www.nestcon.my/Investor-Centre-Reports.html> and announcements from time to time for any changes to the Administrative Guide of the EGM.*

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, participate and vote at the EGM and/or any adjournment thereof, the member of the Company:

- (i) *consents to the collection, use and disclose of the member’s personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”);*
- (ii) *warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and*
- (iii) *agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member’s breach of warranty.*

Notes:

- (1) A member who is entitled to attend and vote at the EGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the EGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the EGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- (2) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- (3) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of 2 or more proxies in respect of any particular Omnibus Account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- (4) The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the form of proxy must be initialled.
- (5) The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or at any adjournment thereof:
 - (i) **In Hardcopy Form**

The Form of Proxy shall be deposited at the office of the Company's share registrar, Symphony Corporate Services Sdn Bhd at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, 40460 Kota Kemuning, Shah Alam, Selangor.
 - (ii) **By Electronic Means**

The Form of Proxy shall be electronically submitted via Symphony Corporate Services Sdn Bhd's Online website at <https://www.symphonycorporateservices.com.my> (Domain Registration No. D1C534619-MYNIC). Please refer to the Administrative Guide for the EGM for further information on the electronic submission.
- (6) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this Notice of EGM will be put to vote by poll.
- (7) In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 June 2026 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the EGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.
- (8) Those form of proxy(s) which are indicated with "√" in the spaces provided to show how the votes are to be cast will also be accepted.
- (9) Shareholders are advised to check the Company's website at <https://www.nestcon.my/Investor-Centre-Reports.html> and announcements from time to time for any changes to the Administrative Guide of the EGM.

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, participate and vote at the EGM and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 15 June 2026.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

**The Share Registrar
NESTCON BERHAD**

(Registration No. 202001008684 (1365004-W))

c/o: **SYMPHONY CORPORATE SERVICES SDN BHD**
(Registration No. 201201037454 (1021936-V))

S-4-04, The Gamuda Biz Suites,
Jalan Anggerik Vanilla 31/99,
40460 Kota Kemuning,
Shah Alam, Selangor.

1st fold here

