NESTCON

NESTCON BERHAD

(Registration No. 202001008684 (1365004-W))

ANNUAL REPORT 2025

ABBREVIATIONS

The following terms in this Annual Report bear the same meaning as set out below unless otherwise defined or the context requires otherwise:

Companies within Nestcon Group	
The Company or Nestcon	Nestcon Berhad
The Group or Nestcon Group	Nestcon Berhad and its subsidiary companies
Nestcon Alliance	Nestcon Alliance Sdn Bhd
Nestcon Borneo	Nestcon Borneo Sdn Bhd (formerly known as Nestcon KSJ Ventures Sdn Bhd)
Nestcon Builders	Nestcon Builders Sdn Bhd
Nestcon Ecology	Nestcon Ecology Sdn Bhd
Nestcon Floatovoltaics	Nestcon Floatovoltaics Sdn Bhd
Nestcon Frontier	Nestcon Frontier Sdn Bhd
Nestcon Idaman	Nestcon Idaman Sdn Bhd
Nestcon Infra	Nestcon Infra Sdn Bhd
Nestcon Iskandar Puteri	Nestcon Iskandar Puteri Sdn Bhd
Nestcon PJS	Nestcon PJS Sdn Bhd
Nestcon Property	Nestcon Property Sdn Bhd
Nestcon RE	Nestcon RE Sdn Bhd
Nestcon Sustainable Solutions	Nestcon Sustainable Solutions Sdn Bhd
Nestcon Solar	Nestcon Solar Sdn Bhd
N1 Solar	N1 Solar Sdn Bhd
N2 Solar	N2 Solar Sdn Bhd
N3 Solar	N3 Solar Sdn Bhd
WD Solar Kedah	WD Solar Kedah Sdn Bhd
General	
AED	Automated External Defibrillator
AMLR	ACE Market Listing Requirements
ABC Policy	Anti-Bribery and Corruption Policy
AC	Audit Committee
ACCA	Association of Chartered Certified Accountants
AC Report	Audit Committee Report
AFWB Policy	Anti-Fraud and Whistleblowing Policy
AGM	Annual General Meeting
AML Policy	Anti-Money Laundering Policy
Board	Board of Directors of Nestcon
BOFA	Basic Occupational First Aid
Bursa Securities	Bursa Malaysia Securities Berhad
The Act	Companies Act 2016
CCM	Companies Commission of Malaysia
CG	Corporate Governance
CG Report	Corporate Governance Report
CG Statement	Corporate Governance Overview Statement
CGPP	Corporate Green Power Programme
CIDB	Construction Industry Development Board of Malaysia
CO_2	Carbon Dioxide
Code of Conduct	Code of Conduct and Ethics
COI	Conflict of interest

ABBREVIATIONS (CONT'D)

The following terms in this Annual Report bear the same meaning as set out below unless otherwise defined or the context requires otherwise: (Cont'd)

General	
CPR	Cardiopulmonary Resuscitation
DEFRA UK	Department for Environment, Food & Rural Affairs, United Kingdom
EIA	Environmental Impact Assessment
Eco Asia	Eco Asia Governance Advisory Sdn Bhd
ECRL	East Coast Rail Link
EDs	Executive Directors
EESG	Economic, Environment, Social and Governance
EMP	Environmental Management Plan
EMS	Environmental Management System
EPCC	Engineering, procurement, construction and commissioning
EPS	Earnings per share
ESG	Environment, Social and Governance
FYE	Financial year ended/ending 31 December
G7	Grade 7
GDP	Gross domestic product
GHG	Greenhouse Gas
GL	Gross loss
GMD	Group Managing Director
GP	Gross profit
HOD	Head of Departments
HR	Human Resources
HRDF	Human Resources Development Fund
IBS	Industrialised Building System
IFRS	International Financial Reporting Standards
IIA Malaysia	Institute of Internal Auditors Malaysia
IMS	Integrated Management System
INEDs	Independent Non-Executive Directors
IPPF	International Professional Practices Framework
ISO	International Organisation Standardisation
KPIs	Key performance indicators
kWh	Kilowatt-hour
LAT	Loss after tax
LBT	Loss before tax
LED	Light-Emitting Diode
LRT	Light Rail Transit
LPS	Loss per share
LSS	Large scale solar
LSSPV	Large scale solar PV
m^3	Cubic meter
MASB	Malaysian Accounting Standards Board
MBAM	Master Builders Association Malaysia
MCCG	Malaysia Code on Corporate Governance
MFRS	Malaysian Financial Reporting Standards

ABBREVIATIONS (CONT'D)

The following terms in this Annual Report bear the same meaning as set out below unless otherwise defined or the context requires otherwise: (Cont'd)

General	
MIA	Malaysian Institute of Accountants
MW	Megawatt
NA	Net assets
NBV	Net book value
NC	Nominating Committee
NETR	National Energy Transition Roadmap
NEM	Net Energy Metering
Notice	Notice of Annual General Meeting
OHSMS	Occupational Health and Safety Management System
OSH	Occupational Safety and Health
OSHA	Occupational Safety and Health Administration
OSHCOF	Occupational Safety and Health Conference
OSHPOP	Occupational Safety and Health Principles of Prevention
PAT	Profit after tax
PBT	Profit before tax
PV	Photovoltaic
QESH	Quality, Environment, Safety and Health
QLASSIC	Quality Assessment System in Construction
QMS	Quality Management System
RC	Remuneration Committee
SOPs	Standard Operating Procedures
SORMIC	Statement on Risk Management and Internal Control
SOU	Sustainability Oversight Unit
SRMC	Sustainability and Risk Management Committee
SSHC	Site Safety and Health Committee
tCO_2e	Tonnes of carbon dioxide equivalent
TOR	Terms of Reference
UNSDG	United Nations Sustainable Development Goals

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ABOUT NESTCON

Nestled in the heart of Kuala Lumpur, **NESTCON** is a prominent group of companies based in Malaysia that delivers world-class, sustainable and novel urban development solutions, specialising in Construction and Renewable Energy Services.

Incepted as **NESTCON INFRA** which commenced operations in 2010, Nestcon Infra has progressed significantly with an impressive list of projects that underscores its ability to handle all types of civil engineering and infrastructure projects. The scope of expertise covers site preparation and earthwork, land reclamation, revetment construction, civil works, railway infrastructure works, bridges as well as elevated road and more.

As part of the Group's diversification strategy to venture into Building Construction, **NESTCON BUILDERS** was incorporated in 2013 and successfully secured its first building construction project in 2014. Since then, Nestcon Builders has grown remarkably and carries with it a solid reputation as a builder of residential, commercial and industrial properties amongst industry leaders.

Having secured a fiscally-sound future for the Group and enjoying unparalleled success in the infrastructure, building and construction sphere, the Board took the bold but carefully calculated move to scale up the Group's activities by making confident strides in the renewable energy market in 2021 by incorporating **NESTCON SUSTAINABLE SOLUTIONS** with the expressed aim of leveraging its experience and expertise in construction to provide renewable energy solutions and services.

Today, **NESTCON** with various types of construction projects underway, are the testament of its proven track record, shaping the landscapes and enriching the lives of the community. **NESTCON** envisions to be the leading construction and renewable energy service provider in Malaysia.

NESTCON, synonymous with quality and distinction in areas of its expertise, is fully committed to play a role in improving our nation's standard of living and advancing of society to a better tomorrow. **NESTCON** is fast becoming a key driver and contributor to the nation's modernisation.

OUR MISSION

- **LEVERAGING**
  on technology and innovation for higher efficiency and productivity
- **DELIVERING**
  quality products and services through a culture of excellence
- **REALIZING**
  buildings that enrich community living
- **BUILDING**
  infrastructures that accentuate novelty and purpose

OUR VISION

NESTCON aspires to become a top-tier and trusted company synonymous with quality and distinction in areas of its expertise.

NESTCON stands for our energy and passion for consistently delivering projects to the highest standards of safety, quality and integrity by embracing technological innovation and leveraging our broad knowledge base across Malaysia and beyond.

OUR CORE VALUES

N	E	S	T	C	O	N
NOBLE	**EXCELLENCE**	**SATISFACTION**	**TRUSTWORTHY**	**COMMITMENT**	**OPTIMISTIC**	**NETWORK**
Honorable and ethical at all times	Strike for quality and superiority	Strike for clients and customers' satisfaction	Exhibit integrity and honesty	Dedicated to the success of our clients and customers	Be positive in all we do	Maintain respectful relations with clients and customers

CORPORATE INFORMATION

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

NOR AZZAM BIN ABDUL JALIL
Independent Non-Executive Director

YEOH SHEONG LEE
Independent Non-Executive Director

ROSLINDA BINTI AWANG @ MAT YAZID
Independent Non-Executive Director

AUDIT COMMITTEE

Yeoh Sheong Lee
Chairman

Nor Azzam Bin Abdul Jalil
Roslinda Binti Awang @ Mat Yazid

REMUNERATION COMMITTEE

Nor Azzam Bin Abdul Jalil
Chairman

Yeoh Sheong Lee
Roslinda Binti Awang @ Mat Yazid

NOMINATION COMMITTEE

Nor Azzam Bin Abdul Jalil
Chairman

Yeoh Sheong Lee
Roslinda Binti Awang @ Mat Yazid

SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

Yeoh Sheong Lee
Chairman

Nor Azzam Bin Abdul Jalil
Roslinda Binti Awang @ Mat Yazid
Datuk Ir. Dr. Lim Jee Gin

COMPANY SECRETARY

Teo Soon Mei
(SSM PC No. 201908000235)
(MAICSA 7018590)

Nazirah Binti Nazri
(SSM PC No. 202408000275)
(MAICSA 7071328)

PRINCIPAL PLACE OF BUSINESS

2-10, Jalan Kenari 13B
Bandar Puchong Jaya
47170 Puchong
Selangor Darul Ehsan
Tel : 603-8090 7988
Fax : 603-8082 7792
Email address : ir@nestcon.my
Website : www.nestcon.my

REGISTERED OFFICE

D-09-02, Level 9, EXSIM Tower
Millerz Square @ Old Klang Road
Megan Legasi,
No. 357, Jalan Kelang Lama
58000 Kuala Lumpur
Tel : 603-7971 8080
Fax : 603-7972 8585
Email : info@amerits.com.my
Website : www.amerits.com.my

PRINCIPAL BANKERS

AmBank (M) Berhad
[Registration No. 196901000166 (8515-D)]

CIMB Bank Berhad
[Registration No. 197201001799 (13491-P)]

Hong Leong Bank Berhad
[Registration No. 193401000023 (97141-X)]

OCBC Bank (Malaysia) Berhad
[Registration No. 199401009721 (295400-W)]

United Overseas Bank (Malaysia) Bhd
[Registration No. 199301017069 (271809-K)]

AUDITORS

Morison LC PLT
[Registration No. 202206000028 (LLP0032572-LCA)] & (AF 002469)
Level 11-01, Uptown No. 3
Jalan SS 21/39 Damansara Utama
47400 Bandar Petaling Jaya,
Selangor
Tel : 603-7491 4419
Fax : 603-7481 4288

STOCK EXCHANGE LISTING

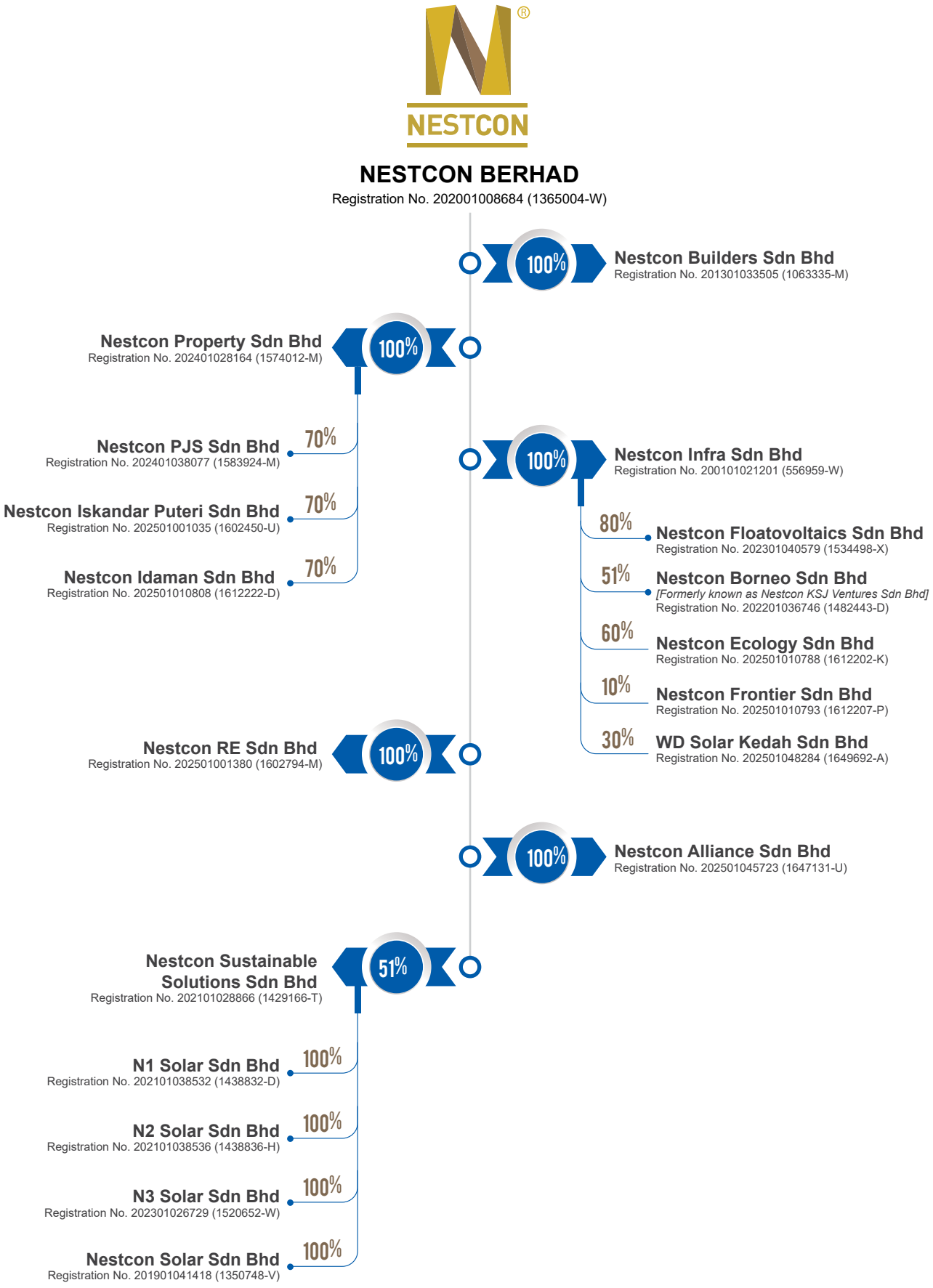
ACE Market of Bursa Malaysia Securities Berhad
Stock Name : NESTCON
Stock Code : 0235
Sector : Construction

SHARE REGISTRAR

Symphony Corporate Services Sdn Bhd
[Registration No. 201201037454 (1021936-V)]
S-4-04, The Gamuda Biz Suite, Jalan Anggerik Vanilla 31/99
Kota Kemuning, 40460 Shah Alam, Selangor
Tel : 6016-439 7718
Fax : 603-5131 9134
Email : symphonycorporateservices@gmail.com
Website : www.symphonycorporateservices.com.my

CORPORATE STRUCTURE

AS AT 31 DECEMBER 2025



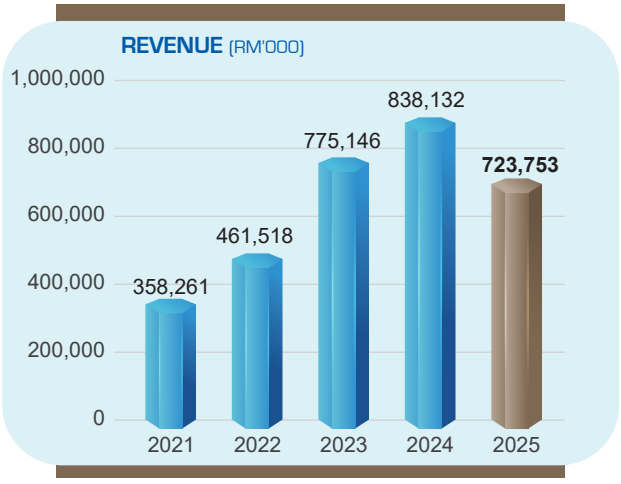
FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

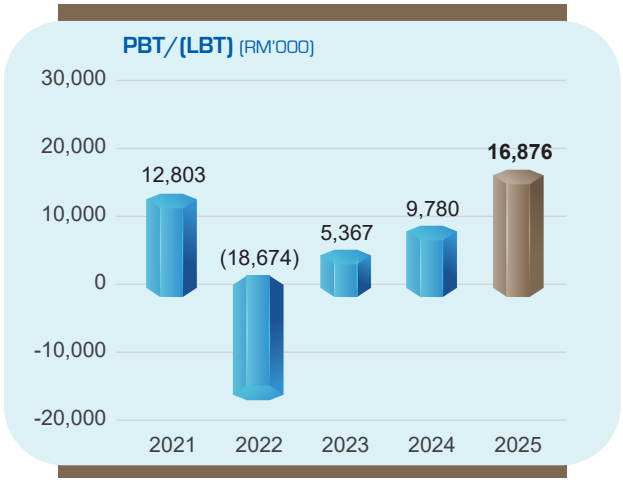
Financial Year Ended 31 December	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
FINANCIAL RESULTS					
Revenue	358,261	461,518	775,146	838,132	**723,753**
GP/(GL)	28,522	(407)	28,314	38,841	**46,601**
PBT/(LBT)	12,803	(18,674)	5,367	9,780	**16,876**
PAT/(LAT)	12,211	(15,560)	3,901	6,467	**11,833**
Net profit/(loss) attributable to the Owners of the Company	12,211	(15,348)	3,492	7,859	**11,489**
FINANCIAL POSITION					
Non-current assets	65,071	89,913	95,216	102,050	**162,504**
Current assets	338,462	432,449	610,778	673,766	**650,836**
Total assets	403,533	522,362	705,994	775,816	**813,340**
Non-current liabilities	13,356	38,891	43,224	44,498	**72,127**
Current liabilities	262,636	361,448	529,781	580,972	**567,011**
Total liabilities	275,992	400,339	573,005	625,470	**639,138**
Total equity	127,541	122,023	132,989	150,346	**174,202**
Number of ordinary shares ('000)	643,822	669,072	682,072	714,704	**756,204**
FINANCIAL RATIOS					
Basic EPS/(LPS) (RM) (1)	0.02	(0.02)	0.01	0.01	**0.02**
NA per share (sen) (2)	19.81	18.24	19.50	21.04	**23.04**

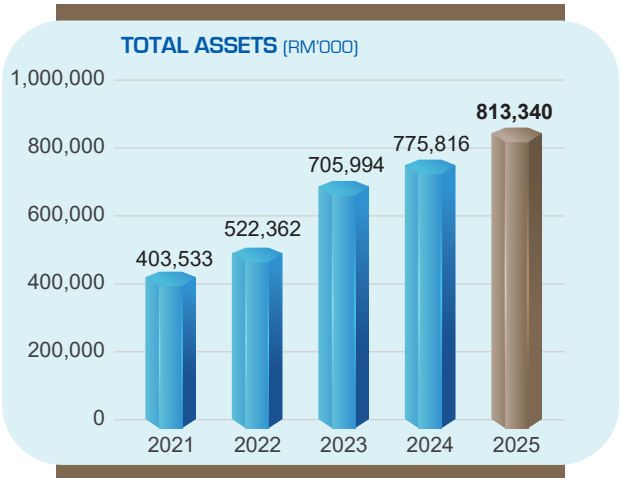
Notes:

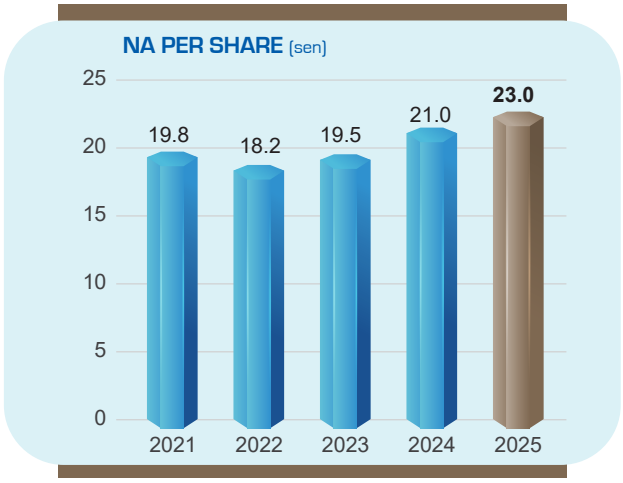
(1) Basic EPS is calculated based on profit attributable to owners of the Company divided by the weighted average number of ordinary shares for the respective financial year.

(2) NA per share is calculated based on total equity divided by the number of ordinary shares as at the respective financial year end. We note that while the more appropriate basis for NA per share is equity attributable to owners of the Company (excluding non-controlling interests), total equity has been used given the immaterial non-controlling interests of the Group.









MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Nestcon is a prominent construction group in Malaysia, delivering sustainable and innovative construction solutions across building, infrastructure and renewable energy sectors. Backed by more than fifteen (15) years of industry experience, we have established strong technical capabilities in civil engineering and infrastructure with core expertise spanning earthworks, land reclamation, roadworks, railway and bridge infrastructure, as well as the construction of residential, commercial and industrial properties.

Our key subsidiaries, Nestcon Infra and Nestcon Builders, are registered as G7 contractors with the CIDB. This accreditation enables the Group to undertake construction projects of unlimited contract value across Malaysia, including large-scale and government-linked infrastructure developments. Nestcon Solar, the Group's EPCC arm for the Renewable Energy sector, is likewise registered as a G7 contractor with CIDB.

Following the shareholders' approval obtained on 30 May 2024, the Group has successfully expanded into Renewable Energy sector as part of our strategic diversification efforts. In 2025, the Group is actively providing EPCC services for solar PV systems to residential, commercial and industrial clients, in addition to undertaking project management for renewable energy initiatives as well as the ownership and operation of solar PV assets in Malaysia. Leveraging these capabilities, the Group is well positioned to participate in public sector renewable energy initiatives, including the development of solar PV plants, with a focus on government-owned office buildings and LSSPV projects.

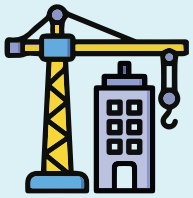
Completed Contracts

During FYE 2025, we successfully completed 30 contracts, with a total contract value of RM821.67 million. Of these, the Building Construction division contributed RM706.35 million from four (4) contracts, the Civil Engineering and Infrastructure division contributed RM105.61 million from eight (8) contracts, while the Renewable Energy division accounted for RM9.71 million from 18 contracts.

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

Completed Contracts (Cont'd)

The key completed contracts during FYE 2025 are as follows:

Business Division	Contract Details	Contract Value (RM'000)
Building Construction 	• **Mossaz & Paxtonz** Construction of a mixed development comprising one (1) block of 39-storey office suites (Mossaz Tower) and one (1) block of 25-storey SOHO (Paxtonz Tower) with other relevant facilities located at Mukim Sungai Buloh, Selangor.	346,000
	• **D'Ivo Residences** Construction of two (2) blocks of 39-storey residential with other relevant facilities located at Mukim Petaling, Kuala Lumpur.	212,062
Civil Engineering and Infrastructure	• Site clearance and embankment earthwork with all associated works for East Coast Rail Link project sub-section 1-2.	37,874
	• Site clearance and embankment earthwork with all associated works for East Coast Rail Link project sub-section 1-1.	24,422
	• Execution of earthworks and main infrastructure work for Senai Airport Development (Phase 2) at Mukim Tebrau, Johor Bahru.	14,811
	• Site Clearing, earthworks and ancillary works of Ascent Park for Housing Development at Mukim Pulai, Johor Bahru.	10,736

Some of our notable completed projects during the financial year are illustrated below:

Mossaz & Paxtonz

D'Ivo Residences @ Old Klang Road

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

Ongoing Contracts

As at 31 December 2025, we have 40 ongoing contracts with a total contract value of RM2.90 billion and unbilled order book of RM1.53 billion as follows:

Business Division	No. of Contract	Total Contract Value (RM'000)	Unbilled Amount (RM'000)
Building Construction	10	1,896,347	1,032,574
Civil Engineering and Infrastructure	20	930,869	469,211
Renewable Energy	10	71,739	27,274
Total	**40**	**2,898,955**	**1,529,059**

These ongoing contracts are expected to be progressively completed over the next one (1) to three (3) financial years. With a robust unbilled order book, we anticipate continued revenue contributions in the years ahead.

Some of the key ongoing contracts during FYE 2025 are as follows:

Business Division	Contract Details	Estimated Completion Date
Building Construction	• **Hugoz Suites** Earthworks, foundation, substructure, main building and infrastructure works for the construction of a 46-storey mixed development comprising serviced apartments and strata office with other relevant facilities located at Bandar Kuala Lumpur, Kuala Lumpur.	December 2026
	• **Arte Solaris Residence** Construction of one (1) block of 52-storey mixed development comprising office suites and serviced apartments with other relevant facilities located at Mukim Batu, Kuala Lumpur.	June 2026
	• **Nestree Residence** Main building and infrastructure works for the construction of one (1) block of 40-storey condominium with other relevant facilities at Mukim Kuala Lumpur, Kuala Lumpur.	May 2026
	• **Kuchai Sentral Residence (Phase 2)** Construction of a mixed development comprising one (1) block of 30-storey serviced apartments and one (1) block of 34-storey serviced apartments with other relevant facilities located at Mukim Petaling, Kuala Lumpur.	November 2026
Civil Engineering and Infrastructure	• Earthwork and main infrastructure work (stage 1) for Wawari phase 1 township development at Mukim Pulai, Johor Bahru.	August 2026
	• Construction and completion of infrastructure work at Mukim Pulai, Johor Bahru.	July 2026
	• Earthwork for Beringin High-Tech Auto Valley ecosystem phase 1 integrated automotive township development at Mukim Kerling, Hulu Selangor, Selangor.	July 2026
Renewable Energy	• Design, engineering, procurement, construction, installation, testing and commissioning for the development of 15MWp floating solar plant at Tanjung Dua Belas, Kuala Langat.	December 2026

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

Ongoing Contracts (Cont'd)

Nestree Residence

Kuchai Sentral Residence (Phase 2)

Tender Books

As at 31 December 2025, we have a total of 61 tenders with an aggregate value of RM4.17 billion pending award or decision across our various business divisions, as detailed below:

Business Division	Number of Tenders	Tender Sum (RM'000)
Building Construction	10	1,406,538
Civil Engineering and Infrastructure	29	2,632,613
Renewable Energy	22	133,330
Total	**61**	**4,172,481**

FINANCIAL REVIEW

Financial Performance Review

	FYE 2025 RM'000	FYE 2024 RM'000	Variance	
			RM'000	%
Financial Indicators				
Revenue	**723,753**	838,132	(114,379)	(13.6)
GP	**46,601**	38,841	7,760	20.0
PBT	**16,876**	9,780	7,096	72.6
PAT	**11,833**	6,467	5,366	83.0
Financial Ratios				
GP margin (%)	**6.4**	4.6		1.8
PBT margin (%)	**2.3**	1.2		1.1
PAT margin (%)	**1.6**	0.8		0.8

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW (CONT'D)

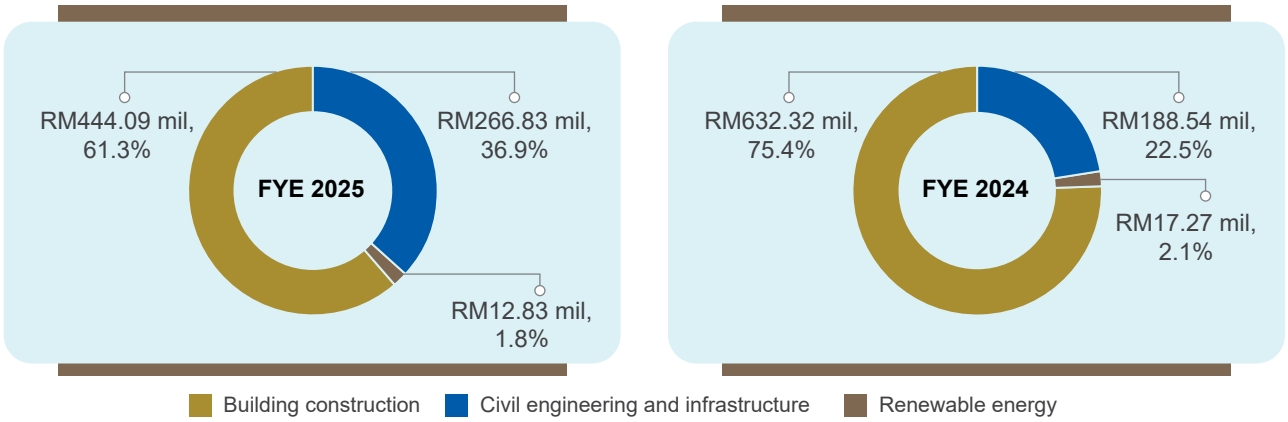
Financial Performance Review (Cont'd)

Revenue

In FYE 2025, the Group recorded revenue of RM723.75 million, representing a decrease of RM114.38 million or 13.6% compared to RM838.13 million in FYE 2024. This decline was primarily due to lower revenue contribution from the Building Construction division, as several major projects were completed while newly secured contracts were still in the early stages of construction.

The Group's revenue segmentation by business division for FYE 2025 and FYE 2024 is as follows:

Revenue by Business Division



The Building Construction division remained our primary revenue contributor, recording RM444.09 million or 61.3% of total revenue in FYE 2025. This represented a decrease of 29.8% as compared to FYE 2024, mainly due to the completion of several major projects, including Mossaz & Paxtonz and D'Ivo Residences, which ceased to contribute to the revenue of the Group. Nevertheless, construction progress on newly commenced contracts such as Ashwood and 99 Legend Residence has begun contributing to revenue and is expected to contribute more significantly in the coming financial years.

The Group's Civil Engineering and Infrastructure division contributed RM266.83 million or 36.9% of total revenue in FYE 2025, reflecting a 41.5% increase compared to FYE 2024. The increase was largely driven by higher construction progress on ongoing infrastructure projects, as well as the commencement of newly secured contracts, including construction and completion of earthwork, medium traffic bridges, urban upgrading, flood wall, tidal gate and other related work for the Sungai Golok Phase 3 Project in Kelantan, earthwork for an integrated automotive township development at Lembah Beringin in Hulu Selangor, as well as earthwork and main infrastructure work for a township development at Senai Airport City Phase 3 in Johor.

The Renewable Energy division recorded revenue of RM12.83 million or 1.8% of total revenue in FYE 2025. This represented a decrease of RM4.44 million or 25.7% compared to RM17.27 million in FYE 2024, mainly due to several contracts reaching completion during the year, with new contracts still in the early stages of progress. With 10 ongoing contracts valued at RM71.74 million as at 31 December 2025, the division continues to build its project portfolio in line with the Group's strategic expansion into renewable energy.

GP and GP Margin

Despite the decrease in total revenue, the Group's GP increased by RM7.76 million or 20.0% from RM38.84 million in FYE 2024 to RM46.60 million in FYE 2025, while GP margin improved from 4.6% to 6.4% over the same period. The improvement was mainly driven by higher GP contribution from the Civil Engineering and Infrastructure division, which carried stronger margins. This, combined with the completion of lower margin Building Construction contracts during the year, improved the Group's overall margin profile. In addition, selective contract renegotiations and stringent cost control measures have further contributed to the margin improvement during the year.

FINANCIAL REVIEW (CONT'D)

Financial Performance Review (Cont'd)

PBT, PAT, PBT Margin and PAT Margin

In line with the higher GP, the Group recorded a PBT of RM16.88 million with a PBT margin of 2.3% in FYE 2025, compared to RM9.78 million and a PBT margin of 1.2% in FYE 2024. As a consequence, the Group recorded PAT of RM11.83 million with a PAT margin of 1.6% in FYE 2025, compared to RM6.47 million and a PAT margin of 0.8% in FYE 2024, after accounting for tax expense of RM5.04 million (FYE 2024: RM3.31 million).

Financial Position Review

	31.12.2025 RM'000	31.12.2024 RM'000	Variance	
			RM'000	%
Non-current assets	**162,504**	102,050	60,454	59.2
Current assets	**650,836**	673,766	(22,930)	(3.4)
Total assets	**813,340**	775,816	37,524	4.8
Non-current liabilities	**72,127**	44,498	27,629	62.1
Current liabilities	**567,011**	580,972	(13,961)	(2.4)
Total liabilities	**639,138**	625,470	13,668	2.2
Total equity/NA	**174,202**	150,346	23,856	15.9
Financial Ratio				
NA per share (RM)	**0.23**	0.21	0.02	9.5
Current ratio (times)	**1.15**	1.16	(0.01)	(0.9)
Gearing ratio (times)	**1.35**	1.63	(0.28)	(17.2)

The Group's total assets increased by RM37.52 million or 4.8% from RM775.82 million as at 31 December 2024 to RM813.34 million as at 31 December 2025. This growth was mainly driven by a RM60.45 million expansion in non-current assets, largely attributable to a RM61.59 million increase in property, plant and equipment following the acquisition of construction machinery, equipment and motor vehicles for ongoing and upcoming projects.

However, the increase in total assets was partially offset by a RM22.93 million reduction in current assets, primarily due to:

(i) a RM24.55 million decrease in fixed deposits;

(ii) a RM10.55 million decrease in other financial assets;

(iii) a RM3.60 million decrease in trade receivables;

(iv) a RM2.88 million decrease in inventories; and

(v) a RM1.24 million decrease in contract assets.

These decreases were mitigated by a RM18.30 million increase in cash and cash equivalents, as well as a RM2.28 million increase in other receivables, deposits and prepayments.

The Group's total liabilities increased by RM13.67 million or 2.2% from RM625.47 million as at 31 December 2024 to RM639.14 million as at 31 December 2025, mainly attributable to:

(i) a RM10.45 million increase in contract liabilities and a RM11.19 million increase in trade and other payables, in line with higher construction activities during FYE 2025; and

(ii) a RM8.82 million in lease liabilities arising from additional finance leases for machinery and motor vehicles.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW (CONT'D)

Financial Position Review (Cont'd)

However, the overall increase in total liabilities was partially offset by a RM17.91 million reduction in bank borrowings, following the repayment of the factoring payables.

Accordingly, we recorded a stronger NA position of RM174.20 million, with NA per share of RM0.23 as at 31 December 2025, compared to RM150.35 million and RM0.21 respectively as at 31 December 2024. The current ratio remained relatively stable at 1.15 times, while the gearing ratio improved to 1.35 times, primarily driven by a net reduction in bank borrowings and a stronger equity base following the issuance of shares and higher retained earnings during the year.

Cash Flow Review

	FYE 2025 RM'000	FYE 2024 RM'000
Net cash generated from operating activities	**64,419**	48,142
Net cash used in investing activities	**(14,367)**	(2,732)
Net cash used in financing activities	**(37,715)**	(23,314)
Net increase in cash and cash equivalents	**12,337**	22,096
Cash and cash equivalents at the beginning of financial year	**21,601**	(495)
Cash and cash equivalents at the end of financial year	**33,938**	21,601

In FYE 2025, the Group generated net cash from operating activities of RM64.42 million, compared to RM48.14 million in FYE 2024. The increase was primarily attributable to favourable working capital movement particularly the improvement in trade receivables collection, reduction in contract assets and higher contract liabilities. These positive movements were partially offset by higher outflows in other payables and net tax payments during the financial year.

The Group recorded net cash used in investing activities of RM14.37 million in FYE 2025. This was mainly attributable to purchase of property, plant and equipment amounted to RM17.45 million, primarily comprising machinery, building equipment and motor vehicles to facilitate the higher level of construction activities during the financial year. The cash outflow was partially offset by the proceeds from the maturity of other financial assets and proceeds from the disposal of property, plant and equipment, amounting to RM2.15 million and RM0.81 million respectively.

The Group recorded a net cash used in financing activities of RM37.72 million in FYE 2025, mainly due to:

(i) net repayment of bank borrowings, including factoring payable, invoice financing and revolving credit facilities, amounting to RM40.94 million;

(ii) repayments of lease liabilities of RM17.57 million; and

(iii) interest expenses of RM13.78 million.

These outflows were partially offset by the release of pledged fixed deposits with licensed banks amounting to RM24.55 million and proceeds from issuance of shares, net of share issue expenses, amounting to RM11.92 million.

CAPITAL STRUCTURE, RESOURCES AND EXPENDITURE

As at 31 December 2025, the Company's share capital increased to RM138.40 million, consisting of 756,204,000 ordinary shares with a NA per share of RM0.23.

The Group finances its operations through cash generated from operations, existing cash and bank balances, supplier credit and banking facilities secured from financial institutions. The Group banking facilities encompass term loans, bank overdrafts, factoring payables, invoice financing, banker's acceptances, revolving credits and finance leases.

CAPITAL STRUCTURE, RESOURCES AND EXPENDITURE (CONT'D)

In FYE 2025, we allocated a total of RM83.07 million for capital expenditure purposes, as detailed below:

Capital Expenditure	RM'000
Land and buildings	1,897
Building equipment	5,863
Computer and software	127
Furniture and fittings	23
Machinery	18,514
Motor vehicles	5,141
Office equipment	26
Tools and equipment	405
Solar assets	613
Assets under construction	50,462
Total	**83,071**

The total capital expenditure represents a significant increase from RM25.87 million in FYE 2024, with approximately 60.7% allocated to the purchase of assets under construction, comprising solar panel IPC and three (3) units of office space at Nest 2 Residence, in line with the Group's strategic expansion into the renewable energy sector. The Group also invested in machinery such as hydraulic excavators, vibratory rollers, luffing crane and bulldozers, alongside the purchase of building equipment including aluminium formwork and self-climbing protection platform.

Of the total capital expenditure, RM17.45 million was funded through cash, with the remainder financed through lease arrangements and other financing facilities.

As at 31 December 2025, the Group's capital commitments are as follows:

Capital Commitment	RM'000
Approved and contracted for:	
- Purchase of property, plant and equipment	24,855
Contracted but not provided for:	
- Joint Development Agreement[1]	10,000

Note:
(1) As at 31 December 2025, the Group had an outstanding commitment of RM10.00 million pursuant to a joint development agreement entered on 3 March 2025. On 13 March 2026, the Group and the proprietor mutually agreed to terminate the said agreement. Consequently, the Group is no longer subject to this commitment.

ANTICIPATED AND KNOWN RISKS

Construction Materials Supply Risk

The Group is responsible for procuring construction materials in line with the Group's contractual project obligations. As material prices are subject to market fluctuations throughout the project lifecycle, volatility in material prices or disruptions in supply availability may lead to higher project costs, delays in project completion and potential reduction in profit margins.

To minimise the Group's exposure to material price fluctuations, the Group has established long-term relationships with reliable suppliers to ensure consistent availability of materials at competitive rates. In addition, the Group focuses on delivering high-quality services, value engineering and innovative construction solutions to enhance efficiency. The Group also actively pursue risk-sharing arrangements with clients, such as pegging the prices of key construction materials, to manage cost exposure and enhance overall project pricing certainty.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

ANTICIPATED AND KNOWN RISKS (CONT'D)

Manpower Supply Risk

The Group's operations rely heavily on maintaining an adequate and stable workforce, particularly foreign labour. Any shortage of manpower could disrupt project progress and adversely impact the Group's operational efficiency and financial performance.

To address this risk, the Group has adopted IBS technology, which reduces reliance on semi-skilled and unskilled labour while enhancing productivity and construction quality. The Group is also committed to increasing the employment of local workers to enhance regional productivity. This effort includes strengthening the Group's hiring and retention strategies, improving working conditions and facilitating the upskilling of local employees.

Competition Risk

The construction industry is highly competitive, with participants competing on reputation, project experience, service quality, pricing and technical capabilities. The Group faces competition from both local and international construction firms, including both listed and non-listed companies. Failure to compete effectively may adversely impact our overall financial performance.

To mitigate this risk, the Group has implemented the following measures:

(a) to continue evaluating the existing and potential target markets to secure contracts with satisfactory terms and conditions;

(b) to monitor industry developments and identify opportunities to implement efficient and cost-effective construction methodologies;

(c) to establish structured tender review procedures to enhance the success rate of project bids;

(d) to differentiate services through high-quality delivery, value engineering and innovative solutions tailored to client requirements;

(e) to conduct operational improvement and efficiency enhancement programmes to adapt to the evolving market conditions; and

(f) to anticipate industry trends and consistently enhance all aspects of the Group's business, pursuing growth opportunities through strategic initiatives such as acquisitions, joint ventures, service expansion, geographic diversification and other industry-specific strategies.

Industry Risk

The Group's operational performance is closely tied to construction demand in Malaysia, which is driven by property development activities and government infrastructure expenditure. Consequently, unfavourable shifts in government policies affecting the property sector or adjustments in infrastructure spending could adversely impact the Group's profitability.

In response to this risk, The Group is actively pursuing diversification into the Renewable Energy sector, which the Group aims to grow into a meaningful contributor to the Group's revenue over time. The Group also continues to identify and pursue construction opportunities arising from major infrastructure projects. These include the ECRL, Senai Airport City development, LRT Line 3 in the Klang Valley, Pan Borneo Highway in Sabah and Johor-Singapore Rapid Transit System Link.

Regulatory and Tax Risk

The construction industry is subject to evolving regulatory and tax requirements that may impact project costing and profitability. In particular, the expanded 6.0% service tax on construction services exceeding RM1.50 million, effective 1 July 2025, has directly increased project costs, especially for fixed-price contracts where the additional tax burden cannot be readily passed through to clients.

To mitigate this risk, we have incorporated tax pass-through and price escalation clauses in new contracts, strengthened cash flow management and leveraged available exemptions and relief measures. The Group continues to monitor regulatory developments and assess their impact on the Group's operations to ensure timely adaptation of the Group's business practices.

ANTICIPATED AND KNOWN RISKS (CONT'D)

Health and Safety Risk

Construction activities inherently carry health and safety risks due to the nature of on-site operations. Any safety incidents may result in project delays, additional costs, legal exposure and reputational damage.

In mitigating this risk, the Group has implemented the following measures:

(a) adopted management systems aligned with the ISO 45001 standards;

(b) maintaining a safe and accident-free workplace through Board-level oversight;

(c) ensuring active management participation in safety tours, audits and action groups; and

(d) conducting comprehensive mandatory training programmes to ensure employees fully understand and comply with all safety policies and requirements.

FUTURE PROSPECT AND OUTLOOK

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 GDP 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 Nestcon to strengthen the Group’s portfolio in the residential construction segment.

Beyond the construction sector, the renewable energy landscape continues to gain momentum as the government advances its energy transition agenda. Under the NETR, renewable energy adoption is targeted to reach 23.0% of the total primary energy supply by 2050, with solar PV expansion playing a central role. Supporting initiatives such as the NEM programme, LSS programme, CGPP and various green investment tax incentives continue to stimulate market growth. According to the International Renewable Energy Agency, Malaysia has established renewable energy targets of 40.0% share of renewables in installed capacity by 2035 and 70.0% by 2050, with cumulative renewable capacity targeted at 18,000MW by 2035 and 55,000MW by 2050. Malaysia’s Nationally Determined Contribution also commits to an unconditional 45.0% reduction in greenhouse gas emission intensity by 2030, relative to the 2005 levels. This accelerated transition presents significant growth opportunities, particularly within the solar PV segment. With Nestcon Solar registered as a G7 contractor with CIDB, the Group is strategically positioned to participate in government-led solar projects, including LSSPV tenders and rooftop installations for public and private sector buildings.

Notwithstanding these opportunities, the construction industry faces ongoing cost pressures, including the expanded service tax on construction services, escalation in raw material prices and the rationalisation of diesel subsidies, which exert upward pressure on project and logistics costs.

Looking ahead, the Group will continue to prioritise service excellence and operational efficiency to maintain the Group’s competitive edge. By aligning the Group’s strategies with government initiatives and national development priorities, the Group aims to strengthen the Group’s position across the Building Construction, Civil Engineering and Infrastructure as well as Renewable Energy divisions. With an unbilled order book of approximately RM1.53 billion, the Group remains cautiously optimistic about achieving improved financial performance in the years ahead.

DIVIDEND

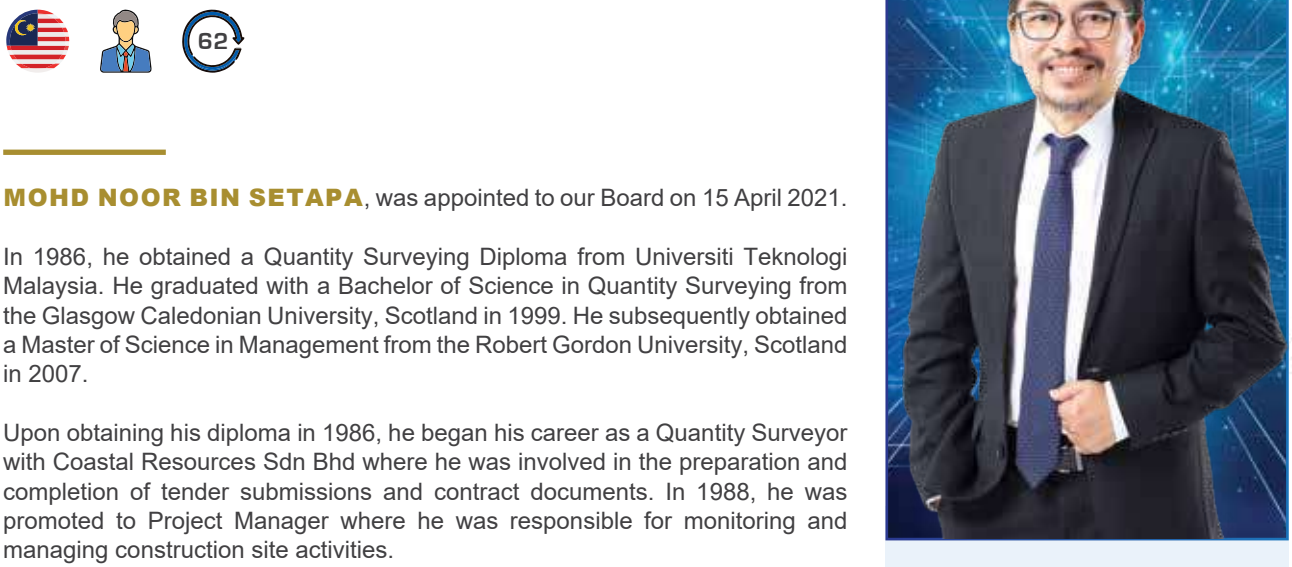
No dividends were declared or paid during FYE 2025, as the Group remains focused on enhancing the Group’s business operations to achieve long-term sustainable growth.

The Group does not currently have a formal dividend policy. Any recommendation or declaration of dividends is subject to the discretion of the Board, which will consider relevant factors including operating cash flow, capital expenditure requirements, financial performance and other considerations deemed appropriate by the Board.

BOARD OF DIRECTORS

Independent Non-Executive Chairman

EN. MOHD NOOR BIN SETAPA



Nestcon shares
No

Family relationship with Directors and/or major shareholders of Nestcon
No

Conflict of interest or potential conflict of interest in any competing business with the Group
No

Directorship in any public companies and public listed companies
No

Directorship in private companies
Yes

Convicted any offences other than traffic offences in the past 5 years and imposed any penalties by any regulatory bodies in FYE 2025
No

Board meetings attended in FYE 2025
5/5

MOHD NOOR BIN SETAPA, was appointed to our Board on 15 April 2021.

In 1986, he obtained a Quantity Surveying Diploma from Universiti Teknologi Malaysia. He graduated with a Bachelor of Science in Quantity Surveying from the Glasgow Caledonian University, Scotland in 1999. He subsequently obtained a Master of Science in Management from the Robert Gordon University, Scotland in 2007.

Upon obtaining his diploma in 1986, he began his career as a Quantity Surveyor with Coastal Resources Sdn Bhd where he was involved in the preparation and completion of tender submissions and contract documents. In 1988, he was promoted to Project Manager where he was responsible for monitoring and managing construction site activities.

He left Coastal Resources Sdn Bhd in 1992 and subsequently established Benteng Dunia Sdn Bhd and served as its Managing Director where he was responsible for daily operations, charting business strategies and its corporate development. The company was involved in the provision of construction services, such as the KTM double tracking project from Tanjong Pagar, Singapore to Kulai, Johor, via a joint venture with two other companies. In 1997, he exited Benteng Dunia Sdn Bhd as Managing Director and shareholder. He then left for Scotland in 1998 to further his studies full time.

Upon finishing his degree in 1999, he began to provide oil and gas related advisory work on a freelance basis from 2000 to 2005. In 2006, he enrolled in a master programme, where he studied full time before graduating in 2007. From 2008 to 2012, he continued to provide oil and gas related advisory work on a freelance basis.

In 2013, he joined Metra LLC as its Chief Executive Officer, a company in Oman which is involved in asset integrity (such as management and maintenance of corporate assets) for companies operating in the oil and gas industry. He was responsible for the overall implementation of the company's strategic plans as well as the overall planning and business development activities. He left Metra LLC in 2019.

BOARD OF DIRECTORS (CONT'D)

Group Managing Director

DATUK IR. DR. LIM JEE GIN

DATUK IR. DR. LIM JEE GIN, was the first Director of our Company since inception. He is a member of our SRMC. He is responsible for charting our business strategies and managing our corporate development.

He obtained his Bachelor of Engineering (Civil) (Hons) and Master of Science (Project Management) from Universiti Putra Malaysia in 1999 and 2003 respectively. In 2016, he completed his Doctor of Philosophy (Business Administration) from City University of Science and Technology, Malaysia. For his Master of Science and Doctor of Philosophy, both his thesis was focused on IBS, i.e. "Important criteria for IBS from the perspective of major project participants" and "Appropriate strategic management approaches for enhancing project performance through adoption of the IBS in the Malaysian construction sector". He is a registered Professional Engineer with Practicing Certificate (P. Eng) since 2006, a Corporate Member of the Institution of Engineers Malaysia since 2006 and a Chartered Fellow of The Chartered Association of Building Engineers, United Kingdom since 2020.

Upon graduation in 1999, he began his career as a Project Engineer with Sunway PMI-Pile Construction Sdn Bhd, where he was responsible for implementing quality management system while coordinating and supervising construction activities. In May 2000, he was transferred to Sunway Precast Industries Sdn Bhd as Project Engineer and involved in pre-construction and planning activities from the initial design stage up to site implementation. During his tenure in Sunway Group, he was also involved in the construction of government quarters for teachers using full IBS method and in scheduling of the precast components' plant production output, manpower and logistics to the project sites.

In October 2000, he left Sunway Group and joined Rekabina Jaya Sdn Bhd as a Project Engineer, where he participated in various construction projects ranging from civil engineering to building construction works. During his tenure there, he was also responsible for project bids and tender submission, project planning and scheduling, preparation of project documents as well as liaising with relevant authorities, customers, project consultants and subcontractors.

In 2003, he left Rekabina Jaya Sdn Bhd and joined ABV Builders Sdn Bhd as a Construction Manager where he was responsible for the overall planning and coordination of construction activities as well as contract administration and execution of building and infrastructure construction projects. In 2004, he joined Nagano Holdings Sdn Bhd as a Project Director and was responsible for the management of construction activities on project sites, including the planning and coordinating of project activities. He then joined Nestcon Infra in 2009 and served as a director of the company, where he played an instrumental role in managing the business development and strategies of the company while overseeing its daily operations. In 2016, he was subsequently appointed as Managing Director of the company.

In 2013, he co-founded Nestcon Builders to venture into the provision of building construction services. Since then, he has successfully completed several civil engineering, infrastructure and building construction projects in the Group.

Nestcon shares
Substantial shareholder

Family relationship with Directors and/or major shareholders of Nestcon
No

Conflict of interest or potential conflict of interest in any competing business with the Group
Disclosed on page 85 in this AC Report

Directorship in any public companies and public listed companies
No

Directorship in private companies
Yes

Convicted any offences other than traffic offences in the past 5 years and imposed any penalties by any regulatory bodies in FYE 2025
No

Board meetings attended in FYE 2025
5/5

BOARD OF DIRECTORS (CONT'D)

Executive Director

MR. ONG YONG CHUAN

ONG YONG CHUAN, was the first Director of our Company since inception. He is responsible for the overall implementation of our Group's strategic plans as well as the overall planning and business development activities of our Group's building construction projects. 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.

Nestcon shares
Substantial shareholder (direct and indirect interests by himself and his wife)

Family relationship with Directors and/or major shareholders of Nestcon
No

Conflict of interest or potential conflict of interest in any competing business with the Group
No

Directorship in any public companies and public listed companies
No

Directorship in private companies
Yes

Convicted any offences other than traffic offences in the past 5 years and imposed any penalties by any regulatory bodies in FYE 2025
No

Board meetings attended in FYE 2025
5/5

BOARD OF DIRECTORS (CONT'D)

Finance Director

MS. LIM JOO SENG

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Nestcon shares
Yes

Family relationship with Directors and/or major shareholders of Nestcon
No

Conflict of interest or potential conflict of interest in any competing business with the Group
No

Directorship in any public companies and public listed companies
(a) INED of KGW Group Berhad (a company listed on the ACE Market of Bursa Securities)

(b) INED of Nexion Technologies Limited (a company listed on the Hong Kong Stock Exchange)

Directorship in private companies
Yes

Convicted any offences other than traffic offences in the past 5 years and imposed any penalties by any regulatory bodies in FYE 2025
No

Board meetings attended in FYE 2025
5/5

LIM JOO SENG, was appointed to our Board on 26 August 2020. She is responsible for our Group's financial functions, which include financial planning, review and reporting. She graduated from Macquarie University in Sydney, Australia with a Bachelor of Commerce (Accounting) in 1998. She is a member of Certified Public Accountants of Australia and MIA, both since 2003.

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

In 2005, she 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 Chief Financial Officer, where she was responsible for overseeing its restructuring exercise and preparation for 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 has since been providing financial advisory services on a freelance basis. She ceased providing financial advisory services on a freelance basis in 2019 prior to joining the Group in her current position in December 2019.

BOARD OF DIRECTORS (CONT'D)

Independent Non-Executive Director

EN. NOR AZZAM BIN ABDUL JALIL

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Nestcon shares
No

Family relationship with Directors and/or major shareholders of Nestcon
No

Conflict of interest or potential conflict of interest in any competing business with the Group
No

Directorship in any public companies and public listed companies
Independent Non-Executive Chairman of Ocean Vantage Holdings Berhad (a company listed on the ACE Market of Bursa Securities)

Directorship in private companies
Yes

Convicted any offences other than traffic offences in the past 5 years and imposed any penalties by any regulatory bodies in FYE 2025
No

Board meetings attended in FYE 2025
5/5

NOR AZZAM BIN ABDUL JALIL, was appointed to our Board on 26 August 2020, and serves as the Chairman of our RC and NC. He is also a member of our AC and SRMC.

He graduated with a Bachelor of Business Administration (Finance) from George Washington University, USA in 1987. Upon his graduation, he was employed as an Executive Trainee by Bank of Commerce (M) Berhad. In 1991, he was promoted as Assistant Vice President responsible for managing the bank's Nostro accounts. In 1993, he moved to the corporate banking department as a Credit Officer and was promoted to Head of Japanese Desk in 1995.

In 1999, after the merger of Bank of Commerce (M) Berhad and Bank Bumiputra Malaysia Berhad to Bumiputra-Commerce Bank Berhad, he was redesignated as Business Center Manager where he was responsible to set-up and manage a business center in Klang Valley. In 2000, he was seconded to Tokyo, Japan branch of Bumiputra-Commerce Bank Berhad as General Manager to manage the day-to-day operations of the branch.

He returned to Malaysia in 2005 to be Chief Executive Officer of Commerce Tijari Bank Berhad of which he successfully launched Islamic Bank the same year. After merged with CIMB Group, he was transferred to CIMB Bank Berhad as Regional Director IV (responsible for forty (40) South Selangor and Negeri Sembilan branches, and three (3) business centres) in 2006. He was subsequently promoted to Senior Vice President/Regional Director I (responsible for forty-five (45) Kuala Lumpur branches) in 2010. He remained with CIMB Group and was promoted several times before leaving CIMB Bank Berhad in 2016. His last position with the bank was Senior Managing Director and/or Acting Head of Consumer Sales and Distribution, where he was responsible for driving retail banking and enterprise banking businesses. He was also appointed as Chief Executive Officer of CIMB Foundation and was leading and overseeing the Corporate Social Responsibility efforts for the group as well as the Non-Independent Non-Executive Director of CIMB-Principal Asset Management Bhd. He then joined Kuwait Finance House (Malaysia) Berhad in the same year as Deputy Chief Executive Officer, where he was responsible for assisting in driving the overall strategic direction of the bank's business.

In 2017, he left Kuwait Finance House (Malaysia) Berhad to join his family business, Voxel Imaging Sdn Bhd, a visual effects and production company for film and television as well as end-to-end production for corporate and commercial clients. He currently manages the financial and investment aspects of the company.

BOARD OF DIRECTORS (CONT'D)

Independent Non-Executive Director

MR. YEOH SHEONG LEE

YEOH SHEONG LEE, was appointed to our Board on 26 August 2020 and serves as the Chairman of our AC and SRMC. He is also a member of our RC and NC.

He graduated with a Bachelor of Business from Swinburne University of Technology in Melbourne, Australia in 1997. He is a member of the Certified Public Accountants of Australia since 2001, member of MIA since 2003 and obtained his practicing certificate from MIA since 2011 as well as his audit license since 2012.

He began his career with Ernst & Young in 1998 where he was involved in statutory audits for clients in various industries as well as in special assignments relating to financial due diligence, limited review and profit forecast. He left and joined Chew & Associates, a public accounting firm, in 2004 as an Assurance and Advisory Director where he was responsible for leading, managing and coordinating audit, accounting and tax engagements with clients from various industries. He was subsequently made a partner of the firm in 2012 and is now the Head of Audit and Advisory Department in the firm.

Nestcon shares
Yes

Family relationship with Directors and/or major shareholders of Nestcon
No

Conflict of interest or potential conflict of interest in any competing business with the Group
No

Directorship in any public companies and public listed companies
INED of Lysaght Galvanized Steel Berhad (a company listed on the Mainboard of Bursa Securities)

Directorship in private companies
Yes

Convicted any offences other than traffic offences in the past 5 years and imposed any penalties by any regulatory bodies in FYE 2025
No

Board meetings attended in FYE 2025
5/5

BOARD OF DIRECTORS (CONT'D)

Independent Non-Executive Director

PUAN ROSLINDA BINTI AWANG @ MAT YAZID

ROSLINDA BINTI AWANG @ MAT YAZID, was appointed to our Board on 28 December 2021. She is a member of our AC, RC, NC and SRMC.

In 1994, she graduated with a Bachelor of Civil Engineering (Hons) from Universiti Teknologi Malaysia. She is a Member of the Institution of Engineers Malaysia and the Board of Engineers Malaysia since 1997.

She began her career with HSS Integrated Sdn Bhd in 1994 as an Engineer, where she was tasked to design and supervise a condominium project. In 1996, she joined SHR Associates Sdn Bhd as an Engineer, where she was responsible for design and supervision of apartment and double storey houses projects. She then joined Jurutera Perunding Primareka Sdn Bhd in 1998 as a Senior Engineer for handling planning, design and coordination of infrastructure and building projects under Perbadanan Putrajaya Ventures Sdn Bhd and Putrajaya Holdings Sdn Bhd.

In 2004, she expanded her career exposure in construction sector by joining Amaturen Construction Sdn Bhd as the Technical Director, where she was involved in technical related matters, project planning and management, coordination and contract administration as well as liaison with other stakeholders such as local authorities, project consultants and clients for building construction projects.

Since 2016 to current, she has been serving SNA Consult Sdn Bhd as an Associate Consulting Engineer for design, planning, coordination and managing multiple high-rise residential building projects, commercial building projects and also mixed development township projects.

Nestcon shares
No

Family relationship with Directors and/or major shareholders of Nestcon
No

Conflict of interest or potential conflict of interest in any competing business with the Group
No

Directorship in any public companies and public listed companies
No

Directorship in private companies
Yes

Convicted any offences other than traffic offences in the past 5 years and imposed any penalties by any regulatory bodies in FYE 2025
No

Board meetings attended in FYE 2025
5/5

PROFILES OF KEY SENIOR MANAGEMENT

Project Director - Civil Engineering And Infrastructure Division

MR. YEE CHEE SING

YEE CHEE SING, is primarily responsible for the planning, coordination, and management of our civil engineering and infrastructure activities. He is also responsible for the implementation of our management systems on project sites. He graduated from Universiti Malaya with a Bachelor of Engineering (Civil) (Hons) in 2006.

He began his career in 2006, as a Project Engineer with Mudajaya Corporation Berhad where he was involved in overseeing and coordinating site activities which include material delivery and quality control to ensure it is in accordance with project specifications. He left in 2009 to join Putra Perdana Construction Sdn Bhd as a Site Engineer. His responsibilities with the company include preparation of periodic work programmes as well as liaising and corresponding with clients and other parties in the company's projects.

In 2012, he left and joined Nagano Holdings Sdn Bhd as a Project Manager where he was involved in the planning and coordination of construction activities. He was also involved in contract administration and execution, as well as the implementation of quality systems on project sites. He left to join Nestcon Infra as a Project Director in 2017.

Family relationship with Directors and/or major shareholders of Nestcon
No

Conflict of interest or potential conflict of interest in any competing business with the Group
No

Directorship in any public companies and public listed companies
No

Convicted any offences other than traffic offences in the past 5 years and imposed any penalties by any regulatory bodies in FYE 2025
No

General Manager Of Tender And Contracts - Civil Engineering And Infrastructure Division

MR. LAU HOE CHEONG

LAU HOE CHEONG, is responsible for overseeing the tendering and implementation of contract to ensure projects are carried out in accordance with our policies and procedures. He graduated from Universiti Sains Malaysia with a Bachelor of Science (Housing, Building and Planning) (Hons) in Construction Management in 1999.

He began his career in 1999 as a Junior Quantity Surveyor with Geahin Engineering Sdn Bhd where he was involved in the preparation of progress reports, material ordering as well as preparation of tender submissions. He left in 2000 to join Sincere Concept (M) Sdn Bhd as a Quantity Surveyor where he was involved in the preparation and completion of tender submissions and contract documents, and processing of payment applications. He left in 2001 and joined Project Bumi Bina Sdn Bhd (now known as TCS Construction Sdn Bhd) as a Senior Quantity Surveyor where he oversaw suppliers and subcontractors' tenders and contract terms. He was also responsible for conducting valuation of work executed as well as preparation of monthly progress claims.

In 2005, he left and joined Nagano Holdings Sdn Bhd as a Contract Manager where he was involved in establishing cost control procedures including project cash flow and preparation of final project accounts. He left in 2018 and joined Nestcon Infra in his current capacity.

Family relationship with Directors and/or major shareholders of Nestcon
No

Conflict of interest or potential conflict of interest in any competing business with the Group
No

Directorship in any public companies and public listed companies
No

Convicted any offences other than traffic offences in the past 5 years and imposed any penalties by any regulatory bodies in FYE 2025
No

PROFILES OF KEY SENIOR MANAGEMENT (CONT'D)

Senior General Manager Of Tender And Contracts - Building Division

MR. KHOO CHUN HOW

KHOO CHUN HOW, is primarily responsible for overseeing the tendering and contract functions of our building construction projects. He obtained an Engineering Diploma (Quantity Surveying) from Federal Institute of Technology Malaysia in 2003.

He began his career with Bina Goodyear Berhad in 2003 as an Assistant Contract Executive where he was responsible for preparation of progress report, quantity taking off as well as material ordering. He left in 2009 and joined Conlay Construction Sdn Bhd as a Contract Executive where he was responsible for the preparation of tender submissions and processing of payment applications. He left in 2010 and joined BTH Technologies Sdn Bhd in 2011 as a Project Manager where he was responsible for site management activities in relation to pre-cast construction method and costing analysis relating pre-cast components. He left in 2013 and joined Nestcon Builders in 2014 as a Contract Manager where he was responsible for contract tendering, main contract and subcontract management as well as main contract and subcontract claims.

Family relationship with Directors and/or major shareholders of Nestcon
No

Conflict of interest or potential conflict of interest in any competing business with the Group
No

Directorship in any public companies and public listed companies
No

Convicted any offences other than traffic offences in the past 5 years and imposed any penalties by any regulatory bodies in FYE 2025
No

Senior General Manager Of Project - Building Division

MR. LIM KIE NYAP

LIM KIE NYAP, is primarily responsible for the planning, coordinating, and management of our building construction activities. He obtained a Diploma in Civil Engineering from Bedford Technical College, Malaysia in 1999.

He began his career in 1992 after leaving secondary school as a Site Supervisor of Teknik Cekap Sdn Bhd, where he was involved in coordinating the company's site activities which include material ordering and quality control. He left and joined Panbuilt Sdn Bhd in 1994 as a Site Supervisor. He was later promoted to a Senior Site Supervisor in 1996 and was involved in the implementation of work programmes and safety policies at the company's construction sites.

He left the company in 1999 and joined Fairway Terrace Sdn Bhd as a Senior Site Supervisor where he was responsible for the planning and coordination of company's construction activities. He left to join Bina Goodyear Berhad in 2005 as a Site Agent where he was in charge of construction site activities as well as coordinating site progress work between subcontractor and the M&E contractor. He left to join Aconbel Sdn Bhd in 2007 as a Senior Site Agent, responsible for coordinating site progress work and the implementation of quality system on site.

In 2009, he left and joined Baxtium Construction Sdn Bhd as an Architecture Manager where he was involved in the planning and coordination of the company's construction activities. He subsequently left in 2013 and joined Nestcon Builders as a Project Manager.

Family relationship with Directors and/or major shareholders of Nestcon
No

Conflict of interest or potential conflict of interest in any competing business with the Group
No

Directorship in any public companies and public listed companies
No

Convicted any offences other than traffic offences in the past 5 years and imposed any penalties by any regulatory bodies in FYE 2025
No

PROFILES OF KEY SENIOR MANAGEMENT (CONT'D)

Group Senior Finance Manager

MS. WONG WAI PENG

WONG WAI PENG, is primarily responsible for our financial planning and review, and financial reporting functions.

She obtained the London Chamber of Commerce and Industry's Higher Diploma in Accounting from Systematic College in 1994 and later obtained a Bachelor of Science (Hons) in Applied Accounting from ACCA, Oxford Brookes University in 2004.

She joined Lee & Associates in 1996 as an Audit Assistant after completing her first level of the ACCA program, where she was involved in statutory audit works on private and public listed companies. She was subsequently promoted to Audit Senior in 1999. She left the firm in 2000 and joined Biolitec (M) Sdn Bhd as a Senior Accounts and Administration Executive where she was responsible for handling the full set of accounts and daily financial accounting operations, amongst others. She continued to pursue the ACCA program on a part time basis and obtained her Bachelor degree in 2004.

She left the company in 2005 and joined Carlsberg Brewery Malaysia Berhad as an Accounts Executive where she was promoted several times namely, to Assistant Manager in 2009 and Manager, Management Accounts in 2012. During her tenure there, she was responsible for local and global reporting including preparation of management accounts, statutory accounts and annual report, annual budgets and forecasts.

She left and joined New Hoong Fatt Holdings Berhad in 2016 as its Finance Manager where she was responsible for the Group's treasury function including cash management and funding requirements. She was also overseeing the Group's financial planning and reporting, budgeting, implementation of accounting policies and procedures. She left and joined our Group in March 2020. She was promoted to her current position in 2023.

Family relationship with Directors and/or major shareholders of Nestcon
No

Conflict of interest or potential conflict of interest in any competing business with the Group
No

Directorship in any public companies and public listed companies
No

Convicted any offences other than traffic offences in the past 5 years and imposed any penalties by any regulatory bodies in FYE 2025
No

SUSTAINABILITY STATEMENT

In an era defined by rapid globalisation, the construction industry stands at a pivotal moment of transformation. The construction industry's impact extends well beyond project sites, contributing to economic growth, shaping communities and influencing the natural environment. As global awareness of sustainability challenges continues to grow, environmental stewardship has become a business essential for sustainable growth and success.

The construction industry is undergoing a shift from traditional resource-intensive practices toward more sustainable development models. Today, the construction industry embraces green building standards, renewable energy initiatives and resilient infrastructure development. Sustainability in construction encompasses responsible material selection, waste reduction, efficient resource utilisation and technological integration to ensure that development progresses responsibly alongside environmental stewardship.

At Nestcon, the Group recognises its role in this transformation and have embedded sustainability considerations across our project lifecycle, from initial planning to final delivery. The Group approaches balance environmental and social responsibility with sustainable economic growth.

In FYE 2025, the Board is pleased to present Nestcon's Sustainability Statement for FYE 2025, detailing the Group's performance and initiatives in addressing sustainability risks and opportunities within the EESG context.

SCOPE AND REPORTING

This Sustainability Statement outlines the sustainability strategies and achievements of the Group across the Building Construction, Civil Engineering and Infrastructure as well as Renewable Energy divisions in Malaysia, covering the period from 1 January 2025 to 31 December 2025, unless otherwise specified.

BASIS OF PREPARATION

This Sustainability Statement was prepared based on all available internal information, in accordance with Bursa Securities' AMLR on sustainability statement and its Sustainability Reporting Guide 3rd Edition. In addition, the UNSDG were also referenced in mapping our material sustainability matters and formulating the Group's sustainability strategies.

STATEMENT OF ASSURANCE

To strengthen the credibility of this Sustainability Statement, the disclosures on "sustainable business growth", "quality assurance", "resources and energy management", "workforce diversity" and "employee training" have been subjected to an internal review by the Company's Internal Auditor and the review concluded that the relevant disclosures are properly prepared presented and well-supported. The boundary of the internal review includes all companies within the Group's financial control. In addition, this Sustainability Statement has been reviewed and approved by the Board. However, no external independent assurance has been obtained for FYE 2025.

MATERIAL MATTERS ASSESSMENT

An annual material matters assessment is conducted to identify, evaluate and prioritise material matters that are most significant to the Group and its various stakeholders. Please refer to the Material Matters Assessment section of this Sustainability Statement for further details.

FEEDBACK

The Group welcomes value feedback from all stakeholders on this Sustainability Statement and other aspects of our sustainability management. As we continue to improve our sustainability practices and reporting standards, we invite stakeholders to direct any comments, enquiries or suggestions to ir@nestcon.my.

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY COMMITMENT

At Nestcon, sustainability remains a key consideration in shaping the Group's operational direction and strategies. In alignment with the EESG principles, the Group has adopted a structured sustainability approach to support long-term growth and responsible business practices. This approach is underpinned by four (4) key pillars, as outlined below:

Marketplace

We create sustainable value for all stakeholders by growing our business while upholding robust corporate governance through effective policies, procedures and risk management.

Environment

We ensure full compliance with all applicable environmental laws and regulations through our comprehensive environmental management programme and industry best practices.

Community

We shape a brighter future for our local community through meaningful collaborations and engagements that enhance its well-being.

Workplace

We prioritise our employees' wellbeing protecting their rights, interests, health and safety in the workplace while fostering a supportive working environment for sustainable growth.

SUSTAINABILITY GOVERNANCE

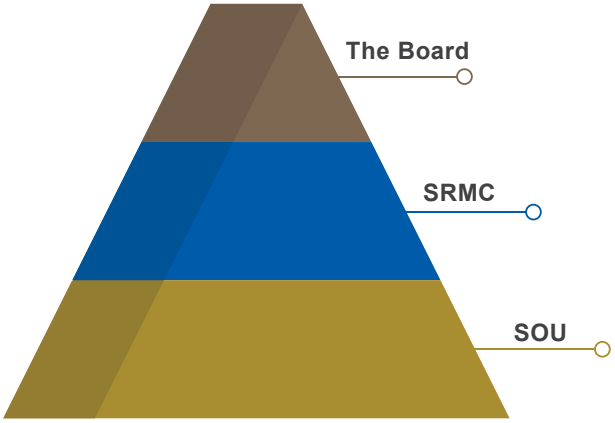
Sustainability forms a cornerstone of the Group's long-term strategy and value creation journey. To reinforce this commitment, the Group has established a sustainability governance structure to ensure that sustainability principles are embedded into business planning, risk management and daily operations.

The Board provides strategic leadership and holds ultimate responsibility for our sustainability performance. Through reviewing and approving strategic plans, the Board ensures our initiatives align with sustainability goals and deliver lasting stakeholder value.

Supporting the Board, our SRMC bridges strategy and execution by overseeing sustainability risks and opportunities across the Group. The SRMC monitors implementation progress, integrates sustainability into risk management processes and updates the Board regularly on key developments and emerging priorities.

The SOU leads the implementation of sustainability initiatives across the Group. The SOU manages stakeholder engagement, conducts material matters assessments and drives continuous improvement initiatives. Through semi-annual reporting to the SRMC, the SOU ensures transparent monitoring and effective governance.

The diagram below illustrates our three-tier sustainability governance structure:



SUSTAINABILITY STATEMENT (CONT'D)

ENGAGEMENT WITH STAKEHOLDERS

Understanding and responding to stakeholder expectations are essential to the success of the Group's EESG efforts and the achievement of our overall business objectives. We recognise the effect of our operations on various groups and proactively engage our stakeholders to understand their concerns and strengthen relationships. Through ongoing dialogue and transparent communication, we align our sustainability strategies with stakeholder expectations, driving long-term value creation. During FYE 2025, we engaged our stakeholders through the following approaches:

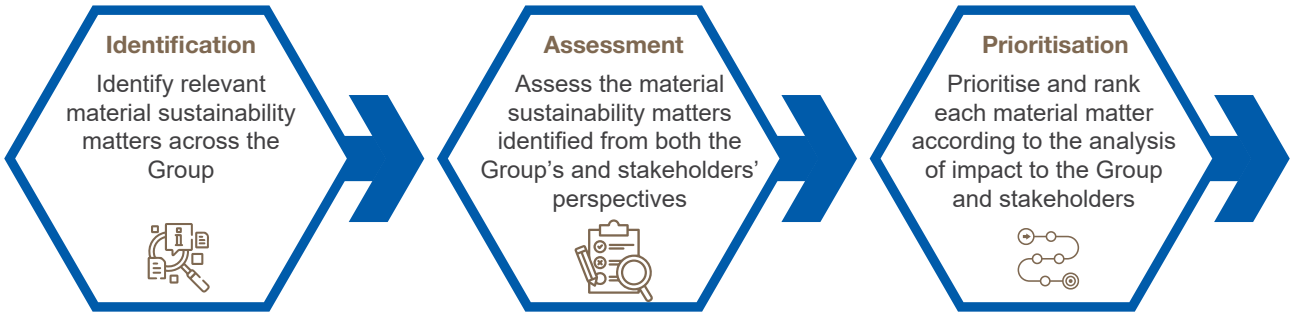
Stakeholders	Areas of Concern / Material Matters	Engagement Approaches
Shareholders/ Investors	• Business and financial performance • Investment risk and returns • Share price performance • Business expansion plan • Corporate governance • Regulatory compliance	• Annual reports • Quarterly financial results • General meetings • Announcements made on Bursa Securities • Company website and social media • Investor briefings
Employees	• Career progression • Competitive remuneration and benefits • OSH • Training and development	• Performance appraisal • Company events • Training and development programmes
Clients	• Regulatory compliance • Timely completion and delivery of high-quality projects • Proper project management and communication • Client satisfaction	• Site visits • Physical interactions • Project progress meetings • Email or phone communications
Suppliers/ Subcontractors	• Fair and transparent procurement process • Fair credit terms and timely payment • Business collaboration opportunities	• Tender process including site visits • Supplier and subcontractor evaluation • Project progress meetings • Physical interactions • Email or phone communications
Government/ Regulator	• Regulatory compliance • Permits and licences • Corporate governance • Accurate, timely and transparent disclosure	• Site visits • Compliance audit • Announcements made on Bursa Securities
Analyst/Media	• Share price performance • Financial and operational performance • Business expansion plan • Corporate governance	• General meetings • Company website • Announcements made on Bursa Securities • Briefings and interviews
Community	• Environmental impact from business operations • Local economic supports • Local employment creation	• Company website and social media • Community outreach events

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL MATTERS ASSESSMENT

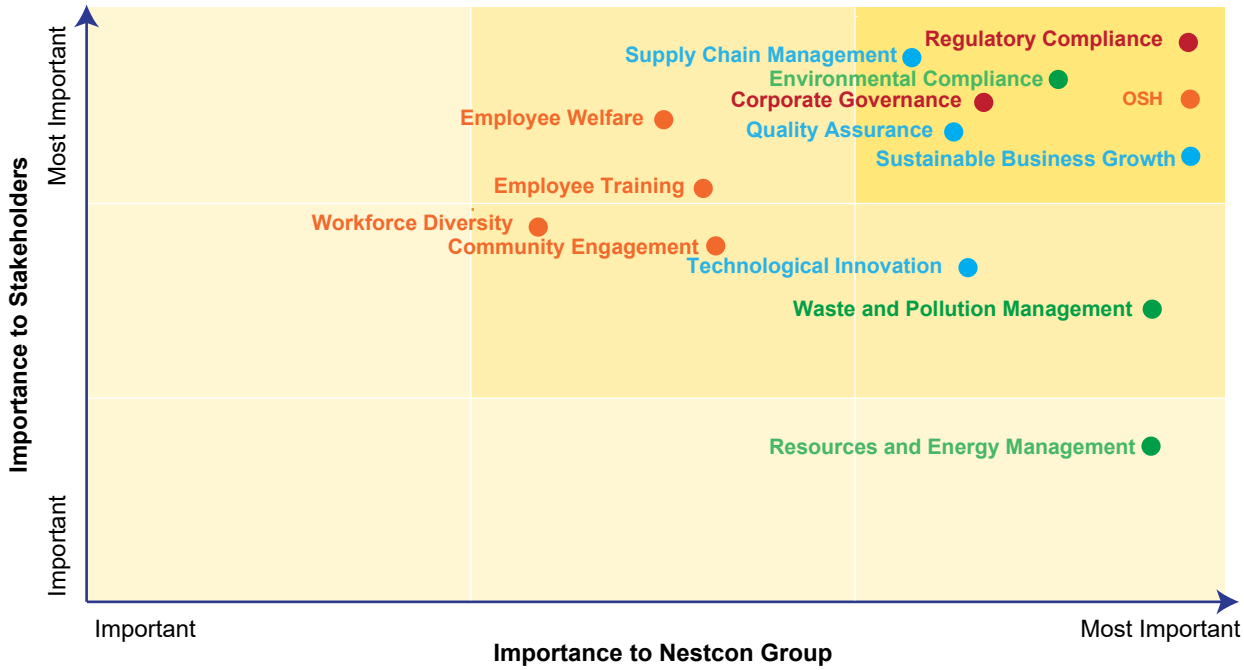
Material Matters Assessment Process

Building on the Group's stakeholder engagement efforts, we conduct a comprehensive material matters assessment to identify and prioritise the sustainability matters most critical to the Group and stakeholders. This systematic process enables us to evaluate issues that significantly impact our operations while aligning with stakeholder expectations. By integrating stakeholder insights with our business strategy, this assessment ensures our sustainability initiatives effectively address the most material risks and opportunities. For FYE 2025, we employed a three-step methodology as illustrated below:



Material Matters Matrix

Based on the Group's material matters assessment conducted during FYE 2025, we reassessed and prioritised fourteen (14) sustainability matters most relevant to the Group and stakeholders. Through this process, we confirmed that all fourteen (14) material matters identified in the prior year remain relevant, with all positions remain unchanged. These matters are ranked from "Important" to "Most Important" as presented in the Material Matters Matrix below:



SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY STRATEGIES AND MAPPING OF UNSDG

In response to the material matters identified, the Group has established strategic initiatives to address the relevant risks and opportunities while supporting the Group's long-term and responsible growth. These strategies are aligned with nine (9) UNSDGs, demonstrating our commitment to advancing the Sustainable Development Goals. Our sustainability strategies are presented as below:

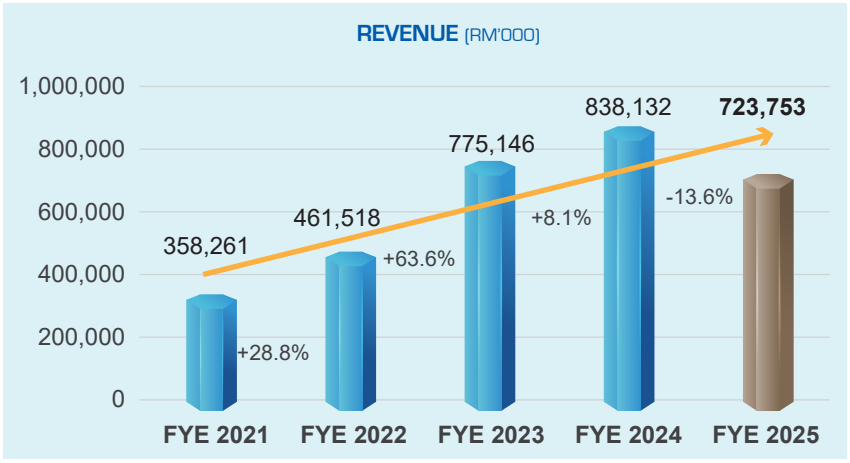
	MATERIAL MATTERS	SUSTAINABILITY STRATEGIES	UNSDGs
ECONOMIC	• Sustainable Business Growth • Quality Assurance • Technological Innovation • Supply Chain Management	• Continuously secure new contracts across building construction, civil engineering and infrastructure development, while expanding our presence in the renewable energy sector • Ensure timely delivery of high-quality projects • Utilise technology to enhance operational efficiency • Adopt responsible sourcing practices by engaging local suppliers and subcontractors	
ENVIRONMENT	• Environmental Compliance • Waste and Pollution Management • Resources and Energy Management	• Maintain strict compliance with all relevant environmental laws and regulations • Actively minimise operational pollution and implement effective waste management systems • Promote responsible and efficient resource utilisation	
SOCIAL	• Workforce Diversity • OSH • Employee Welfare • Employee Training • Community Engagement	• Foster an inclusive workplace that promotes equal opportunities to all employees • Ensure the OSH Committee effectively addresses all OSH-related matters • Provide competitive remuneration and benefits to attract and retain talents • Provide training programmes and career advancement opportunities • Contribute to local community enrichment and wellbeing	
GOVERNANCE	• Regulatory Compliance • Corporate Governance	• Adhere to all applicable laws and regulatory requirements • Uphold the highest standards of ethical business conduct and maintain strong corporate governance practices	

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

SUSTAINABLE BUSINESS GROWTH

- To achieve sustainable business growth via continuous increase in revenue generated



Revenue in FYE 2025
RM723.75mil
13.6%

PAT in FYE 2025
RM11.83mil
83.0%

Building Construction Division
4 Completed Contracts
During FYE 2025

Civil Engineering and Infrastructure Division
8 Completed Contracts
During FYE 2025

Renewable Energy Division
18 Completed Contracts
During FYE 2025

Amid an evolving economic landscape, the Group remained focus on strengthening execution capabilities across our core segments while preserving financial resilience. We recorded revenue of approximately RM723.75 million, supported by the steady delivery of projects within our Building Construction, Civil Engineering and Infrastructure and Renewable Energy divisions. During FYE 2025, four (4) building construction contracts, eight (8) civil engineering and infrastructure contracts as well as 18 renewable energy contracts were successfully completed, reinforcing our operational track record and market presence.

Beyond financial outcomes, our emphasis remains on building a resilient and sustainable business. We recognise that sustainable growth is anchored in responsible environmental practices, meaningful stakeholder engagement and long-term value creation. Guided by this commitment, we implemented several key initiatives during FYE 2025, including:

Strategic Relocation to Drive Sustainable Growth

On 3 March 2025, the Group strengthened our operational foundation by entering into a conditional sale and purchase agreement to acquire three (3) units of office space at Nest 2 Residences, a mixed commercial development located at Jalan Puchong, Kuala Lumpur, for a total cash consideration of RM15.10 million.

This acquisition enables us to establish a centralised business facility to accommodate our growing workforce, while enhancing our operating and cost efficiencies over the long-term. The new corporate office has a total built-up area of 2,520.0 sq m, which is approximately double the size of our current premises, providing more capacity to support our future growth and business expansion.

Looking ahead, the new premise positions us well to scale our operations and recruit up to an additional 50 employees over the next 24 months to support business growth. In addition, the new office is strategically located within Old Klang Road / Jalan Puchong, strengthening our corporate presence and improving accessibility to clients and business partners. The acquisition was completed on 13 January 2026.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

SUSTAINABLE BUSINESS GROWTH (CONT'D)

- **To achieve sustainable business growth via continuous increase in revenue generated**

Expanding Renewable Energy for a Greener Future

In alignment with UNSDG Target 7.2, Nestcon Infra had entered into a joint venture with Wawasan Dengkil Sdn Bhd during FYE 2025 to co-invest and develop a 70MW large scale solar PV plant and ancillary equipment and facilities under the LSS Petra 5+ programme, located at Mukim Ayer Puteh, Kedah. The joint venture is undertaken through WD Solar Kedah, in which Nestcon Infra holds a 30.0% equity interest alongside Wawasan Dengkil Sdn Bhd at 70.0%.

This project will be undertaken under a 21-year Power Purchase Agreement with Tenaga Nasional Berhad to design, construct, own, operate and maintain the solar facility, as well as the generation and delivery of the net electrical output to Tenaga Nasional Berhad over the concession period. This long-term arrangement is expected to provide the Group with a stable and recurring revenue stream, while diversifying our income beyond core construction activities, thereby reinforcing the long-term economic resilience of the Group.

Sustaining Growth Through a Strong Order Pipeline

The strength of the Group's order book, coupled with an active tender pipeline, continues to underpin our long-term business sustainability. As at 31 December 2025, our unbilled order book amounted to RM1.53 billion, comprising 40 ongoing contracts across our three (3) business divisions. We also further strengthened our pipeline by submitting a total of 61 tenders with a combined value of RM4.17 billion, underscoring our focus on building a resilient project pipeline to support long-term operational sustainability.

Business Division	Unbilled Order Book (RM'000)	Tender Book (RM'000)
Building Construction	1,032,574	1,406,538
Civil Engineering and Infrastructure	469,211	2,632,613
Renewable Energy	27,274	133,330
Total	**1,529,059**	**4,172,481**

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

QUALITY ASSURANCE

- **To maintain ISO certification status**
- **To score 70 or above for all QLASSIC assessments**

Quality excellence is central to the Group's business operations and sustainability objectives. High-quality construction minimises material waste, eliminates costly rework and ensures long-term structural performance, directly improving resource efficiency and reducing our environmental footprint.

To uphold these standards, our QESH Department leads quality oversight across all Group projects. Our quality assurance framework encompasses comprehensive materials testing, compliance with relevant building regulations and adherence to approved specifications and industry standards, ensuring each project stage meets specified quality benchmarks.

Our quality framework is further strengthened through an IMS that encompasses our QMS, OHSMS and EMS. This integration ensures that quality considerations are aligned with safety requirements and environmental responsibilities, creating consistency and accountability across projects.

The strength of our quality systems is reflected in our ISO 9001:2015 certification, which we have maintained since 2017 for Nestcon Builders and Nestcon Infra, and obtained in 2024 for Nestcon Solar, as presented below. These accreditations demonstrate our compliance with internationally recognised quality management standards and provide assurance to our stakeholders.

ISO 9001:2015 Certification for Nestcon Infra

ISO 9001:2015 Certification for Nestcon Builders

ISO 9001:2015 Certification for Nestcon Solar

Beyond certification, the Group monitors quality performance through independent QLASSIC workmanship quality assessments. In FYE 2025, the Paxtonz Project and D'Ivo Project achieved scores of 84.0% and 87.0% respectively, reinforcing our continued ability to meet and exceed industry standards. The highest and lowest QLASSIC achieved among completed projects in recent three (3) financial years are summarised as follows:

	FYE 2023	FYE 2024	FYE 2025
Highest QLASSIC	87.0%	86.0%	87.0%
Lowest QLASSIC	83.0%	86.0%	84.0%

As we expand our business portfolio, we remain committed to strengthening our quality management to ensure our projects consistently meet industry standards while advancing our sustainability goals. This commitment was further reflected in our growing recognition within the industry. During FYE 2025, Nestcon Solar was honoured with the Excellent Eagle Award at the Golden Eagle Award 2025, affirming our capabilities in the renewable energy sector and our dedication to operational excellence.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

TECHNOLOGICAL INNOVATION

- **To leverage on technology for operational efficiencies**

Technological advancement is a key driver of our operational efficiency and sustainability performance. Aligned with UNSDG Target 8.2, the Group strives to improve economic productivity through the adoption of modern technologies and digital solutions. Our approach combines established technologies with ongoing innovation to enhance project execution, optimise resource utilisation and reduce environmental impact.

At the Group's project sites, we continue to deploy established IBS formwork solutions that enhance construction efficiency. These include:

- Aluminium formwork system for constructing high-rise buildings;
- Green formwork system for early striking operations for slabs; and
- Post-tensioning slab system that utilises high-strength tensioned steel strands to compress slabs, maintaining structural integrity and strengthening durability.

These IBS formwork solutions streamline construction processes, reduce costs and improve quality control through standardised components and simplified assembly. From a sustainability perspective, they minimise waste and emissions while offering flexibility to meet diverse project requirements.

We also apply value engineering across our building construction operations to enhance cost efficiency without compromising quality. A key application is the use of post-tensioning systems within our value engineering framework, which reduces the need for reinforcing bars, lowers concrete volume and shortens cranage time, resulting in overall cost savings while contributing to a more sustainable construction process.

Building on the centralised resource planning system implemented in FYE 2024, we have further enhanced our digital capabilities through upgraded site monitoring tools, improved surveying equipment and strengthened internal systems that support faster decision-making and more effective cost management. These digital enhancements have strengthened our project monitoring, improved decision-making efficiency and supported effective cost management across our operations.

To stay abreast of emerging technologies in the construction sector, we participated in the Glodon AEC Connect Day 2025 on 24 April 2025 at Le Méridien Petaling Jaya. This industry event, hosted by Glodon Malaysia, focused on Building Information Modelling advancements and explored the role of artificial intelligence in driving innovation and efficiency within the architecture, engineering and construction industry. The event provided valuable insights into emerging technologies and digital tools that can enhance project efficiency, reduce costs and strengthen competitive advantage.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

SUPPLY CHAIN MANAGEMENT

- **To mainly engage with local suppliers and subcontractors**

In the construction industry, a reliable supply chain is critical to project success, directly impacting project timeline, quality standards and cost management. Any disruption can lead to delays, budget overruns and compromised quality outcomes, making effective supply chain management a key operational priority.

The Group approaches supply chain management strategically, emphasising strong partnerships with suppliers and subcontractors who share our commitment to quality and reliability. To ensure we engage the right partners, we implement rigorous assessment processes for both potential and existing suppliers and subcontractors.

For potential suppliers or subcontractors, we conduct comprehensive screening based on a pre-qualification document that outlines the company profile, financial stability and performance track record. This stringent selection process ensures that only qualified suppliers and subcontractors who meet our criteria are approved, thereby minimising exposure to supply chain risks.

For approved suppliers and subcontractors, we conduct semi-annual evaluations across multiple criteria as detailed below:

✓ Quality System	✓ Workmanship
✓ Services	✓ Hand-Over Schedule
✓ Material Delivery	✓ Discipline at Jobsite
✓ Competitive Pricing	✓ OSHA Tidiness
✓ Credit Terms	✓ Financial Standing
✓ Technical Advice	

Through this stringent evaluation process, the Group maintains a resilient supply chain network that supports operational excellence while mitigating risks associated with material shortages, quality inconsistencies or service disruptions. As at 31 December 2025, all approved suppliers and subcontractors continued to meet our assessment requirements. Our approved network comprises 166 alternative suppliers and 43 subcontractors, an increase from 121 alternative suppliers and 36 subcontractors in FYE 2024, reflecting the expansion of our supply chain to support growing project requirements.

Our procurement practices also contribute to local economic development. Aligned with UNSDG Target 8.1, we prioritise engagement with local suppliers and subcontractors wherever feasible. During FYE 2025, both our Building Construction Division and Civil Engineering and Infrastructure Division maintained 100.0% local procurement, consistent with prior years, while our Renewable Energy Division achieved 66.6% local procurement as detailed in the table below. This commitment strengthens the local economy, supports local employment and ensures a reliable supply of materials.

	FYE 2023	FYE 2024	FYE 2025
Overall proportion of spending on local suppliers (%)	**99.2**	**99.5**	**97.7**
• Building Construction Division (%)	100.0	100.0	100.0
• Civil Engineering and Infrastructure Division (%)	100.0	100.0	100.0
• Renewable Energy Division (%)	60.0	60.0	66.6

Notwithstanding the overall stability of our supply chain, we faced ongoing cost pressures during FYE 2025 for key materials including steel, concrete, cement and diesel, compounded by cost impacts arising from Sales and Service Tax. We mitigated these challenges through enhanced material planning, increased local sourcing, buffer stock maintenance for critical inputs, broadened supplier base and tactical early procurement where appropriate. These measures enabled us to maintain project continuity and meet our commitments despite market volatility.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

ENVIRONMENTAL COMPLIANCE

- **To fully comply with all applicable environmental regulations**

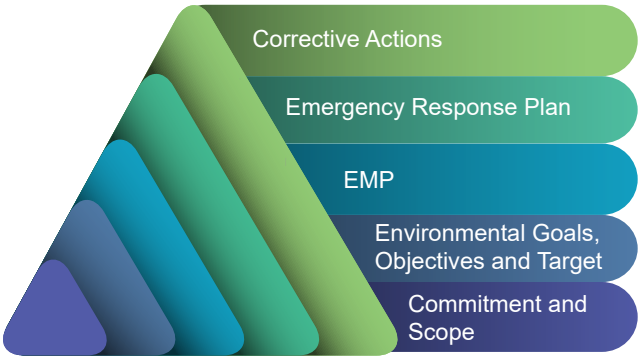
Construction activities carry inherent environment responsibilities, from managing resource consumption and waste generation to controlling emissions. Recognising this, the Group maintains strict compliance with all applicable environmental laws and regulations across our operations.

Our commitment is underpinned by an Environmental Policy that sets out our key environmental objectives:

Environmental Policy

- Recognise environmental management as a corporate priority and ensure environmentally sound practices across all contracting activities;
- Minimise environmental impacts from construction activities;
- Implement pollution control measures in line with EIA requirements during the construction period;
- Monitor environmental programme performance and ensure regulatory compliance;
- Develop practical and economically feasible corrective measures to protect the environment in the event of non-compliance;
- Ensure employees understand and fulfil their environmental responsibilities through training and awareness programmes; and
- Promote environmental stewardship among subcontractors and suppliers by encouraging their active participation in environmental conservation through the implementation of an EMS.

These policy objectives form the foundation of our EMS, which translates them into structured, actionable processes across every stage of the project lifecycle. Structured across five (5) functional layers, as illustrated in the accompanying diagram, our EMS ensures that environmental considerations are embedded from project planning to completion and corrective review.



Our EMS is validated through ISO 14001:2015 certification, which we have maintained since 2017 for Nestcon Builders and Nestcon Infra, and obtained in 2024 for Nestcon Solar. This certification reflects our adherence to international environmental management standards and provides assurance to our stakeholders.

To ensure effective implementation of our EMS at the project level, we maintain a dedicated oversight structure. Senior Project Managers or Project Managers monitor environmental compliance at project sites and report status to the General Manager or Deputy General Manager, with further reporting to the Executive Director. This project-level oversight is complemented by our Health, Safety, Security and Environment Committee, which holds responsibility for environmental compliance governance across the Group.

Beyond the Group's internal controls, we extend environmental accountability to all suppliers and subcontractors engaged in our projects. Upon identifying non-compliance issues, we engage affected suppliers or subcontractors through briefings and training sessions to facilitate necessary improvements. Suppliers or subcontractors that repeatedly fail to comply may be removed from our approved list, ensuring that environmental standards are upheld throughout our supply chain.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

ENVIRONMENTAL COMPLIANCE (CONT'D)

- **To fully comply with all applicable environmental regulations**

As a construction group operating across building, civil engineering and infrastructure, and renewable energy sectors, our activities carry exposure to a broad range of environmental risks, from site drainage and erosion to noise pollution and petroleum handling. To manage these systematically, we adhere strictly to all applicable environmental legislation, regulatory requirements, standards and guidelines relevant to our operations, as detailed below:

Element/Aspect	Acts and Guidelines
General	• Town and Country Planning Act 1976 • Environmental Quality Act 1974
Water	• Interim National Water Quality Standards for Malaysia • Waters Act 1920
Noise	• World Health Organisation Recommended Noise Exposure Limits • Occupational Safety and Health (Noise Exposure) Regulations 2019 • Factories and Machinery (Permissible Exposure Limits), Regulations 1989
Petroleum	• Petroleum (Safety Measures) Act 1984
Drainage	• Drainage & Irrigation Act • Drainage & Irrigation Manual
Erosion	• Guideline for Erosion and Sediment Control in Malaysia
EIA	• Malaysian Public Works Department Guidelines for EIA • Department of Environment Guidelines for EIA

During FYE 2025, several environmental audits were conducted at our project sites, highlighting certain areas for improvement. Nevertheless, no fines or penalties were imposed by regulatory authorities in recent three (3) financial years, as detailed below:

	FYE 2023	FYE 2024	FYE 2025
Number of fines or penalties related to environmental incompliance	Nil	Nil	Nil

This outcome reflects both our adherence to regulatory requirements and our proactive approach to identifying and addressing potential environmental risks. We remain committed to upholding this standard by monitoring developments in environmental regulation and ensuring our compliance framework remains robust, relevant and aligned with industry expectations.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

WASTE AND POLLUTION MANAGEMENT

- **To minimise the impact of pollution and manage waste disposal**

As part of the Group's sustainability agenda, effective waste and pollution management is central to our construction practices. Aligned with UNSDG Target 12.5, we implement comprehensive waste management strategies across our operations. By reducing resource waste, minimising construction-related pollution and ensuring responsible disposal, we reduce our environmental impact while demonstrating responsible stewardship of natural resources.

Our construction operations utilise various raw materials including timber, plywood, metal, concrete and cement, all of which generate waste during processing and application. Additionally, our site machinery and vehicles produce scheduled waste such as engine oil and used filters that require proper handling and disposal. During FYE 2025, we maintained efficient resource utilisation, keeping total waste generation ranging from 3.0% to 5.0% of our total raw materials consumed, demonstrating our commitment to waste minimisation.

To manage these wastes responsibly, we have implemented the following proactive measures across our operations:

Timber and plywood	Concrete and Cement Mortar	Reinforcement Bar	Worn Tyre	Engine Oil and Filters
Initiatives for Reducing Wastes				
Substitute traditional timber and plywood formwork with aluminium or steel formwork	Apply precise measurements for concrete and cement mortar, supplemented with dry mix mortar to reduce material wastage	Order pre-cut reinforcement bars customised to project-specific dimensions	Reuse worn tyres for project site access roads or for resurfacing roads using rubberised asphalt	Perform periodic preventive maintenance on plants and machinery to prevent leakages and contamination
Disposal Method				
Dispose to designated dumping ground approved by local authorities or Government		Reuse materials where viable and resell excess materials to approved recycling centres	Retread and reuse tyres whenever feasible	Store waste in designated container with labelling and engage licensed waste contractors for disposal

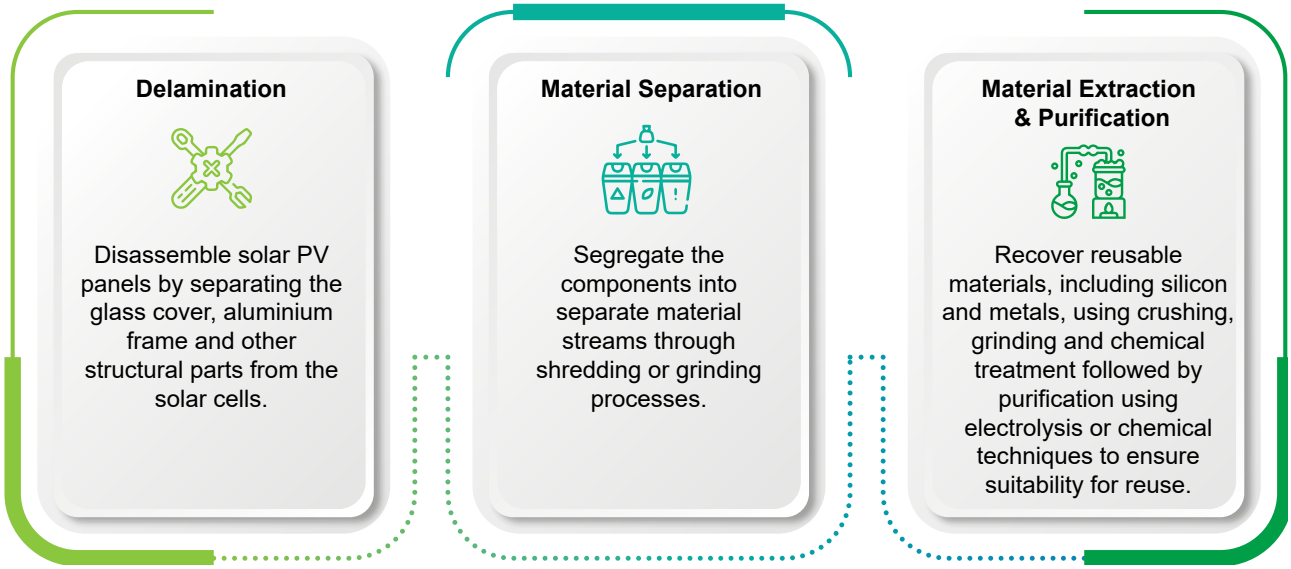
SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

WASTE AND POLLUTION MANAGEMENT (CONT'D)

- **To minimise the impact of pollution and manage waste disposal**

In the Group's Renewable Energy division, waste management encompasses the full lifecycle of our renewable energy installations. While solar PV panels generate clean energy during operation, they generate waste at end-of-life that requires proper management. Solar PV panels contain various recoverable materials, including glass, metals and semiconductors, some of which can harm the environment if improperly managed. To minimise environmental impact, we employ a systematic dismantling process, as illustrated in the following diagram:



Alongside our waste management efforts, we maintain rigorous controls over day-to-day construction-related pollution across our operations. Activities such as excavation, demolition, carpentry works, hacking and vehicle movement generate dust, noise and emissions that can affect surrounding communities and the environment. As such, we have implemented several key pollution control measures as outlined in our EMP to mitigate these impacts:

- Install temporary shelters with plastic sheets to minimise or contain dust;
- Remove vehicles or machinery that emit excessive black smoke from project sites;
- Prohibit open burning at project sites;
- Obtain approval from local authorities before conducting rock blasting activities; and
- Use appropriate containment measures for storing chemicals, grease and oils to prevent spillage into water sources.

Through these combined waste and pollution management efforts, we maintained responsible environmental practices across all project sites throughout FYE 2025. We remain committed to continuously improving our waste reduction initiatives and pollution controls, ensuring our operations minimise their impact on surrounding communities and the broader environment.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

RESOURCES AND ENERGY MANAGEMENT

- **To ensure efficient use of resource and energy**

The construction sector depends on significant volumes of natural resources and energy, from raw materials and water to fuel and electricity, making efficient management essential for environmental and operational sustainability. Aligned with UNSDG Target 12.2, which calls for the sustainable management and efficient use of natural resources, the Group is committed to prioritising resource optimisation and energy efficiency across our operations. Through targeted initiatives at our office premises and project sites, we aim to reduce wastage and lower our environmental footprint.

TARGET 12.2
SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES

Among others, our key initiatives are as follows:

Project Sites

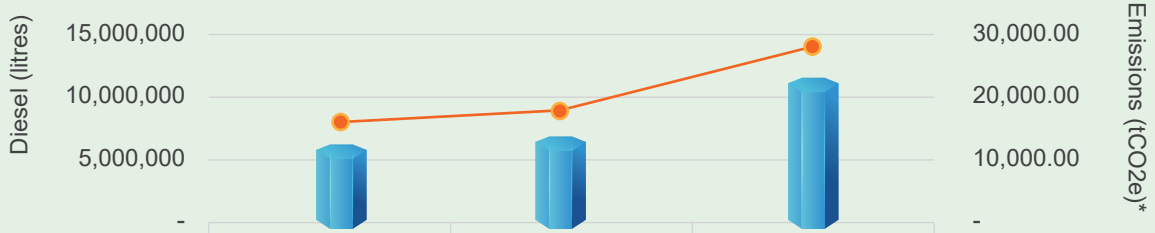
- Deploy rainwater harvesting systems to collect and store rainwater, reducing reliance on municipal water supplies and minimising water wastage;
- Install energy-efficient LED lighting with automated shut-off features to promote energy conservation, reduce operational costs and lower environmental impact;
- Utilise eco-friendly materials, including low volatile organic compound paints, to reduce our environmental footprint;
- Systematically track diesel consumption against machinery operating hours and project progress to prevent wastage and unauthorised use, with all diesel storage and usage records maintained by authorised site personnel under project manager oversight; and
- Prioritise electric-powered machinery and equipment where practical, as electric systems generate fewer greenhouse gas emissions and contribute to improved air quality.

Office Premises

- Promote shared transportation and carpooling among employees for daily commutes, meetings and project site visits to minimise travel-related carbon emissions;
- Promote virtual meetings to minimise travelling, improve efficiency and reduce ecological footprint; and
- Enforce energy and water conservation by requiring all water taps, lighting and air conditioning systems to be turned off when not in use.

Our resource consumption reflects the scale of our construction activities and environmental footprint. Diesel consumption from site operations, which constitutes the majority of our total diesel usage, along with the corresponding Scope 1 mobile combustion emissions, for the recent three (3) financial years are illustrated below:

DIESEL CONSUMPTION AND SCOPE 1 MOBILE COMBUSTION EMISSIONS



	FYE 2023	FYE 2024	FYE 2025
Diesel (litres)	5,400,000	6,930,000	10,993,984
Emissions (tCO2e)*	13,882.40	17,815.80	28,263.55

Note:
* Scope 1 mobile combustion figures for FYE 2023 and FYE 2024 have been restated following the application of updated emission factors based on DEFRA UK.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

RESOURCES AND ENERGY MANAGEMENT (CONT'D)

- **To ensure efficient use of resource and energy**

During FYE 2025, our diesel consumption increased to 10.99 million litres from 6.93 million litres in FYE 2024, resulting in CO_2 emissions of 28,263.55 tCO_2e compared to 17,815.80 tCO_2e in the previous year. This 58.6% increase in diesel usage reflects accelerated construction progress across our project portfolio, primarily driven by civil engineering and infrastructure works, which correspondingly led to higher energy consumption and emissions intensity.

Our electricity consumption, along with the corresponding Scope 2 emissions, for the recent three (3) financial years are illustrated below:

ELECTRICITY CONSUMPTION AND SCOPE 2 EMISSIONS

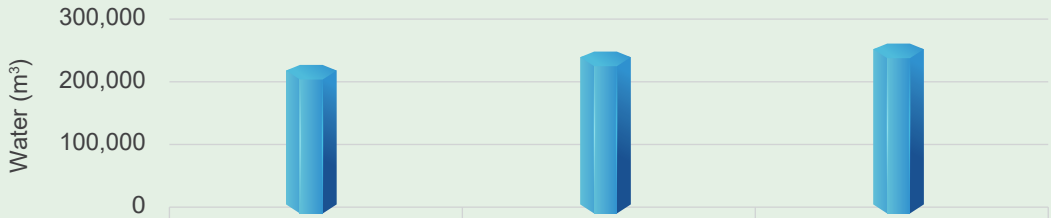
	FYE 2023	FYE 2024	FYE 2025
Electricity (kWh)	2,501,908	3,131,567	2,722,385
Emissions (tCO_2e)	1,936.48	2,423.83	2,107.13

Electricity consumption decreased by 13.1% from 3,131,567 kWh in FYE 2024 to 2,722,385 kWh in FYE 2025, resulting in CO_2 emissions of 2,107.13 tCO_2e compared to 2,423.83 tCO_2e in the previous year, primarily driven by reduced project activities in our Building Construction division.

Currently, the emissions from site diesel usage (Scope 1 mobile combustion) and electricity (Scope 2 purchased electricity) are calculated based on methodology from the GHG Protocol Corporate Accounting and Reporting Standard. Activity data are collected from fuel invoice and electricity bills. The applicable emission factors are derived from recognised international and national reference source, namely DEFRA UK and Malaysia Grid Emission Factor.

Our water consumption for the recent three (3) financial years are illustrated below:

WATER CONSUMPTION



	FYE 2023	FYE 2024	FYE 2025
Water (m^3)	208,047	231,686	257,425

Water usage totalled 257,425 m^3, up 11.1% from 231,686 m^3 in the previous financial year, largely attributable to the stepping up of project activities in our Civil Engineering and Infrastructure division during the financial year.

While construction activities drive resource and energy consumption, we remain committed to embedding resource optimisation and energy efficiency practices across our operations, ensuring that our environmental footprint is managed responsibly. Subsequent to FYE 2025, we have initiated efforts to strengthen data collection across all relevant operational boundaries within the Group, with enhanced reporting to be implemented in FYE 2026.

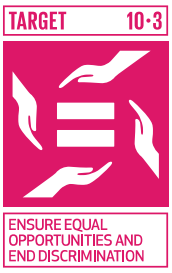
SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | **SOCIAL** | GOVERNANCE

WORKFORCE DIVERSITY

- **To maintain the employee turnover rate at or below 20.0%**

Construction remains a fundamentally people-driven industry, where the ability to attract, retain and develop a skilled and diverse workforce is essential to sustaining long-term growth and delivering projects to the highest standards.



The Group upholds fair and inclusive employment practices, supporting fair and equitable treatment for all employees, free from discrimination based on gender, age, ethnicity or any other personal characteristics. Aligned with UNSDG Target 10.3, our Gender Diversity Policy outlines our diversity objectives, strategies and procedures to promote equal opportunities across the Group.

As at 31 December 2025, excluding our Board, our total workforce stood at 997 employees, representing a marginal decrease from 1,027 as at 31 December 2024. Our employee demographics are presented below:

	Director		Management		Executive		Non-Executive		General Workers		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Total	7		56		134		106		701		1,004	
Age Group												
<30	-	-	-	-	31	23.2	19	17.9	251	35.8	301	30.0
30-50	1	14.3	38	67.9	85	63.4	65	61.3	428	61.1	617	61.4
>50	6	85.7	18	32.1	18	13.4	22	20.8	22	3.1	86	8.6
Sub-Total	**7**	**100.0**	**56**	**100.0**	**134**	**100.0**	**106**	**100.0**	**701**	**100.0**	**1,004**	**100.0**
Gender												
Male	5	71.4	50	89.3	91	67.9	93	87.7	695	99.1	934	93.0
Female	2	28.6	6	10.7	43	32.1	13	12.3	6	0.9	70	7.0
Sub-Total	**7**	**100.0**	**56**	**100.0**	**134**	**100.0**	**106**	**100.0**	**701**	**100.0**	**1,004**	**100.0**
Nationality												
Local	7	100.0	56	100.0	134	100.0	106	100.0	108	15.4	411	40.9
Foreign	-	-	-	-	-	-	-	-	593	84.6	593	59.1
Sub-Total	**7**	**100.0**	**56**	**100.0**	**134**	**100.0**	**106**	**100.0**	**701**	**100.0**	**1,004**	**100.0**
Ethnicity												
Malay	3	42.9	13	23.2	81	60.4	67	63.2	68	9.7	232	23.1
Chinese	4	57.1	42	75.0	52	38.8	29	27.3	5	0.7	132	13.1
Indian	-	-	-	-	1	0.8	4	3.8	-	-	5	0.5
Others	-	-	1	1.8	-	-	6	5.7	628	89.6	635	63.3
Sub-Total	**7**	**100.0**	**56**	**100.0**	**134**	**100.0**	**106**	**100.0**	**701**	**100.0**	**1,004**	**100.0**

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

WORKFORCE DIVERSITY (CONT'D)

- **To maintain the employee turnover rate at or below 20.0%**

Given the labour-intensive nature of our construction operations, our workforce predominantly comprises male employees, the majority of whom are aged below 50. With UNSDG Target 5.5 in mind, the Board comprises two (2) female Directors, indicating a 28.6% women representation on the Board. We remain committed to fostering an inclusive workplace and promoting equal opportunities across all levels.

Beyond diversity of representation, a resilient workforce depends on workforce stability and sustainable employee retention. As at 31 December 2025, our contractual employees accounted for 77.1% of our Group's total workforce, tabled as below:

	FYE 2023	FYE 2024	FYE 2025
Contractual employees (%)	N/A	N/A	77.1

N/A: Not available

Notwithstanding this composition, we achieved a turnover rate of 10.0% for permanent employees, a significant improvement from 20.0% in FYE 2024. This reduction reflects the positive impact of our employee engagement initiatives and our ongoing efforts to foster a stable and committed workforce. We remain focused on improving workplace practices where every employee feels valued and motivated to grow with the Group.

The number of employees turnover of our Group in FYE 2025, analysed by employee categories, is tabled below:

	Director	Management	Executive	Non-Executive	General Workers	Total
Total number of employees turnover	**Nil**	**5**	**18**	**21**	**122**	**166**
• Permanent	Nil	5	10	10	Nil	25
• Contractual	Nil	Nil	8	11	122	141

SUSTAINABILITY STATEMENT (CONT'D)

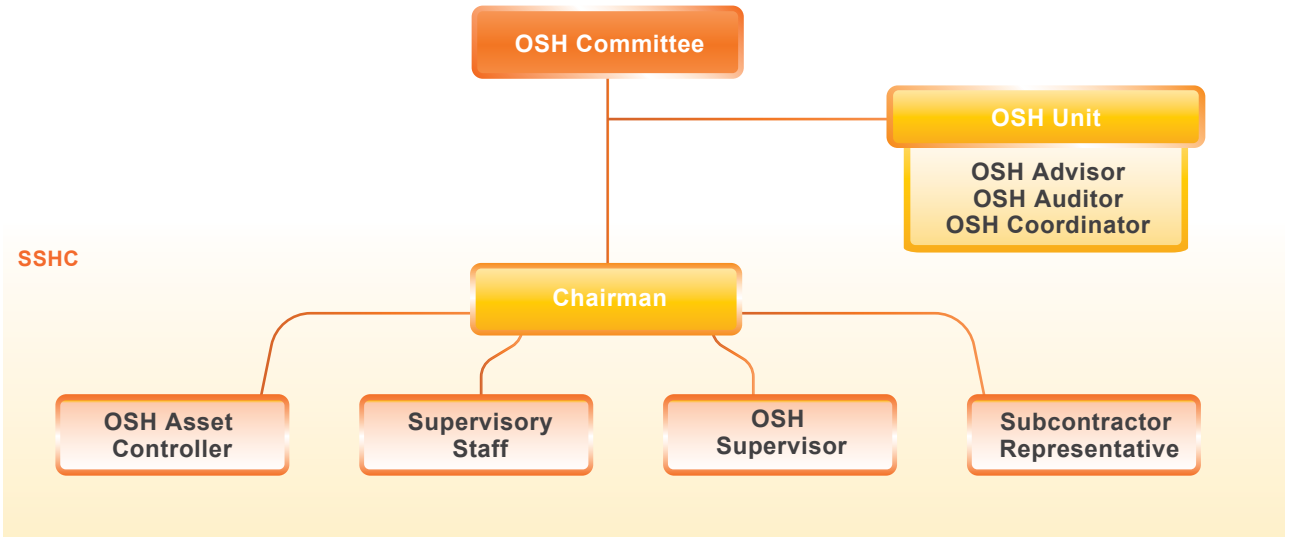
ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

OSH

- To achieve zero-injury workplace

Recognising the inherent risks in construction, particularly on project sites, we ensure our employees have a healthy and safe work environment to perform their duties effectively. Our objective remains to achieve a zero-injury workplace through proactive risk management and continuous improvement. In line with UNSDG Target 8.8, we maintained a comprehensive OSH Management System, guided by the Health and Safety Policy. The policy sets out requirements for site safety rules, personal protective equipment, conducive site environments as well as accident prevention and reporting measures.

To ensure the effectiveness of the OSH Management System, we have established a dedicated governance structure comprising the OSH Committee, the OSH Unit and the SSHC, as presented below:



Effective OSH management requires clear governance structures and accountability. To ensure comprehensive oversight, our OSH Unit operates independently to enforce OSH guidelines across all operations, while the SSHC, comprising representatives from both the Group and subcontractors, is entrusted to oversee our OSH implementation at project sites. Supporting these operational structures, the QESH Department oversees compliance with applicable quality, OSH, and environmental laws and regulations, ensuring our practices meet all regulatory requirements at all times.

Our commitment to robust OSH management is further demonstrated through the accreditation of our ISO 45001:2018 certification held by Nestcon Builders and Nestcon Infra, which has been maintained since 2020. This certification validates our adherence to internationally recognised OSH standards and reflects our dedication to protecting employees' health and wellbeing through structured processes and continuous improvement.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

OSH (CONT'D)

- **To achieve zero-injury workplace**

Beyond our OSH governance, we place strong emphasis on comprehensive safety training to equip our workforce with the knowledge and skills needed to work safely. Throughout FYE 2025, we conducted the following training sessions:

OSH Training in FYE 2025	
New Requirement of OSHA 1994 and Its Impact to the Industries in Managing Risks Based on OSHPOP	February 2025
Tenaga Safety Passport	February 2025 & August 2025
Safety and Health Officer	March 2025 – April 2025
Traffic Management	April 2025
Lifting Supervisor	April 2025
Basic Occupational First Aid (BOFA), CPR & AED	May 2025
MBAM Annual Safety & Health Conference	May 2025
Safety Induction Construction	May 2025
4th Conference on Innovation & Intervention for QHS2E Continual Improvement Prevention Through Design	August 2025
Tenaga Safety Leader Passport	August 2025
Working at Height - Operator Level	October 2025
Resilient Innovation for OSH and Employee Wellbeing	November 2025
Pemerkasaan KKP di Sektor Pembinaan: Realiti dan Solusi	December 2025

We foster a knowledge-sharing culture, where employees who attended formal training programmes shared their learnings and insights with other employees upon returning to the workplace. In addition to formal training, we conducted mandatory safety induction and regular toolbox meetings across all project sites. These sessions aim to reinforce safety awareness, reduce workplace accidents and ensure that all personnel are equipped with the necessary safety knowledge before performing their tasks.

Through our comprehensive OSH framework and collective efforts, we maintained a safe workplace throughout FYE 2025, achieving zero work-related injuries and fatalities across both our office and site operations. Our health and safety performance for the recent three (3) financial years, as indicated by fatalities and injuries, is tabled as below:

	FYE 2023	FYE 2024	FYE 2025
Number of work-related fatalities	Nil	Nil	Nil
Number of lost time injuries	Nil	Nil	Nil
Lost time incident rate	Nil	Nil	Nil

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | **SOCIAL** | GOVERNANCE

EMPLOYEE WELFARE

- **To nourish employees' wellbeing**

Supporting the overall wellbeing of our employees is central to building a motivated and resilient workforce in the demanding environment of the construction industry. We are committed to protecting our employees' rights, interests and wellbeing through a comprehensive range of benefits and welfare programmes.

Our Employee Handbook formalises these benefits packages, which are structured according to job grade and tenure. This includes health insurance coverage and a personal accident insurance scheme designed to provide timely support in the event of unforeseen medical situations, aligned with UNSDG Target 3.8.

Our employee benefits include:

Leave Entitlements	• Annual leave • Medical leave • Marriage leave • Maternity leave and entitlement • Paternity leave	• Compassionate leave • Study/Exam leave • Leave for seminar/conference/training • Replacement leave
Health Benefits	• Medical benefits • Executive health screening • Group hospitalisation and surgical insurance scheme • Group term life insurance scheme • Group personal accident insurance scheme	
Allowances	• Professional membership fee scheme • Overtime claims and meal allowance • Reallocation allowance • Traveling claims • Mobile phone allowance • Entertainment claim • Site allowance, accommodation and transport allowance	
Other Welfare	• Sports and social club (Nestcon Recreational Club) • Gifts and condolence	• Long service awards • Retirement awards • Flexible working arrangements

In FYE 2025, we enhanced our employees' benefit through the introduction of flexible working arrangements, and expanded welfare initiatives to include newborn gifts and marriage gifts, reflecting our commitment to supporting employees across key life milestones.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

EMPLOYEE WELFARE (CONT'D)

- **To nourish employees' wellbeing**

In addition to employee benefits, the Group also promotes open communication that supports constructive dialogue and encourages employees to share their feedback and concerns. In this regard, our Employee Handbook establishes formal grievance procedures that provide our employees with a clear, confidential and accessible channel to raise workplace concerns for fair and timely resolution.

STEP 01
An employee may raise his/her grievance to his/her immediate superior within a week of the issue arising. The superior will attempt to resolve the issue within five (5) working days.

STEP 02
If the grievance is not resolved, the employee may submit the grievance in writing to the HOD within three (3) working days. The HOD shall attempt to resolve the issue within five (5) working days.

STEP 03
If the employee is still dissatisfied by the decision given by the HOD, he/she may formally submit the grievance to the HR Department within three (3) working days. The HR Department will attempt to resolve the issue within five (5) working days.

STEP 04
In the event that the foregoing processes fail, the employee may escalate the case to the Executive Director within three (3) working days. A final decision shall be provided within two (2) weeks.

Our employees reported no formal grievances during FYE 2025. There were also no fines or penalties imposed on the Group in relation to human rights violations or non-compliance with labour laws.

	FYE 2023	FYE 2024	FYE 2025
Number of substantiated complaints concerning human rights violations	N/A	Nil	Nil

N/A: Not available

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

EMPLOYEE WELFARE (CONT'D)

- **To nourish employees' wellbeing**

Beyond employee benefits and rights, we remain focused on building a positive and engaging workplace environment by organising events and activities that encourage collaboration, enhance teamwork and strengthen employees' sense of belonging within the Group. In FYE 2025, we carried out the following events and activities:

Chinese New Year Celebration

On 3 February 2025, we marked Chinese New Year with a festive celebration featuring an energetic lion dance performance, symbolising prosperity, strength and good fortune. The event fostered a warm and engaging environment for our employees to come together, celebrate cultural traditions and build stronger connections.

Monthly Birthday Celebration

We believe that individual recognition is key to fostering a caring and supportive work environment. To this end, monthly birthday celebrations are organised to create moments of personal appreciation and strengthen workplace culture. Through these gatherings, we demonstrate our people-centric approach, reinforcing that every individual is valued beyond their professional contributions.

Raya Bersama Celebration

On 18 April 2025, we organised a Hari Raya celebration, bringing employees together in the spirit of festivity and togetherness. The event reflected our commitment to fostering diversity and inclusion, promoting a sense of unity and belonging across the organisation. In line with the Group's broader sustainability agenda, this event contributed to cultivating an inclusive workplace culture by providing employees with an opportunity to engage beyond their daily work routines, thereby strengthening a supportive and cohesive working environment.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

EMPLOYEE WELFARE (CONT'D)

- **To nourish employees' wellbeing**

Beyond employee benefits and rights, we remain focused on building a positive and engaging workplace environment by organising events and activities that encourage collaboration, enhance teamwork and strengthen employees' sense of belonging within the Group. In FYE 2025, we carried out the following events and activities: (Cont'd)

Weekly Pickleball

To promote a healthy work-life balance, we organised weekly pickleball sessions, providing employees with an opportunity to stay active, relieve stress and build stronger relationships with colleagues in a fun and engaging environment. Beyond supporting physical health, this weekly event also fostered teamwork, camaraderie and a positive workplace culture, contributing to a more motivated and connected workforce.

Together We Build Memories

On 10 December 2025, we came together to celebrate our shared achievements and honour the outstanding contributions of our people across the Group. The evening was filled with energy, laughter and heartfelt appreciation, creating a memorable experience that strengthened our connections and reinforced a strong sense of belonging.

EMPLOYEE TRAINING

- **To empower employees towards excellence**

We understand that employee training is essential to both personal development and organisational performance. Structured learning initiatives are integral in equipping our workforce with relevant skills and knowledge, enabling them to meet evolving business demands, stay aligned with industry standards and best practices and support our long term growth strategy.

To foster a culture of continuous learning, we actively participate in the HRDF-approved training programmes, where applicable, to provide targeted training opportunities that enhance professional competencies at every level.

During FYE 2025, we invested a total of approximately RM50,000 in employee training, part of which is claimable under the HRDF, resulting in a total of 1,148 training hours attended by 101 employees, as detailed below:

	FYE 2023	FYE 2024	FYE 2025
Total training hours	N/A	1,200	1,148

N/A: Not available

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

EMPLOYEE TRAINING (CONT'D)

- **To empower employees towards excellence**

In addition to the OSH training programmes mentioned in the earlier section, our employees attended the following trainings:

Training Attended in FYE 2025	
ChatGPT Skill Boost – 2 Days Intermediate	March 2025
Contract & Practice Conferences	August 2025
SST Expansion and Its Implication to Construction	August 2025
Stamp Duty Self-Assessment	August 2025
Electrical Engineering for Non-Electrical Engineers	October 2025
Tax Budget 2026 & Digital Conference	November 2025
Designing & Commissioning of Battery Energy Storage with Grid-Connected PV Systems	November 2025
Microsoft Excel Advanced	December 2025
Microsoft Excel Intermediate	December 2025
Microsoft Project 2016: Basic and Intermediate	December 2025
Project Planning and Control Using Microsoft Project	December 2025
Anti-Bribery & Corruption Awareness	December 2025
Year End Seminar - ePayroll System	December 2025

Looking ahead, we remain committed to increasing our training investment and broadening participation to ensure that employees at all levels of the Group have access to relevant development opportunities needed to grow in their roles and support our long-term operational goals.

COMMUNITY ENGAGEMENT

- **To enrich the community**

The Group is firmly committed to meaningful community engagement as a core aspect of our corporate responsibility. Through meaningful initiatives, we seek to contribute to the growth, development and wellbeing of the communities in which we operate. By fostering sustainable development, we aim to create shared value for all stakeholders in the long run.

During FYE 2025, we contributed a total of RM173,276 to the local community, including:

BP Galaxy "Lightning Cup" International Badminton Championships 2025

From 21 to 24 August 2025, we proudly sponsored the badminton team Zero Force to participate in the BP Galaxy "Lightning Cup" International Badminton Championships 2025. This initiative reflects our support for local athletes competing on international platforms, and our commitment to promoting a culture of achievement through competitive sports.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | **SOCIAL** | GOVERNANCE

COMMUNITY ENGAGEMENT

- **To enrich the community**

Nurturing Young Talent

Opportunities today, leaders tomorrow. We believe in growing talent within our communities. During FYE 2025, we provided two (2) students with internship opportunities across various departments. These placements offered valuable real-world exposure, practical knowledge as well as the development of professional skills that turn classroom learning into workplace readiness. By empowering our next generation, we aim to strengthen the local talent pipeline and contribute to sustainable community growth.

The table below summaries our community investment over the recent three (3) financial years:

	FYE 2023	FYE 2024	FYE 2025
Total amount invested in the community where the target beneficiaries are external to the Group (RM)	N/A	40,000	173,276

N/A: Not available

ECONOMIC | ENVIRONMENT | SOCIAL | **GOVERNANCE**

REGULATORY COMPLIANCE

- **To fully comply with all applicable laws and regulations**

In a highly regulated construction environment, compliance with applicable laws and industry standards remains integral to the continuity and resilience of our operations. By complying with regulatory requirements and recognised best practices, we safeguard the safety and quality of our projects, promote long-term sustainability and maintain the highest standards of ethical conduct.

We maintain strict adherence to all applicable laws, regulations and guidelines relevant to our operations. The key legislation governing our business activities includes:

- Construction Industry Development Board Act 1994;
- Town and Country Planning Act 1976;
- Street, Drainage and Building Act 1974;
- Occupational Safety and Health Act 1994;
- Factories and Machinery Act 1967;
- Environmental Quality Act 1974;
- Employment Act 1955 (Amendment 2022);
- Construction Industry Payment and Adjudication Act 2012;
- Workers' Minimum Standards Housing and Amenities Act 1990; and
- Immigration Act 1959/63.

Environmental legislation applicable to our operations is detailed further in the Environmental Compliance section of this Sustainability Statement.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC | ENVIRONMENT | SOCIAL | GOVERNANCE

REGULATORY COMPLIANCE (CONT'D)

- **To fully comply with all applicable laws and regulations**

To ensure consistent compliance with these regulatory obligations across the Group, we have established internal SOPs. These SOPs cover key areas across our operations, ensuring our employees perform their duties in accordance with established regulatory standards. During FYE 2025, we maintained full compliance across all applicable laws and regulations governing our operations. No violations, fines or penalties were imposed by any regulatory authority for the recent three (3) financial years, reflecting the effectiveness of our internal controls and compliance framework.

	FYE 2023	FYE 2024	FYE 2025
Number of fines or penalties by regulatory authorities	Nil	Nil	Nil

CORPORATE GOVERNANCE

- **To uphold highest standard of corporate governance and good business ethics**

At Nestcon, we place a high priority on robust corporate governance to ensure transparency, ethical integrity and full accountability across all our activities. We actively maintain high standards of governance through comprehensive policies and processes. Our Code of Conduct serves as the foundational framework for ethical decision-making, guiding every employee and stakeholder to act with honesty, responsibility and professionalism.

In line with UNSDG Target 16.5, our ABC Policy establishes a strict zero-tolerance approach to any form of bribery or corrupt practice. It outlines procedures for assessing corruption risks, implementing preventive controls and enforcing clear disciplinary measures for any breaches.

To reinforce the ABC Policy, we adopted an AFWB Policy. This provides a secure, confidential mechanism for employees and external parties to report any suspected wrongdoing, unethical behaviour or malpractice. Reports made in good faith are fully protected, with all details treated in the strictest confidence. Each report received is assessed and, where warranted, an impartial investigation is conducted, followed by appropriate remedial action.

Beyond our policies, we promote ethical awareness through briefings for new employees during the onboarding process as well as periodic email reminders to existing employees, reinforcing their awareness of the ABC Policy and ethical business practices.

Our governance framework also includes a Directors' Fit and Proper Policy, which guides the assessment of Director appointments and re-appointments. This policy ensures that the Directors possess the character, experience, integrity, competence and time to effectively discharge their fiduciary duties.

Our governance policies are available on the Company's website at https://www.nestcon.my/Corporate-Governance.html. Our corporate governance practices and principles are further detailed in the CG Statement within this Annual Report as well as our CG Report.

Our commitment to strong governance is further demonstrated by our ISO 37001:2016 Anti-Bribery Management Systems certification, maintained by the Company since December 2020. In FYE 2025, we recorded zero reported cases of bribery, corruption, fraud or money laundering. No fines or penalties were imposed on the Group for the recent three (3) financial years.

	FYE 2023	FYE 2024	FYE 2025
Number of confirmed incidents of corruption and action taken	Nil	Nil	Nil

NESTCON BERHAD

BMLR Transition Period

Date & Time: 2026-04-25_18:17:09

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Quality Assurance	Highest QLASSIC	Percentage	87.0	To score 70 or above for all QLASSIC assessments	Internal
Quality Assurance	Lowest QLASSIC	Percentage	84.0	To score 70 or above for all QLASSIC assessments	Internal
Supply Chain Management	Proportion of spending on local suppliers	Percentage	97.7	—	No assurance
Environmental Compliance	Number of fines or penalties related to environmental incompliance	Number	Nil	—	No assurance
Resources and Energy Management	Total diesel consumption	Litres	10,993,984	—	Internal
Resources and Energy Management	Scope 1 emissions (mobile combustion only)	Metric tonnes of carbon dioxide equivalent (tCO2e)	28,263.55	—	Internal
Resources and Energy Management	Total electricity consumption	Kilowatt-hour (kWh)	2,722,385	—	Internal
Resources and Energy Management	Scope 2 emissions	Metric tonnes of carbon dioxide equivalent (tCO2e)	2,107.13	—	Internal
Resources and Energy Management	Total volume of water used	Cubic Meter (m^3)	257,425	—	Internal
Workforce Diversity	Percentage of employees by age group for each employee category - Management below 30	Percentage	Nil	—	Internal
Workforce Diversity	Percentage of employees by age group for each employee category - Management between 30-50	Percentage	67.9	—	Internal
Workforce Diversity	Percentage of employees by age group for each employee category - Management above 50	Percentage	32.1	—	Internal
Workforce Diversity	Percentage of employees by age group for each employee category - Executive below 30	Percentage	23.2	—	Internal

NESTCON BERHAD
BMLR Transition Period

Date & Time: 2026-04-25_18:17:09
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Workforce Diversity	Percentage of employees by age group for each employee category - Executive between 30-50	Percentage	63.4	—	Internal
Workforce Diversity	Percentage of employees by age group for each employee category - Executive above 50	Percentage	13.4	—	Internal
Workforce Diversity	Percentage of employees by age group for each employee category - Non-executive below 30	Percentage	17.9	—	Internal
Workforce Diversity	Percentage of employees by age group for each employee category - Non-executive between 30-50	Percentage	61.3	—	Internal
Workforce Diversity	Percentage of employees by age group for each employee category - Non-executive above 50	Percentage	20.8	—	Internal
Workforce Diversity	Percentage of employees by age group for each employee category - General Workers below 30	Percentage	35.8	—	Internal
Workforce Diversity	Percentage of employees by age group for each employee category - General Workers between 30-50	Percentage	61.1	—	Internal
Workforce Diversity	Percentage of employees by age group for each employee category - General Workers above 50	Percentage	3.1	—	Internal
Workforce Diversity	Percentage of employees by gender group for each employee category - Management-Male	Percentage	89.3	—	Internal
Workforce Diversity	Percentage of employees by gender group for each employee category - Management-Female	Percentage	10.7	—	Internal
Workforce Diversity	Percentage of employees by gender group for each employee category - Executive-Male	Percentage	67.9	—	Internal

PRESCRIBED TABLE (CONT'D)

NESTCON BERHAD
BMLR Transition Period

Date & Time: 2026-04-25_18:17:09
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Workforce Diversity	Percentage of employees by gender group for each employee category - Executive-Female	Percentage	32.1	—	Internal
Workforce Diversity	Percentage of employees by gender group for each employee category - Non-executive-Male	Percentage	87.7	—	Internal
Workforce Diversity	Percentage of employees by gender group for each employee category - Non-executive-Female	Percentage	12.3	—	Internal
Workforce Diversity	Percentage of employees by gender group for each employee category - General Workers-Male	Percentage	99.1	—	Internal
Workforce Diversity	Percentage of employees by gender group for each employee category - General Workers-Female	Percentage	0.9	—	Internal
Workforce Diversity	Percentage of employees by nationality group for each employee category - Management-Local	Percentage	100	—	Internal
Workforce Diversity	Percentage of employees by nationality group for each employee category - Management-Foreign	Percentage	Nil	—	Internal
Workforce Diversity	Percentage of employees by nationality group for each employee category - Executive-Local	Percentage	100	—	Internal
Workforce Diversity	Percentage of employees by nationality group for each employee category - Executive-Foreign	Percentage	Nil	—	Internal

NESTCON BERHAD
BMLR Transition Period

Date & Time: 2026-04-25_18:17:09
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Workforce Diversity	Percentage of employees by nationality group for each employee category - Non-executive-Local	Percentage	100	—	Internal
Workforce Diversity	Percentage of employees by nationality group for each employee category - Non-executive-Foreign	Percentage	Nil	—	Internal
Workforce Diversity	Percentage of employees by nationality group for each employee category - General Workers-Local	Percentage	15.4	—	Internal
Workforce Diversity	Percentage of employees by nationality group for each employee category - General Workers-Foreign	Percentage	84.6	—	Internal
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - Management-Malay	Percentage	23.2	—	Internal
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - Management-Chinese	Percentage	75.0	—	Internal
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - Management-Indian	Percentage	Nil	—	Internal
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - Management-Others	Percentage	1.8	—	Internal

NESTCON BERHAD

BMLR Transition Period

Date & Time: 2026-04-25_18:17:09

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - Executive-Malay	Percentage	60.4	—	Internal
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - Executive-Chinese	Percentage	38.8	—	Internal
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - Executive-Indian	Percentage	0.8	—	Internal
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - Executive-Others	Percentage	Nil	—	Internal
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - Non-executive-Malay	Percentage	63.2	—	Internal
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - Non-executive-Chinese	Percentage	27.3	—	Internal
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - Non-executive-Indian	Percentage	3.8	—	Internal
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - Non-executive-Others	Percentage	5.7	—	Internal

NESTCON BERHAD
BMLR Transition Period

Date & Time: 2026-04-25_18:17:09
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - General Workers-Malay	Percentage	9.7	—	Internal
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - General Workers-Chinese	Percentage	0.7	—	Internal
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - General Workers-Indian	Percentage	Nil	—	Internal
Workforce Diversity	Percentage of employees by ethnicity group for each employee category - General Workers-Others	Percentage	89.6	—	Internal
Workforce Diversity	Percentage of directors by age group - Below 30	Percentage	Nil	—	Internal
Workforce Diversity	Percentage of directors by age group - Between 30-50	Percentage	14.3	—	Internal
Workforce Diversity	Percentage of directors by age group - Above 50	Percentage	85.7	—	Internal
Workforce Diversity	Percentage of directors by gender group - Male	Percentage	71.4	—	Internal
Workforce Diversity	Percentage of directors by gender group - Female	Percentage	28.6	—	Internal
Workforce Diversity	Percentage of directors by nationality group - Local	Percentage	100	—	Internal

PRESCRIBED TABLE (CONT'D)

NESTCON BERHAD
BMLR Transition Period

Date & Time: 2026-04-25_18:17:09
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Workforce Diversity	Percentage of directors by nationality group - Foreign	Percentage	Nil	—	Internal
Workforce Diversity	Percentage of directors by ethnicity group - Malay	Percentage	42.9	—	Internal
Workforce Diversity	Percentage of directors by ethnicity group - Chinese	Percentage	57.1	—	Internal
Workforce Diversity	Percentage of directors by ethnicity group - Indian	Percentage	Nil	—	Internal
Workforce Diversity	Percentage of directors by ethnicity group - Others	Percentage	Nil	—	Internal
Workforce Diversity	Percentage of contractual employees	Percentage	77.1	—	Internal
Workforce Diversity	Total number of employees turnover by employee category (Management)	Number	5	—	Internal
Workforce Diversity	Total number of employees turnover by employee category (Executive)	Number	18	—	Internal
Workforce Diversity	Total number of employees turnover by employee category (Non-executive)	Number	21	—	Internal
Workforce Diversity	Total number of employees turnover by employee category (General Workers)	Number	122	—	Internal
Occupational Safety and Health	Number of work-related fatalities	Number	Nil	To achieve zero-injury workplace	No assurance
Occupational Safety and Health	Number of lost time injuries	Number	Nil	To achieve zero-injury workplace	No assurance

NESTCON BERHAD
BMLR Transition Period

Date & Time: 2026-04-25_18:17:09
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Occupational Safety and Health	Lost time incident rate	Rate	Nil	To achieve zero-injury workplace	No assurance
Employee Welfare	Number of substantiated complaints concerning human rights violations	Number	Nil	—	No assurance
Employee Training	Total training hours	Hours	1,148	—	Internal
Community Engagement	Total amount invested in the community where the target beneficiaries are external to the listed issuer	Unit of currency (MYR)	173,276	—	No assurance
Regulatory Compliance	Number of fines or penalties by regulatory authorities	Number	Nil	—	No assurance
Corporate Governance	Number of confirmed incidents of corruption and action taken	Number	Nil	—	No assurance

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises the importance of practicing high standards of CG in the best interest of the Company and its stakeholders, and to protect and enhance shareholders' value and the performance of the Group. The Board is pleased to present this CG Statement to provide shareholders and investors with an overview of the CG practices adopted by the Company during FYE 2025 in achieving the intended outcomes as set out in the MCCG with reference to the following three (3) key principles, under the stewardship of the Board:

(a) Principle A: Board Leadership and Effectiveness;
(b) Principle B: Effective Audit and Risk Management; and
(c) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG Statement also serves as in compliance with Rule 15.25 of AMLR of Bursa Securities and it is to be read together with the CG Report for FYE 2025 of the Company which is available on the Company's website. The CG Report for FYE 2025 provides the details on how the Company has applied each Practice as set out in the MCCG during FYE 2025. The CG Report for FYE 2025 is available at http://www.nestcon.my/.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Intended Outcome

1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

1.1 The Board assumes overall responsibility for the leadership, governance, strategic direction and long-term success of the Group. The Board is collectively accountable for ensuring that the Group's objectives are achieved in a sustainable manner while safeguarding the interests of shareholders and other stakeholders. Additionally, the Board provides stewardship in setting the Group's strategic direction and overseeing the implementation of business plans by Management. The Board reviews and approves the Group's strategic plans, key corporate initiatives and annual budgets, and ensures that adequate financial, human and operational resources are in place to achieve the Group's objectives. The Board also monitors Management's performance as well as the Group's operational and financial performance, through regular reviews and updates.

In addition, the Board promotes good corporate governance by establishing the Group's core values, ethical standards and governance framework. In this regard, the Board oversees the development and periodic review of the Group's vision, mission and core values, as well as policies and strategies relating to economic, environmental and social risk and opportunities, to ensure sustainable business practices and long-term value creation.

To facilitate the effective discharge of its duties, the Board operates in accordance with a Board Charter, which outlines the roles, responsibilities and authority of the Board and its members, including matters reserved for the Board's deliberation and decision. The Board Charter is available on the Company's website.

The Board is led by Encik Mohd Noor Bin Setapa, the Independent Non-Executive Chairman. The Board has delegated the day-to-day management of the Group's operations to the GMD, supported by the EDs and Management team, who are responsible for implementing the Board's strategies and managing the Group's operations.

To enhance governance and oversight, the Board has established four (4) Board Committees namely, AC, NC, RC and SRMC. Each Board Committee operates within clearly defined terms of reference and reports to the Board on its deliberations and recommendations. The Board retains full responsibility for all decisions made.

During FYE 2025, the Board:
(a) Reviewed and approved the Group's strategies and monitored performance;
(b) Reviewed quarterly financial results and announcements;
(c) Considered reports from Board Committees;
(d) Provided guidance to Management; and
(e) Reviewed key corporate proposals, conflicts of interest, litigation matters and follow-up actions.

The Board retains full accountability for the Company's governance and overall performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

1.2 The Board is chaired by Encik Mohd Noor Bin Setapa, who provides effective leadership, strategic direction and necessary governance to the Group. During Board meetings, the Chairman plays an active role in ensuring all Directors are given with sufficient information on a timely basis, encouraged open and constructive deliberations, and facilitated active participation from all Board members. All agenda items were duly addressed during Board meetings, supporting effective and informed decision-making.

1.3 The positions of Chairman and GMD are held by two (2) separate individuals, with a clearly defined and accepted division of responsibilities to ensure an appropriate balance of power and authority. This structure prevents any one individual from exercising unfettered decision-making powers.

The Chairman is primarily responsible for promoting high standards of corporate governance, as well as ensuring the leadership, effectiveness, and proper functioning of the Board as a whole. In contrast, the GMD has overall responsibility for the Group's business operations, including the day-to-day management of the Group and the execution of the Board's policies and decisions.

These respective roles and responsibilities are formally set out in the Company's Board Charter. In circumstances where the GMD has a direct or indirect interest, or an actual or potential COI, he shall declare such interest to the Board and abstain from participating in the deliberation and voting on the relevant matters.

1.4 During FYE 2025, the Chairman, Encik Mohd Noor Bin Setapa, was not appointed as a member of any Board Committees, namely the AC, NC, RC and SRMC. Nonetheless, he attended Board Committee meetings by invitation to provide insights, facilitate alignment between the Board and Board Committees, and ensure effective communication of strategic priorities.

The Board is satisfied that this practice does not impair the independence and objectivity of the Board Committees, as the Chairman does not participate in the deliberation or decision-making processes of the Committees. All decisions are made independently by the respective Committee members, each of which is chaired by an Independent Director.

As disclosed in the CG Report, the Board has put in place appropriate safeguards measure to preserve the independence and objectivity of the Board Committees.

1.5 The Company is supported by Ms. Teo Soon Mei (MAICSA 7018590 and SSM Practicing Certificate No. 201908000235) ("**Ms. Teo**") and Puan Nazirah Binti Nazri (MAICSA 7071328 and SSM Practicing Certificate No. 202408000275) ("**Puan Nazirah**"), both of whom are suitably qualified and competent Company Secretaries, who have met all the requisite credentials and qualification under Section 235(2) of The Act. Both Ms. Teo and Puan Nazirah are registered with CCM under Section 241 of The Act and hold practicing certificate issued by the Registrar of Companies. With extensive knowledge and experience in public practice, both Company Secretaries actively assist the Management in preparing all necessary documentation, minutes and updates for the Board and Board Committees' meetings. Throughout FYE 2025, the Company Secretaries and their representative attended all Board and Board Committees' meetings. Additionally, both Company Secretaries have provided valuable advice, updates and guidance to both the Board and Management on regulatory and company secretarial matters. By staying abreast of the latest regulatory and CG developments through continuous training and industry updates, Ms. Teo and Puan Nazirah have further enhanced their professional knowledge. They have participated in various relevant continuous professional development activities throughout FYE 2025. The Board is satisfied with the performance and support provided by the Company Secretaries in fulfilling their functions and duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

1.6 The Company has in place a formal Board Charter, which sets out clear provisions governing Board meeting procedures, including the conduct of meetings, preparation of agendas and meeting papers, access to information, and the Directors' right to seek independent professional advice. This Charter, which is publicly available on the Company's website, ensures that the Board operates within a structured and transparent governance framework.

To promote effective planning and participation, the Company schedules regular Board and Board Committees meetings throughout the year. The Company Secretaries engage with all Directors when determining meeting dates, and an annual calendar is tabled to provide visibility on scheduled meetings and the AGM. During FYE 2025, five (5) Board meetings were conducted with full attendance from all Directors, reflecting strong commitment and engagement.

Meeting agendas are developed in consultation with the Chairman and relevant Board Committees, with flexibility to incorporate additional matters raised by Directors or Management. Notices of meetings, together with proposal papers and comprehensive meeting materials, are circulated to all Directors at least five (5) business days in advance via electronic means. This enables Directors to review, seek clarification, and deliberate effectively.

The Board is supported with timely and unrestricted access to information, as well as advice from the Company Secretaries, to facilitate informed decision-making. Directors may communicate directly with Management and request further information at any time. Where necessary, they are also entitled to seek independent professional advice at the Company's expense.

All Board deliberations and decisions are properly documented, with minutes prepared, circulated promptly for review, and confirmed at subsequent meetings to ensure accuracy and completeness. Collectively, these practices demonstrate the Company's commitment to ensuring that the Board is well-informed, well-supported, and able to function effectively in discharging its responsibilities.

The attendance of Directors during FYE 2025 is set out below:

Name	Designation	The attendance for the following Meetings				
		Board	AC	NC	RC	SRMC
Mohd Noor Bin Setapa	Independent Non-Executive Chairman	5/5	Not member	Not member	Not member	Not member
Datuk Ir. Dr. Lim Jee Gin	Group Managing Director	5/5	Not member	Not member	Not member	3/3
Ong Yong Chuan	Executive Director	5/5	Not member	Not member	Not member	Not member
Lim Joo Seng (f)	Executive Director	5/5	Not member	Not member	Not member	Not member
Nor Azzam Bin Abdul Jalil	Independent Non-Executive Director	5/5	5/5	1/1	1/1	3/3
Yeoh Sheong Lee	Independent Non-Executive Director	5/5	5/5	1/1	1/1	3/3
Roslinda Binti Awang @ Mat Yazid (f)	Independent Non-Executive Director	5/5	5/5	1/1	1/1	3/3

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome

2.0 There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

2.1 The Board has formalised its governance framework through the adoption of a Board Charter, which is subject to periodic review to ensure its continued relevance and effectiveness. The Charter sets out the respective roles and responsibilities of the Board, Board Committees, Chairman, GMD, EDs, INEDs, and Company Secretaries, including matters reserved for the Board's deliberation and decision. The updated Board Charter is accessible on the Company's website at http://www.nestcon.my/.

Serving as a key reference and induction document, the Board Charter provides guidance to both prospective and existing Directors on their fiduciary duties, roles, and responsibilities, as well as the functions of the Board Committees. It also outlines the Group's vision, mission, core values, policies, and ethical standards.

The Board Charter clearly defines the roles and responsibilities of the Board, Chairman, and GMD, and incorporates provisions relating to Board composition, diversity, the appointment process of Directors, the Code of Conduct applicable to Directors and employees, as well as Directors' training and continuing professional development requirements.

The Board conducts an annual review of the Board Charter to ensure alignment with its objectives, evolving governance practices, and regulatory expectations. The Board Charter is updated as necessary to maintain its relevance and to ensure compliance with applicable legal and regulatory requirements.

Intended Outcome

3.0 The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the Company.

3.1 The Company has established the Code of Conduct applicable to Directors, officers and employees, which outlines the core values, ethical principles and standards of behaviour expected across the Group. This is reinforced by supporting policies, including the ABC Policy, AML Policy and AFWB Policy, to promote integrity, transparency and accountability in all business dealings.

The Code of Conduct covers various areas, including:

(a) corporate governance;
(b) relationship with shareholders, employees, creditors and customers;
(c) social responsibilities and the environment;
(d) avoid COI;
(e) insider trading policy;
(f) abide by antitrust and competition law;
(g) records keeping and financial integrity;
(h) protect the Company's assets; and
(i) report any illegal and unethical behaviour.

Directors and Key Senior Management are required to declare any actual or potential COI, with appropriate procedures in place to ensure such conflicts are properly disclosed, reviewed and managed, including abstention from deliberations where necessary. The Board is committed to upholding high standards of governance, ensuring compliance with applicable laws and regulations, and fostering a culture of ethical conduct and responsible decision-making throughout the organisation.

The Code of Conduct, Board Charter, ABC Policy and AFWB Policy are available on the Company's website at http://www.nestcon.my/.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

3.2 The Company is committed to upholding the highest standards of professionalism, honesty, integrity, and ethical conduct across all aspects of its business operations. In line with this commitment, the Group has established a AFWB Policy, which provides a formal, secure, and confidential channel for employees, Directors, and members of the public to raise genuine concerns in a responsible and appropriate manner.

The AFWB Policy aims to promote transparency and accountability within the workplace, reinforce sound corporate governance practices, and foster a culture of integrity and ethical behaviour. It also ensures that individuals who raise concerns in good faith are protected from retaliation, while maintaining strict confidentiality of all disclosures. The AFWB Policy outlines a structured and impartial process for the reporting, handling, and investigation of concerns, thereby safeguarding the long-term reputation and integrity of the Group.

The AFWB Policy is accessible on the Company's official website at http://www.nestcon.my/.

Oversight of the implementation of the AFWB Policy resides with the Board, particularly for matters involving Directors. All whistleblowing reports are channeled to the Independent Non-Executive Chairman, who serves as the designated reporting authority under the AFWB Policy. All reports received are handled in a secure, confidential, and impartial manner.

The Board reviews the adequacy, relevance, and effectiveness of the AFWB Policy periodically to ensure alignment with the Group's operational needs, business environment, and applicable laws and regulations. The AFWB Policy is reviewed at least once every three (3) years, or more frequently as required.

During FYE 2025, the Group did not receive any whistleblowing reports.

Intended Outcome

4.0 The Company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

4.1 The Board affirms its overarching responsibility for the stewardship of sustainability across the Group and is committed to embedding EESG considerations into the Group's governance, strategies and operations. Guided by the Board Charter, the Board has established a robust sustainability governance framework to ensure that material economic, environmental and social risks and opportunities are systematically identified, assessed and managed in alignment with the Group's long-term strategic objectives.

This practice reflects an integrated and top-down approach, where sustainability is not treated as a standalone initiative but is embedded within core business processes, including strategic planning, enterprise risk management, capital allocation and operational decision-making. The Board, supported by the SRMC and Key Senior Management, ensures that sustainability priorities are translated into actionable plans, measurable targets and key performance indicators, with regular monitoring and reporting to drive accountability and continuous improvement.

Through structured stakeholder engagement and annual materiality assessments, the Group continuously refines its focus on material sustainability matters, ensuring responsiveness to evolving regulatory requirements, stakeholder expectations and industry developments. This enables the Group to proactively manage risks, capture emerging opportunities and align its sustainability strategy with relevant frameworks such as the UNSDGs.

Overall, the Board believes that this integrated sustainability practice strengthens the Group's resilience and adaptability, supports responsible business conduct and underpins the creation of sustainable long-term value for stakeholders, while contributing positively to the broader economy, environment and society.

The Group's sustainability strategies and efforts in addressing the material risks and opportunities are detailed in the Sustainability Statement within the Annual Report 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

4.2 For FYE 2025, the Company has strengthened its sustainability approach by embedding sustainability considerations more holistically into its overall business strategy, risk management, and governance processes. This enhanced approach ensures that sustainability risks and opportunities, including climate-related matters are identified, assessed, and managed in a structured and strategic manner, in line with AMLR of Bursa Securities and the National Sustainability Reporting Framework.

The Company's sustainability strategy is closely aligned with its business objectives and informed by a robust materiality assessment, with active oversight from both the Board and Management. Clear and measurable sustainability KPIs have been established across key areas such as environmental performance, resource efficiency, employee well-being, and governance practices, with regular monitoring and accountability mechanisms in place.

To support effective implementation, the Company has enhanced its internal processes through structured data collection, strengthened controls, and improved reporting practices, ensuring transparent and consistent disclosures. Sustainability awareness and capabilities continue to be built across the organisation, with increasing integration into day-to-day operations and decision-making.

Ongoing engagement with key stakeholders provides valuable insights that inform the Company's sustainability priorities and continuous improvement efforts. Through these initiatives, the Company reinforces its commitment to transparency, regulatory compliance, and long-term value creation, while progressively advancing its sustainability performance.

4.3 In order to ensure the Board is kept abreast on sustainability issues which are relevant to the Group's business and operations, the Directors and Management had attended several training programmes to gather more insights. The relevant training programmes are shown in the following:

Date Attended	Seminars / Courses / Training Programmes
19 March 2025 – 20 March 2025	Mandatory Accreditation Programme Part II: Leading for Impact
24 April 2025	AEC Connect Day 2025: The AI-Powered Future
17 June 2025	The Journey into the AI Age: Game Changer for Your Digital Transformation Era Programme
9 September 2025	Board Simulation - Balancing Risks & Opportunity in Sustainability Leadership
28 October 2025	Synergising Foreign Investor & State Climate & Environmental Priorities
3 November 2025	Enhancing Sustainability Readiness for ACE Market
10 December 2025	Anti-Bribery & Corruption (ABC) Awareness Workshop

To further strengthen ESG knowledge and expertise, the Board, in collaboration with the NC, will continue to identify and recommend relevant sustainability-related training programmes for both the Board and Management. Through active participation in such initiatives, the Board ensures that its members are well-equipped to provide effective oversight and strategic guidance on sustainability matters across the Group.

4.4 For FYE 2025, the NC has further strengthened the Board's accountability in overseeing the Group's sustainability management by enhancing the sustainability-related evaluation framework.

In addition to the existing assessment criteria, the enhanced evaluation incorporates clearly defined performance indicators and measurable outcomes. These include the integration of sustainability considerations into the Group's overall strategy, the achievement of EESG targets aligned with the UNSDGs, and the effectiveness of oversight on sustainability-related risks and opportunities.

The evaluation framework also takes into account the progress of ongoing sustainability initiatives, as well as the continuous development of sustainability knowledge and competencies among the Directors and Key Senior Management.

Based on the NC's assessment, the Board is satisfied that the Directors and Key Senior Management have effectively discharged their responsibilities and demonstrated strong accountability in managing the Group's material sustainability matters during FYE 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

4.5 The Board does not appoint any Chief ESG Officer, however, the GMD led the management of sustainability during FYE 2025.

II. BOARD COMPOSITION

Intended Outcome

5.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

5.1 The Board Charter sets out that the NC of the Company is responsible to assist the Board in the development and implementation of the policies on the nomination and appointment of Directors to achieve long-term sustainability of the Group in accordance with the NC's TOR.

The NC is chaired by an INED and the composition of the NC is as follows:

Designation	Name	Directorship
Chairman	Nor Azzam Bin Abdul Jalil	INED
Member	Yeoh Sheong Lee	INED
Member	Roslinda Binti Awang @ Mat Yazid	INED

The NC's TOR detailed the roles and responsibilities of the NC is accessible on the Company's website at http://www.nestcon.my/.

Summary Activities of the NC

During FYE 2025, the NC has undertaken the following activities in the discharge of their duties:

(a) Annual assessment of the four (4) INEDs and their tenure;

(b) Annual assessment on the size, composition of the Board, the contribution of the Board and Board Committees as well as the effectiveness of the Board as a whole and assessed the contribution of each individual Director and the performance of the Board Committees;

(c) Review the terms of office and performance of AC and each of its members to determine whether AC and its members have carried out their duties in accordance with the AC's TOR;

(d) Reviewed and assessed the composition of the Board Committees, namely AC, NC, RC and SRMC and the attendance of their members;

(e) Reviewed and considered the current women representation in the Board; and

(f) Reviewed the tenure of each Director and recommended to the Board for re-election of the following Directors of the Company who are due for retirement ("**Retiring Directors**") at the forthcoming 2026 AGM of the Company pursuant to Clause 82 of the Company's Constitution:

(i) Mr. Ong Yong Chuan; and
(ii) Ms. Lim Joo Seng

During the year, the NC reviewed the COI concerning the GMD in other property development business activities outside the Group. The steps to mitigate the potential COI were duly presented to the NC. The NC concluded that, in accordance with the Group's COI Policy, the nature of the potential COI situations identified was sufficiently addressed, and that necessary safeguarding measures and/or controls, alongside the COI Policy, were in place to enhance the management and mitigation of these situations, thereby strengthening governance at this juncture.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Summary Activities of the NC (Cont'd)

Based on the outcome of the assessment reviewed by the NC, it was resolved that the Retiring Directors had contributed effectively to the Board's deliberation as well as demonstrated their diligence and commitment. Upon recommendation by the NC, the Board resolved and approved to propose for the re-election and re-appointment of the Retiring Directors at the forthcoming 2026 AGM of the Company.

All Directors appointed to the Board have attended the Mandatory Accreditation Program Part I and Part II prescribed by Bursa Securities. The Directors are encouraged to attend continuous education programmes/ seminars/conferences and shall as such receive further training from time to time to keep abreast with the latest developments in statutory requirement and regulatory guidelines, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group.

In order for the Group to remain competitive, the Board ensures that the Directors continuously enhance their skills and expand their knowledge to meet the challenges of the Board.

Upon assessing the training needs of the Directors, the Board recognised that continuing education would be the way forward in ensuring its members are continually equipped with the necessary skills and knowledge to meet the challenges ahead. During FYE 2025, the Directors have attended at least one (1) training programme.

The training programmes and seminars attended by the Directors during FYE 2025 were as follows:

Directors	Seminars/ Conferences/ Training Programmes Attended	Date Attended
Mohd Noor Bin Setapa	The Journey into AI Age: Game Changer for Your Digital Transformation Era Programme	17 June 2025
	Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level Programme	28 July 2025
Datuk Ir. Dr. Lim Jee Gin	Mandatory Accreditation Programme Part II: Leading for Impact	19 March 2025 – 20 March 2025
	DataCentre & Cloud Infra Summit Malaysia 2025	14 May 2025 – 15 May 2025
	Penyiasatan Pembinaan Suku Tahunan Suku Keempat	29 May 2025
	Nikkei Forum	18 June 2025 – 19 June 2025
	Tax Budget 2026 & Digital Conference Undertaking Unblocking Businesses Growth and Success	4 November 2025
	Combining 3D FEA	1 December 2025
	Anti-Bribery & Corruption (ABC) Awareness Workshop	10 December 2025
	Road Safety Audit (RSA) & Traffic Management Plan	17 December 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Summary Activities of the NC (Cont'd)

Directors	Seminars/ Conferences/ Training Programmes Attended	Date Attended
Ong Yong Chuan	Mandatory Accreditation Programme Part II: Leading for Impact	19 March 2025 – 20 March 2025
	Beyond SST Headlines: Impact & Compliance Challenges – Rental, Construction and Transitional Issues	11 August 2025
	Anti-Bribery & Corruption (ABC) Awareness Workshop	10 December 2025
Lim Joo Seng	Mandatory Accreditation Programme Part II: Leading for Impact	19 March 2025 – 20 March 2025
	AEC Connect Day 2025: The Ai-Powered Future	24 April 2025
	DataCentre & Cloud Infra Summit Malaysia 2025	14 May 2025 – 15 May 2025
	Beyond SST Headlines: Impact & Compliance Challenges – Rental, Construction and Transitional Issues	11 August 2025
	Stamp Duty Self-Assessment: What HR and Finance Teams Must Fix Before 2026	18 August 2025
	Enhancing Sustainability Readiness for ACE Market	3 November 2025
	Tax Budget 2026 & Digital Conference: Unlocking Business Growth and Success	4 November 2025
	Audit Oversight Board (AOB) Conversation with Audit Committee	25 November 2025
	Anti-Bribery & Corruption (ABC) Awareness Workshop	10 December 2025
Nor Azzam Bin Abdul Jalil	Boardroom Blindspots: How our Perceptions of Risk Influence our Boardroom Effectiveness	3 September 2025
	Board Simulation – Balancing Risks & Opportunity in Sustainability Leadership	9 September 2025
	Synergising Foreign Investor & State Climate & Environmental Policies	28 October 2025
Yeoh Sheong Lee	Common Audit Deficiencies and Lessons from Regulatory Finding	12 November 2025 – 13 November 2025
	MPERS Financial Reporting - What to Look Out for	14 November 2025
	A Comprehensive Review of Latest Developments in MPERS	3 December 2025
	ISRS 4400 (Revised) AUP and ISRS 4410 (Revised) Compilation Engagement	9 December 2025
Roslinda Binti Awang @ Mat Yazid	Mandatory Accreditation Programme Part II: Leading for Impact	19 March 2025 – 20 March 2025
	Geotechnical Engineering: Design and Construction in Excavation Based on Eurocode 7	25 June 2025
	Understanding Seismic Design to Eurocode 8	10 October 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

5.2 During FYE 2025, the current Board comprises of seven (7) members with a majority of four (4) being INEDs. The current Board composition is in line with the MCCG's recommendation to have at least half of the Board to comprise INEDs. The INEDs and the Independent Non-Executive Chairman who form a majority of the Board size, make a positive contribution and development of the Company's strategy and policies through their independent, constructive and informed judgement.

5.3 None of the INEDs of the Company have served beyond nine (9) years. Pursuant to the Board Charter, an Independent Director may continue to serve on the Board as a Non-Independent Director upon completion of the nine (9) years. If the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process as recommended in the MCCG.

5.4 The Board has not set a policy which limits the tenure of its Independent Directors to nine (9) years without further extension. Pursuant to the Board Charter, an Independent Director may continue to serve on the Board as a Non-Independent Director upon completion of the nine (9) years. If the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process pursuant to the MCCG. The tenure of an Independent Director on the Board of the Company shall be limited to twelve (12) years in the Group. If any Independent Director had cumulatively served as an Independent Director of the Company or any one or more of the subsidiaries of the Company for more than twelve (12) years, such Independent Director may continue to serve on the Board as Non-Independent Director.

5.5 The Board upholds diversity as a key driver of effective governance, recognising that a balanced mix of skills, experience, gender, age, ethnicity and independence strengthens decision-making and supports sustainable growth. Guided by the Board Diversity Policy in line with MCCG Practice 5.5, the Company adopts a structured and transparent approach to Board and Key Senior Management appointments.

For FYE 2025, the Board comprises seven (7) members, including two (2) female Directors (29%), slightly below the 30% target. The Board maintains a strong mix of skills, experience and independence aligned with the Group's strategic needs, while diversity in terms of age and ethnicity remains satisfactory.

The Board acknowledges the shortfall in meeting the 30% gender diversity target and has put in place measures to address this gap. The NC will prioritise the identification and appointment of suitably qualified female candidates in future Board vacancies, including leveraging external search firms and broader talent pools. Gender diversity will continue to be a key consideration in succession planning, with a target to achieve at least 30% female representation within a reasonable timeframe.

At Key Senior Management level, diversity is supported through talent development and succession planning initiatives. While the current composition reflects limited gender and ethnic diversity, ongoing efforts are focused on strengthening inclusive leadership, enhancing succession pipelines and improving representation.

The NC continues to oversee rigorous appointment and evaluation processes based on fit and proper criteria, while annual Board evaluations confirm the effectiveness of the Board's composition and performance. All Directors have demonstrated full commitment, with complete attendance at meetings and compliance with regulatory requirements on directorship limits.

Overall, the Board is satisfied that its current composition provides an appropriate balance of perspectives and expertise to effectively lead the Group, while remaining committed to enhancing diversity across leadership levels.

5.6 The Board Charter provides that the Board does not solely rely on recommendations from existing Board members, Management or shareholders of the Company in identifying candidates for appointment of Directors. The Board shall endeavour to utilise independent sources or any other sources to identify suitably qualified candidate to fulfil Board positions. The NC would assess their suitability based on the relevant criteria and skills matrix as may be set by the NC from time to time. During FYE 2025, no new Director was appointed to the Board of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

5.7 Pursuant to the provisions of the Constitution of the Company, the following Directors who are due for retirement and being eligible, have offered themselves for re-election in accordance with Clause 82 of the Company's Constitution at the forthcoming 2026 AGM of the Company:

(a) Mr. Ong Yong Chuan;
(b) Ms. Lim Joo Seng.

The Board has established an annual performance evaluation process to assess the performance of each Director. Each Director conducts a peer assessment of the other Directors. Taking into consideration the Directors' self and peer assessment results which were satisfactory. Upon recommendation by the NC, the Board resolved to approve and support the re-election and re-appointment of the aforesaid Directors and submitted their recommendation to the shareholders for approval at the forthcoming 2026 AGM.

5.8 The NC is chaired by Encik Nor Azzam Bin Abdul Jalil, the INED.

5.9 The Board comprises approximately 29% women directors for FYE 2025. While the Company has not yet achieved the 30% target for female representation as recommended under the MCCG, the Board, through the NC, remains committed to achieving this target and will continue to prioritise suitably qualified female candidates in future Board appointments. Notwithstanding this, the Board maintains its commitment to gender diversity and will continue to give due consideration to qualified female candidates as part of its ongoing succession planning and Board refreshment process, ensuring that any future appointments are aligned with both diversity objectives and the Company's strategic needs.

5.10 The Board has established its Diversity Policy in the Board Charter under Paragraph 15 of the Board Charter. The Board Charter is made available on the Company's website.

Intended Outcome

6.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors

6.1 The Board through the NC had on 27 February 2026 conducted the following annual assessments and evaluation of the performance to determine the effectiveness of the Board and Board Committees as well as each individual Director for FYE 2025. The process was carried out via self and peer assessment forms completed by the Directors pertaining to the following evaluation:

(a) <u>Performance Evaluation for the Board and Board Committees</u>

All Directors had participated the assessment on the performance of the Board and Board Committees of the Company for FYE 2025 comprising the following six (6) areas:

(i) Board mix and composition;
(ii) Board's relationship with the Management;
(iii) Quality of information and decision making;
(iv) Boardroom activities;
(v) EESG; and
(vi) Board Committees evaluation.

(b) Performance Evaluation for Individual Director

The scope of assessment comprising the Directors' contribution to interaction, knowledge, quality of input and understanding of their role. In addition, the performance of the Board Chairman and GMD were also assessed by all Directors in terms of their roles and responsibilities.

The NC has reviewed the COI concerning the GMD in other property development business activities outside the Group. The steps to mitigate the potential COI were duly presented to the NC. The NC concluded that, in accordance with the Group's COI Policy, the nature of the potential COI situations identified by the GMD was sufficiently addressed, and that necessary safeguarding measures and/or controls, alongside the COI Policy, were in place to enhance the management and mitigation of these situations, thereby strengthening governance at this juncture.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

(c) reviewed the effectiveness of the Board as a whole, Board Committees and the contribution of individual Director;

(d) reviewed the terms of office and effectiveness of the AC as a whole and the performance of individual AC member;

(e) reviewed and assessed the independence of INEDs;

(f) reviewed and recommended the re-election of Retiring Directors at the forthcoming 2026 AGM;

(g) reviewed meeting attendance of the Board and members of the Board Committees;

(h) reviewed the training programmes attended by the Directors and Management;

(i) reviewed the succession planning for the Key Senior Management; and

(j) reviewed the NC's TOR.

Based on the aforesaid evaluations conducted, the NC and the Board were satisfied with the performance of each Director, the Board as a whole, and the Board Committees for FYE 2025.

III. REMUNERATION

Intended Outcome

7.0 The level and composition of remuneration of Directors and Senior Management take into account the Company's desire to attract and retain the right talent in the Board and Senior Management to drive the Company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

7.1 The Board has in placed policies and procedures to determine the remuneration of Directors and Key Senior Management that sets out the criteria to be used in recommending remuneration packages for the EDs, Non-Executive Directors and any Key Senior Management personnel. The said policy is available on the Company's website at http://www.nestcon.my/.

The RC is chaired by an INED and the composition of the RC is as follows:

Designation	Name	Directorship
Chairman	Nor Azzam Bin Abdul Jalil	INED
Member	Yeoh Sheong Lee	INED
Member	Roslinda Binti Awang @ Mat Yazid	INED

7.2 The RC's TOR detailed their authority and duties is accessible on the Company's website at http://www.nestcon.my/.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION (CONT'D)

Intended Outcome

8.0 Stakeholders are able to assess whether the remuneration of Directors and Senior Management commensurate with their individual performance, taking into consideration the Company's performance.

8.1 The detailed disclosure on named basis of the remuneration of individual Director and the breakdown of the remuneration of each individual Director is disclosed in the CG Report of the Company for FYE 2025.

8.2 The Company has disclosed the Key Senior Management's remuneration component in bands of RM50,000 but not on named basis as the Board considers the information is sensitive and proprietary since the Group's business operates in a competitive market. Besides, the issue of personal security is also taken into consideration and may be wrongly used or quoted by certain parties. The top five (5) Key Senior Management's remuneration in bands of RM50,000 is set out in the CG Report of the Company for FYE 2025.

8.3 The detailed remuneration of each member of Key Senior Management on a named basis will not be disclosed for confidentiality purposes.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Intended Outcome

9.0 There is an effective and independent AC.

The Board is able to objectively review the AC's findings and recommendations.

The Company's financial statement is a reliable source of information.

9.1 The AC is chaired by Mr. Yeoh Sheong Lee, who is an INED, while the Chairman of the Board is Encik Mohd Noor Bin Setapa, an Independent Non-Executive Chairman. This is to ensure that the objectivity of the Board's review of the AC's findings and recommendations are not impaired.

9.2 The AC has adopted a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. The policy had been codified in the AC's TOR of the Company by the Board. The AC's TOR is available on the Company's website.

9.3 The AC maintains formal policies and procedures to assess the suitability, objectivity and independence of the external auditors, including oversight of non-audit services to ensure independence is not compromised.

The AC is authorised by the Board to communicate directly with the external auditors, without the presence of EDs and Management where necessary, to discuss audit matters.

During FYE 2025, the AC reviewed the external auditors' terms of engagement, audit scope and fees, and assessed their independence, performance and effectiveness. This assessment covered their competency, adequacy of resources, audit quality and compliance with professional standards.

Messrs. Morison LC PLT, the external auditors confirmed their independence to the AC. Based on its evaluation, the AC is satisfied with their performance and independence and has recommended their re-appointment at the forthcoming 2026 AGM, subject to shareholders' approval.

9.4 The AC comprises solely of INEDs.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. AUDIT COMMITTEE (CONT'D)

9.5 The NC conducted the following reviews of the AC for FYE 2025:

(a) the composition of the AC, including financial literacy and independence, in accordance with AMLR of Bursa Securities;
(b) the effectiveness of the AC's structure, size and TOR; and
(c) the performance and contribution of each AC member, including their ability to critically analyse financial statements and challenge Management's assumptions.

Mr. Yeoh Sheong Lee, the Chairman of the AC is a member of MIA. The other two (2) members of the AC are not members of any professional accounting bodies. All three (3) members of the AC kept abreast of developments in accounting and auditing standards, practices and rules through updates from our external auditors of changes in accounting and auditing standards. All AC members have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.

Based on the outcome of the annual assessment, the Board is satisfied that the Chairman and AC members collectively possess the appropriate qualifications, experience and expertise, including strong financial literacy, and have effectively discharged their roles and responsibilities in accordance with the AC's TOR.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Intended Outcome

10.0 Company makes informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.

10.1 The Board Charter sets out that the Board is responsible for the system internal control and risk management of the Group. The Board, through the SRMC, monitors risks and internal control. The Board has established an Enterprise Risk Management Framework. The Board is satisfied that the systems in place are adequate and effective.

10.2 The Board, through the SRMC, monitors risks and internal control via an Enterprise Risk Management Framework, which is a comprehensive report tabling the current status, action taken and conclusion of the key risks identified twice a year.

10.3 The SRMC comprises three (3) INEDs and the GMD. Below is the composition of SRMC:

Designation	Name	Directorship
Chairman	Yeoh Sheong Lee	INED
Member	Nor Azzam Bin Abdul Jalil	INED
Member	Roslinda Binti Awang @ Mat Yazid	INED
Member	Datuk Ir. Dr. Lim Jee Gin	GMD

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Intended Outcome

11.0 Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

11.1 For FYE 2025, the Group maintained a structured and independent internal audit function to support the Board in fulfilling its oversight responsibilities on risk management and internal control.

The Board delegated the review of the adequacy and effectiveness of the Group's internal control and risk management systems to the AC and SRMC, while retaining ultimate accountability for these systems.

The internal audit function continued to be outsourced to Eco Asia, an independent professional services firm. The outsourced internal auditors reported functionally and directly to the AC, ensuring independence from Management in the execution of their duties.

The AC exercised oversight over the internal audit function, including its performance, independence and objectivity. Internal audit activities were conducted based on a risk-based internal audit plan approved by the AC, with a focus on key risk areas and critical business processes to ensure comprehensive audit coverage.

Internal audit engagements were carried out with due professional care and in accordance with recognised professional standards. Audit findings, together with recommendations and Management's responses, were presented to the AC for review. The AC also monitored the implementation of corrective actions to ensure timely remediation of identified control weaknesses.

During FYE 2025, internal audit reviews were performed in line with the approved audit plan, covering key operational and governance areas. The results of these reviews indicated that none of the identified control weaknesses had resulted in any material losses, contingencies, or uncertainties requiring disclosure in the Annual Report 2025.

The AC conducted an annual assessment of the internal audit function, including its scope, resources and competency, and concluded that the function had operated effectively and independently throughout the financial year.

Further details on the internal audit function are disclosed in the SORMIC of this Annual Report 2025.

11.2 The outsourced internal audit function is led by the Head of Internal Audit, Ms. Janeeta Salim, an Associate Member of the IIA Malaysia with a Bachelor Degree of Accountancy. She has vast experience and exposure in the internal audit field. During FYE 2025, she was supported by a manager, an assistant manager, two (2) senior internal auditors and two (2) junior internal auditors to carry out internal audit reviews for the Group. All the internal audit personnel involved for the internal audit assignments are free from any relationships or COI with the Group. They are able to perform internal audit reviews objectively, independently, proficiently and with due professional care. The AC is satisfied that the outsourced internal auditors have maintained a high degree of independence and professionalism in carrying out their duties. The internal audit function is carried out in accordance with the IPPF issued by IIA Malaysia.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

Intended Outcome

12.0 There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

12.1 The Board recognises the importance of effective, transparent and timely communication with its shareholders, stakeholders and the investment community on all material business matters. The Board remains committed to ensuring accountability and maintaining a high standard of disclosure on the Group's performance, corporate developments and strategic direction.

To facilitate this, the Board ensures that there is effective, transparent and regular communication with its stakeholders through the following channels:

(a) Email and Face-To-Face Communications

Email and face-to-face communications are the main communication channel in our day-to-day operations with various customers and suppliers.

(b) The Company Corporate Website

The Company's corporate website http://www.nestcon.com.my/ is a platform to provide convenient access to the latest as well as historical information about the Company and the Group. Once relevant information is disclosed to the public and available to investors, it is also published on the corporate website.

The corporate website will dedicate the Investor Relations section and Corporate Governance section that provide relevant investor-related information. The information available on the corporate website includes corporate and financial information, annual reports, press releases and regulatory announcements made to Bursa Securities.

The Company will provide an email address which all shareholders can send their queries to and make enquiry.

(c) Announcements made to Bursa Securities

Shareholders and investors can obtain our Group's latest announcements such as material information, updates and periodic financial reports in the dedicated website of the Company.

(d) Annual Report

The Annual Report to the shareholders remains the central means of communicating the Group's business overview, financial performance, corporate governance, sustainability measures as well as prospects of the Group.

(e) AGM

The AGM is used as the main forum of dialogue for shareholders to make known their views and raise any matters of concern pertaining to the Group. The shareholders will be given the opportunity to speak and seek clarifications during AGM for effective and transparent communications. The Management shall ensure all information disclosed remains succinct, current, relevant and accurate.

(f) Minutes of the General Meeting

Minutes of the general meeting including issues/concerns raised and responses by the Company (summary of the key matters discussed at the AGM) should be circulated to shareholders or make available at the Company's website no later than 30 business days after the general meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

I. COMMUNICATION WITH STAKEHOLDERS (CONT'D)

12.2 The Company has not implemented integrated reporting due to lack of internal resources to develop and implement the necessary reporting processes and tools. The Company recognises the value of integrated reporting, but has determined that they need to focus their current resources on other strategic priorities at this time.

II. CONDUCT OF GENERAL MEETINGS

Intended Outcome

13.0 Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at general meetings.

13.1 The Company demonstrated its commitment to high standards of corporate governance in the conduct of its Fifth AGM ("**5th AGM**") held on 23 June 2025. The Notice of the 5th AGM, together with the Annual Report 2024 and explanatory notes on the proposed resolutions, was dispatched to shareholders at least twenty-eight (28) days in advance of the meeting. This exceeded the regulatory minimum requirement and provided shareholders with sufficient time to review the materials, make informed decisions, and arrange for proxy participation where necessary.

The Notice comprehensively outlined all resolutions to be tabled and was supported by relevant explanatory notes and background information to facilitate shareholders' understanding and effective participation. Shareholders were also given access to proxy appointment facilities via a designated link, in line with the Company's Constitution, allowing flexibility in appointing proxies who need not be members of the Company.

To ensure broad and timely dissemination of information, the Notice was announced to Bursa Securities and published in a major local newspaper.

The Company will continue to uphold these best practices by issuing the Notice of the upcoming Sixth AGM ("**6th AGM**"), at least twenty-eight (28) days prior to the meeting date. This approach aligns with the recommendations of the MCCG and goes beyond the minimum of twenty-one (21) days' notice required under the Act and AMLR of Bursa Securities, thereby reinforcing transparency and enabling meaningful shareholder engagement

13.2 The Company continued to uphold the AGM as a key platform for fostering effective communication and engagement with shareholders. The AGM serves as the principal forum for direct interaction between shareholders, the Board, and Management, allowing shareholders to participate actively in the proceedings, including raising questions and seeking clarification on the Company's business operations, performance, as well as current developments and future prospects.

The Company's 5th AGM was held physically on 23 June 2025, providing shareholders with the opportunity for in-person engagement. The Chairman of the Board, all Directors, and the Chairpersons of the respective Board Committees were present to facilitate meaningful dialogue and address shareholders' queries. Additionally, members of the Key Senior Management and the Company's external auditors attended the AGM to offer further insights and respond to questions, ensuring a comprehensive and transparent exchange of information.

13.3 The Company conducted its 5th AGM physically at DoubleTree by Hilton Shah Alam i-City, Finance Avenue, 40000 Shah Alam, Selangor, while continuing to leverage technology through electronic voting ("**e-voting**") for all resolutions conducted by poll. The physical meeting format enabled shareholders, proxies and corporate representatives to attend in person, participate actively, raise questions and engage directly with the Board and Management.

All resolutions tabled at the 5th AGM were voted by poll via the e-voting platform provided by the share registrar, with the process independently scrutinised to ensure integrity, transparency and accuracy, and carried out in compliance with Rule 8.31A of the AMLR of Bursa Securities. The verified results were announced by the Chairman and subsequently published on the Company's website.

The Company's shift from a fully virtual AGM in 2024 to a physical AGM with e-voting in 2025 demonstrates its commitment to enhancing shareholder engagement through face-to-face interaction, while maintaining efficient, transparent and compliant voting and governance practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. CONDUCT OF GENERAL MEETINGS (CONT'D)

13.4 In 2025, the Company continued to leverage its general meetings as a key platform for effective communication and engagement with shareholders. The 5th AGM was conducted physically, with all Board members, including the Chairman and Board Committee Chairpersons, in attendance to facilitate direct and meaningful interaction. Shareholders were able to participate through in-person attendance, supported by e-voting facilities and the ability to submit questions both prior to and during the meeting. Comprehensive guidance on participation and voting procedures was provided via the Administrative Guide, which was circulated to shareholders and made available on the Company's website. During the AGM, shareholders were given ample opportunity to raise queries, all of which were duly addressed by the GMD and EDs, reflecting the Company's commitment to transparency and active shareholder engagement.

13.5 The Company transitional from a fully virtual AGM in 2024 to a physical AGM complemented by e-voting in 2025. This approach reflects the Company's commitment to enhancing shareholder engagement while maintaining the convenience of digital participation. Moving forward, the Company intends to continue holding physical AGMs to foster more meaningful interactions with shareholders.

13.6 The Company is committed to upholding high standards of corporate governance and transparency in its engagement with shareholders. In line with the Best Practice 13.6 of MCCG, the Minutes of the 5th AGM were duly confirmed and signed before being uploaded to the Company's website within 30 business days from the date of the 5th AGM.

In addition, all questions raised by shareholders prior to and during the AGM, together with the corresponding responses, were published on the Company's website within 30 business days from the date of the AGM. This ensures shareholders have timely access to key information and promotes meaningful engagement and transparency.

The CG Statement and CG Report are made in accordance with a resolution of the Board passed on 15 April 2026.

AUDIT COMMITTEE REPORT

The Board presents the AC Report which provides insights into the manner in which the AC discharged its functions for the Group during FYE 2025.

COMPOSITION OF THE AUDIT COMMITTEE

The AC comprises three members who are all INEDs. The AC meets the requirements of Rule 15.09(1)(a) and (b) of the AMLR of Bursa Securities and Practice 9.4 under Principle B of the MCCG as the AC must comprise not fewer than three (3) members which requires all members to be Non-Executive Director with a majority of them being Independent Directors.

The AC was established with the primary objective to assist the Board in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting practices, system of risk management and internal controls, audit process and the independence of auditors.

As at the date of this AC Report, the AC comprises of the following members:

Chairman : Mr. Yeoh Sheong Lee (INED)
Member : Encik Nor Azzam Bin Abdul Jalil (INED)
Member : Puan Roslinda Binti Awang @ Mat Yazid (INED)

The AC Chairman, Mr. Yeoh Sheong Lee is a member of MIA, thereby fulfilling the financial expertise requisite pursuant to Rule 15.09(1)(c) of the AMLR of Bursa Securities. The Company also complies with Rule 15.10 of the AMLR of Bursa Securities in which the Chairman of the AC is an INED and Practice 1.4 under Principle A of the MCCG in which the Chairman of the AC is not the Chairman of the Board. In addition, no alternate Director is appointed as a member of the AC pursuant to its TOR.

TERMS OF REFERENCE OF AUDIT COMMITTEE

The TOR of the AC covering its scope of duties and responsibilities, authority and other relevant matters, is available on the Company's corporate website at http://www.nestcon.my.

The NC and Board reviewed the terms of office of AC and assess the performance of the AC and its members through an annual Board Committees Assessment form. The NC and Board is satisfied that the AC and its members have discharged their functions, duties and responsibilities, in accordance with the AC's TOR.

MEETINGS AND ATTENDANCE

During FYE 2025, the AC held five (5) meetings. The details of the AC members' attendance are as follows:

Committee Member	Meeting Attendance	Percentage of Attendance
Mr. Yeoh Sheong Lee	5/5	100%
Encik Nor Azzam Bin Abdul Jalil	5/5	100%
Puan Roslinda Binti Awang @ Mat Yazid	5/5	100%

The GMD, ED, Finance Director and Group Senior Finance Manager were invited to attend all the AC meetings to provide clarification and information on the financial performance, audit issues and relevant issues pertaining to the Group's operations.

The external auditors and/or internal auditors, where necessary, were invited to the AC meetings to provide explanations and answer queries with company secretaries in attendance. The external auditors, Messrs. Morison LC PLT was present at three (3) of the meetings held during FYE 2025 for presenting Audit Review Memorandum and Audited Financial Statements of the Company for FYE 2025 as well as Audit Planning Memorandum of the Company for FYE 2025. The Internal Auditors, Eco Asia was present at two (2) of the meetings held during FYE 2025 for presenting internal audit plan, internal audit findings and follow-up reviews reports.

Minutes of each AC meeting was recorded and tabled for confirmation at the next AC meeting and subsequently to the Board for notation. The AC Chairman reports to the Board on activities undertaken and key recommendations for the Board's consideration and decision.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The summary of activities of the AC in discharging their functions and duties during FYE 2025 are as follows:

(1) Financial Reporting

(i) Reviewed and ensured that the Group's financial reporting and disclosure requirements are in compliance with:

(a) Provision of the Act;
(b) AMLR of Bursa Securities;
(c) MFRS;
(d) IFRS; and
(e) Other legal and regulatory requirements.

(ii) Reviewed the draft unaudited quarterly financial results as well as audited annual financial statements of the Company and the Group as well as the audit findings and issues arising from the audit with the external auditors before recommending to the Board for approval and releasing the announcement to Bursa Securities focusing particularly on:

(a) Any changes in or implementation of major accounting policy;
(b) Significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters were addressed;
(c) Any significant adjustments arising from the audit; and
(d) Compliance with all applicable accounting standards and legal requirements.

(2) Risk Management and Internal Control

(i) Assessed the risk management and internal control systems, processes, policies and procedures to ensure compliance with all relevant laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;

(ii) Reviewed the internal control systems adopted within the Group to ensure that they are in place, effectively administered and regularly monitored; and

(iii) Reviewed the report from the internal auditors on the Human Resources and Payroll Management Review and General Safety Review to ensure processes adopted are consistent with the documented and authorised policy.

(3) Internal Audit Function

(i) Reviewed and approved the internal audit plan which includes timely review of the risk management framework and internal control system and risk mitigating plans with the internal auditors.

(ii) Reviewed and deliberated the internal audit reports, particularly internal audit observations and follow-up reports.

(iii) Reviewed the potential risks and impact of the Group arising from internal audit observations, as well as the progress of Management's corrective actions on the recommendations made by the internal auditors.

(iv) Conducted a performance evaluation of the internal auditors, including an assessment of the adequacy of the internal audit scope, as well as the competency and resources of the internal audit function, to ensure the effectiveness of the Group's internal audit function.

Further details of the internal auditors' activities performed during FYE 2025 are outlined in the SORMIC within this Annual Report.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

(4) Oversight of External Audit

(i) Reviewed and discussed with the external auditors on the Audit Planning Memorandum covering the audit objectives and approach, audit plan, key audit areas and relevant technical pronouncements and accounting standards issued by MASB, and regulatory requirements applicable to the Group and the processes and controls in place to ensure effective and efficient financial reporting and disclosures under the financial reporting standards;

(ii) Reviewed and discussed with external auditors for the Audit Review Memorandum in understanding and considering significant accounting adjustment and auditing issues arising from audit, in particular recommendations and appropriate actions to be taken by the Management;

(iii) Conducted two (2) private sessions with external auditors to discuss any issues arising from audit without the presence of the Management and EDs;

(iv) Reviewed and deliberated the draft independent auditors' report by external auditors, and significant matters and/or management letter highlighted for improvement that Management should consider pertaining to weaknesses or deficiencies in the internal control systems as well as Management's response to the management letter; and

(v) Conducted annual performance assessment to evaluate the external auditors, taking into consideration their independence, performance, competence and experience as well as provision of non-audit services and audit fees, and recommended to the Board for re-appointment.

(5) Related Party Transactions and COI

Related Party Transactions

The AC undertook a comprehensive review of related party transactions and COI during FYE 2025. The following activities were conducted to ensure compliance and enhance accountability within the Group:

(i) Review of transactions: The AC reviewed the inter-company transactions and any related/interested party transactions that arose within the Company and the Group to ensure compliance with MASB and Bursa Securities;

(ii) Assessment of COIs: The AC closely examined any related party transactions and COI situations, including any actions, procedures, or conduct that may raise questions about Management's integrity;

(iii) Ensuring Fair Practices: The AC verified that all related party transactions were carried out at arm's length and under normal commercial terms with adequate disclosure to Bursa Securities.

During the financial year, the Company had on 28 August 2025 acquired three (3) units of office space together with accessorised car parking bays within a high-rise mixed commercial development known as 'Nest 2 Residences' for a total cash consideration of RM15.10 million ("**Acquisition**").

The Acquisition constituted a related party transaction pursuant to Paragraph 10.08 of the AMLR of Bursa Securities, in view of the interest of Datuk Ir. Dr. Lim Jee Gin, being the Group Managing Director and major shareholder of the Company, who is also a non-executive director and major shareholder of the vendor, Nestcity Cemerlang Sdn. Bhd.

Accordingly, Datuk Ir. Dr. Lim Jee Gin had abstained and will continue to abstain from all deliberations and voting in relation to the Acquisition at the relevant Board meetings. He and persons connected to him will also abstain from voting in respect of his direct and/or indirect shareholdings in the Company on the resolutions pertaining to the Acquisition at the Extraordinary General Meeting.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

(5) Related Party Transactions and COI (Cont'd)

Related Party Transactions (Cont'd)

The AC, having considered all aspects of the Acquisition, including the rationale, basis of arriving at the purchase consideration, terms and conditions of the sale and purchase agreement as well as the advice of the independent adviser appointed, is of the opinion that the Acquisition is:

(a) in the best interests of the Group;

(b) fair, reasonable and on normal commercial terms; and

(c) not detrimental to the interest of the non-interested shareholders of the Company.

COI Situation

In accordance with the AC's TOR, the AC plays a crucial role in overseeing COI within the Group's management. The AC is committed to ensuring a framework for identifying, evaluating, approving, reporting and monitoring of COI situations. To strengthen COI management, the Board has established a COI Policy for Directors and Key Senior Management to enhance the management of COIs. Throughout FYE 2025, the AC diligently reviewed and monitored all COI situations involving Directors and Key Senior Management.

During FYE 2025, Datuk Ir. Dr. Lim Jee Gin ("**Affected Director**") declared a potential COI arising from his interests in companies principally involved in property development, in view of the Group's intention at that time to undertake the Proposed Joint Development and Proposed Diversification.

The AC had reviewed and monitored this COI situation during the financial year as part of its oversight function.

Details of the nature of his interests are as follows:

Company	Principal activities	Nature of interest
Nestcity Cemerlang Sdn Bhd	Property development	Datuk Ir. Dr. Lim Jee Gin is the GMD and major shareholder of the Company. He is also a non-executive director and major shareholder of Nestcity Cemerlang Sdn Bhd.
Nestcity Land Sdn Bhd	Property development	Datuk Ir. Dr. Lim Jee Gin is the GMD and major shareholder of the Company. He is also a non-executive director and shareholder of Nestcity Land Sdn Bhd.
Nestcity Property Sdn Bhd	Property development	Datuk Ir. Dr. Lim Jee Gin is the GMD and major shareholder of the Company. He is also a non-executive director and major shareholder of Nestcity Property Sdn Bhd.
Nestcity Development Sdn Bhd	Property development	Datuk Ir. Dr. Lim Jee Gin is the GMD and major shareholder of the Company. He is also a non-executive director and major shareholder of Nestcity Development Sdn Bhd.
Picoland Sdn Bhd	Property development	Datuk Ir. Dr. Lim Jee Gin is the GMD and major shareholder of the Company. He is also a non-executive director and major shareholder of Picoland Sdn Bhd.

Subsequent to FYE 2025, the Joint Development Agreement entered into pursuant to the Proposed Joint Development was mutually terminated on 13 March 2026 due to the non-fulfilment of certain conditions precedent.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

(5) Related Party Transactions and COI (Cont'd)

COI Situation (Cont'd)

The Company had on 10 April 2026 proposed to undertake a new corporate exercise comprising the Proposed Acquisition and Proposed Diversification, which gives rise to an ongoing COI involving the Affected Director, in view of his interests in companies principally involved in property development.

The AC has reviewed this ongoing COI situation and will continue to monitor the matter as part of its oversight function.

Mitigation Measures Undertaken

The following measures were implemented during FYE 2025 and continue to apply in managing the ongoing COI:

(a) Irrevocable Undertaking

Datuk Ir. Dr. Lim Jee Gin will not participate in any of the Group's property development business as outlined in an irrevocable written undertaking letter dated 27 February 2025 addressed to the Board. This undertaking letter includes a commitment not to solicit or engage in any property development business activities directly or indirectly competing with the Group's business. The AC shall conduct periodic reviews of this undertaking to ensure compliance and adapt measures where necessary.

(b) Right of First Refusal

Nestcity Cemerlang Sdn Bhd, Nestcity Land Sdn Bhd, Nestcity Property Sdn Bhd, Nestcity Development Sdn Bhd, and Picoland Sdn Bhd have granted the 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.

(c) Regular Updates on COI

Datuk Ir. Dr. Lim Jee Gin shall provide regular updates in respect of his declaration of COI to the AC and the Board concerning his interests in other companies. This practice ensures ongoing monitoring and proactive identification of any potential COI.

(d) Abstention from Relevant Deliberations

Datuk Ir. Dr. Lim Jee Gin and any connected persons will abstain from all Board deliberations and voting in the matter that may lead to a COI.

During FYE 2025, in view of Datuk Ir. Dr. Lim Jee Gin's potential COI as mentioned above and pursuant to his irrevocable written undertaking, he has voluntarily abstained from the deliberations and voting on Proposed Joint Development and Proposed Diversification, at the relevant Board meetings.

The AC has reviewed both the COI situation arising during FYE 2025 and the ongoing COI in relation to the Group's current corporate exercise, and is satisfied that appropriate safeguards, controls and mitigation measures, including the Group's COI Policy, are in place and operating effectively.

Premised on the above, the Board (save for the Affected Director) is of the view that the COI situation is sufficiently mitigated and does not prejudice the interests of the Company and its non-interested shareholders.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

(6) Annual Report

Reviewed and recommended to the Board the following for approval and inclusion in the Company's Annual Report:

(i) AC Report; and
(ii) SORMIC.

(7) Training

During the financial year, all AC members have attended various training programmes for the continuous professional development. The list of trainings attended is set out in the CG Statement within this Annual Report.

(8) Others

(i) There was no insider trading reported during the financial year under review; and

(ii) There were no whistle-blower reports during the financial year under review.

REVIEW OF THE PERFORMANCE OF THE AUDIT COMMITTEE

The performance of the AC for FYE 2025 was reviewed by the NC on 27 February 2026.

AUDIT AND NON-AUDIT FEES

The fees paid/payable for services rendered by the external auditors during FYE 2025 are as below:

Description	Audit Fee (RM)	Non-Audit Fee (RM)*	Total (RM)
The Company	32,000	5,000	37,000
The Group	213,000	5,000	218,000

** Details of non-audit fees are set out in the Additional Compliance Information within this Annual Report.*

AUDIT COMMITTEE REPORT (CONT'D)

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to Eco Asia, an established external professional internal audit firm, which reports to the AC directly. They assist the AC in reviewing the effectiveness of the internal control systems within the Group whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives. Through internal audit review, remedial action has been taken against weaknesses identified in the systems and controls of the respective operating units. The outsourced of the internal audit function is independent and performed audit assignments with impartiality, proficiency and due professional care.

The internal audit was performed by a manager, an assistant manager, two (2) senior internal auditors and two (2) junior internal auditors of Eco Asia which was led by its Head of Internal Audit, Ms. Janeeta Salim, an associate member of the IIA Malaysia. She has vast experience and exposure in the internal audit field.

The work of internal audit function, among others, include:

(1) developed the annual Internal Audit Plan and proposed to the AC;

(2) conducted follow-up reviews to assess if appropriate action has been taken to address issues highlighted in previous internal audit reports; and

(3) presented significant internal audit findings and areas for improvement to the AC for consideration on the recommended corrective measures together with the Management's responses.

Eco Asia reported to the AC based on the approved scope of work and areas of improvement. A follow up on previous internal audit reviews were also carried out to ensure that all the agreed recommendations were implemented according to the timeline, and feedback/update to the AC on the implementation status from the internal auditors.

The total fees for the internal audit function for FYE 2025 was RM30,000.00.

This AC Report is made in accordance with a resolution of the Board passed on 15 April 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In compliance with Rule 15.26(b) of the AMLR of Bursa Securities, the Board is pleased to present the SORMIC, which outlines the key features and scope of the Group's risk management and internal control system implemented during FYE 2025. This SORMIC has been prepared in accordance with Practices 10.1 and 10.2 of the MCCG and guided by the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Companies.

BOARD RESPONSIBILITIES

At Nestcon, the Board is committed to establishing and maintaining a robust risk management and internal control system that protects shareholders' investments, stakeholders' interests and the Group's assets. In this regard, the Board conducts regular reviews of the Group's risk management and internal control system to assess its adequacy and effectiveness with support from the AC and SRMC.

Nonetheless, the Board recognises the inherent limitations of any risk management and internal control system. Accordingly, the Group's risk management and internal control system is designed to identify, mitigate and manage risks within an acceptable risk appetite, rather than to eliminate all risks that could impede the achievement of business objectives. As such, the system can only provide reasonable, but not absolute, assurance against any material misstatements, fraud, losses and unforeseen events.

RISK MANAGEMENT

The Board acknowledges that an effective risk management system is fundamental to the protection of shareholders' value and achievement of the Group's long-term sustainability. To this end, the Board has established a structured risk management system to ensure that risks are identified, assessed and managed effectively across all levels of the Group.

Risk Management Structure

As the highest governance body, the Board retains ultimate responsibility for overseeing the Group's risk management system. To support the effective discharge of its duties and responsibilities, the Board has established and adopted the following risk management structure:

The Board	To approve the Group's Risk Management Framework and oversee the effectiveness of the framework as a whole.
AC & SRMC	To oversee the Group's risk management and internal control system, and report its observations, findings and recommendations to the Board.
GMD & Finance Director (Management)	To implement and monitor risk management across the Group and report the same to the Board, AC and SRMC accordingly.
Subsidiary Level	To develop respective risk management procedures in line with the Group's Risk Management Policy by identifying, managing and reporting risks within respective areas.
Employees	To comply with the Group's Risk Management Policy and highlight emerging risk to the Management, if any.

Further details on the roles and responsibilities of the AC and SRMC in supporting the Board on risk management matters are outlined in their respective TOR as well as the Group's Risk Management Policy, both of which are available on the Company's website at https://www.nestcon.my/Corporate-Governance.html.

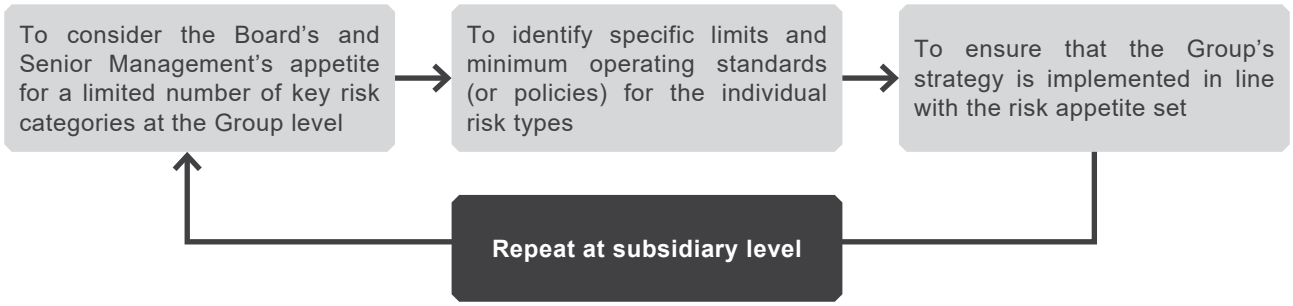
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT (CONT'D)

Umbrella Risk Management Framework

Nestcon has implemented an Umbrella Risk Management Framework that integrates risk management practices into the Group's strategic planning and day-to-day operational activities across all business divisions. The framework adopts a top-down approach where risk awareness and accountability are embedded throughout the organisation, thereby promoting alignment with the Group's objectives and disciplined risk management practices at all levels of the Group.

Central to the framework is the establishment of the Group's risk appetite, which defines the nature and extent of risk the Group is willing to accept in pursuing its strategic objectives and growth opportunities. In this aspect, the Board, with the support of the Management, is responsible for setting and approving the Group's overall risk appetite, ensuring that opportunities are pursued prudently within the acceptable risk parameters. The risk appetite of each subsidiary is subsequently reviewed and aligned with the Group's overall risk appetite to promote consistent decision-making and effective risk management across the Group. The processes for establishing the Group's risk appetite are illustrated below:



In alignment with the Group's risk appetite, a systematic risk management process has been implemented across the organisation to systematically identify, evaluate, communicate and monitor risks, while ensuring the implementation of appropriate risk mitigation strategies. The key components of this process are illustrated as follows:

The Group's risk management process begins with proactive communication and consultation, involving both internal and external stakeholders, to enhance risk awareness and obtain valuable insights to support informed decision-making. This communication and consultation process is embedded throughout the entire risk management process, enabling the Group to continuously refine its strategies, respond to emerging risks and strengthen its overall decision-making effectiveness.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT (CONT'D)

Umbrella Risk Management Framework (Cont'd)

Building on the perspectives and feedback obtained from stakeholders, the Group establishes its risk management context by defining clear internal and external parameters. This foundational step determines the scope and criteria required for evaluating and addressing risks effectively across the organisation.

Following the establishment of the risk management context, the Group undertakes a comprehensive risk assessment process, starting with risk identification conducted at the entity, subsidiary and Group levels respectively through a systematic 3-step bottom-up approach. All identified risks are subsequently analysed based on their likelihood of occurrence, potential consequences and the effectiveness of existing control measures in place.

In FYE 2025, the Group reviewed its risk register and concluded that all the following key risks continue to be relevant to its operations:

- Compliance risk;
- Construction materials supply risk;
- Manpower supply risk;
- Viruses outbreak risk;
- Competition risk;
- Industry risk; and
- Health and safety risk.

Following risk analysis, risk evaluation is performed to assess adequacy of existing control measures by comparing the risk analysis results against the Group's established risk criteria. In the event that the Group's existing controls are deemed to be insufficient or inadequate, the Group will identify and implement the appropriate risk treatment options, including risk transfer, avoidance, reduction, acceptance or retention, to address the identified risks.

The effectiveness of the Group's risk management process is maintained through systematic monitoring in accordance with the Group's Annual Risk Management Reporting Scheme. Under this scheme, all subsidiaries are required to consolidate their respective Risk Management Report, Business Plan and Budget into a comprehensive Group Risk Profile. The Group Risk Profile will then be reviewed by the GMD and Finance Director prior to the submission to the AC and SRMC for review, and table to the Board for oversight. In addition, ad-hoc risk reporting may be carried out at the request of the Board, AC, SRMC or the Management to address any emerging issues. All risk management activities are systematically documented to support performance monitoring and facilitate the continuous improvements.

INTERNAL CONTROL SYSTEM

Complementing the Group's risk management framework is a comprehensive internal control system that underpins both operational activities and corporate governance. This framework ensures that identified risks are not only evaluated and addressed but also continuously monitored through established control and governance mechanisms. The internal control system is subject to regular assessments and updates to maintain its ongoing relevance and effectiveness in responding to changes in the business and regulatory environment.

Amongst others, the key internal controls implemented across the Group in FYE 2025 include:

(i) Adoption of the Board Charter and TOR for all Board Committees to facilitate an effective execution of duties and responsibilities while strengthening the Board's oversight of the Group's control processes;

(ii) Maintenance of a well-defined organisation structure with clear lines of responsibility to enable appropriate segregation and delegation of duties and authorities, thereby enhancing accountability and control effectiveness;

(iii) Formalisation of several governance policies and procedures, including the Code of Conduct, ABC Policy and AFWB Policy, to reinforce ethical practices and business integrity;

(iv) Implementation of Directors' Fit and Proper Policy to provide the NC with formal objective criteria for evaluating the appointment and re-appointment of Directors;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL CONTROL SYSTEM (CONT'D)

Amongst others, the key internal controls implemented across the Group in FYE 2025 include: (Cont'd)

(v) Implementation of internal SOPs across the Group to achieve uniformity in operational execution and control application throughout all the Group;

(vi) Execution of monthly financial reporting by subsidiaries, including comparison and analysis of budgeted data and key performance to identify potential risks or issues and facilitate timely Management response and remedial action;

(vii) Review of annual budgets by the Management prior to submission for the Board's approval, including an evaluation of potential risk factors within each business division, with findings being reported during the planning phase;

(viii) International accreditations on the Group's operational and management practices, including:

- ISO 9001:2015 Quality Management System;
- ISO 14001:2015 Environmental Management System;
- ISO 45001:2018 Occupational Health and Safety Management Systems; and
- ISO 37001:2016 Anti-Bribery Management Systems.

(ix) Conduct of internal audit function by an outsourced internal auditor who provides objective assessment regarding the effectiveness of the Group's internal control system and recommends corresponding enhancements or areas for improvement to the Management.

INTERNAL AUDIT FUNCTION

In accordance with Rule 15.27(1) of the AMLR, the Board, through the AC, has outsourced the Group's internal audit function to Eco Asia, an independent professional firm. Eco Asia is entrusted to provide independent assessments to the Board and the AC on the overall adequacy, efficiency and effectiveness of the Group's risk management and internal control system in accordance with the IPPF.

For FYE 2025, the internal audit engagement was led by Ms. Janeeta Salim, the Head of Internal Audit Department in Eco Asia. Ms. Janeeta, who is an Associate Member of the IIA Malaysia, possesses extensive expertise and experience in the internal audit profession. During FYE 2025, she was supported by a team comprising a Manager, an Assistant Manager, two (2) Senior Internal Auditors and two (2) Junior Internal Auditors in conducting comprehensive internal audit reviews for the Group.

Based on the Internal Audit Plan duly approved by the AC, Eco Asia conducted two (2) internal audit reviews during FYE 2025, detailed as follows:

Internal Audit Scope	Coverage Period
Human Resources and Payroll Management	Quarter 2, FYE 2025
General Safety	Quarter 3, FYE 2025

To facilitate an effective audit process, the Internal Auditor was granted with access to relevant internal documents and conducted interviews with the Management. Following the completion of each internal audit engagement, the Management deliberated with the Internal Auditor on the audit findings and proposed improvement measures prior to the scheduled AC meeting. Thereafter, the Internal Auditor presented the Internal Audit Report to the AC, which outlines the audit findings, root cause analysis, potential implications, as well as the corresponding action plans with target timeline. Management was then responsible for implementing the agreed corrective actions within the stipulated timeframe. In the subsequent internal audit cycle, the Internal Auditor will conduct follow-up reviews to assess the effectiveness of the corrective actions implemented, with the relevant outcomes reported to the AC thereafter.

Based on the internal audit review conducted during FYE 2025, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant with Rule 15.23 of the AMLR, the External Auditors have reviewed this SORMIC for the inclusion in the Annual Report 2025. Their review was performed in accordance with Audit and Assurance Practice Guide 3 (revised March 2026): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the annual report, as issued by the MIA. Based on their review, nothing has come to their attention that causes them to believe that this SORMIC is not prepared in all material aspects, in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Companies nor factually inaccurate.

MANAGEMENT'S ASSURANCE

The GMD and Finance Director, representing the Management, has provided reasonable assurance to the Board that the Group's risk management and internal control system has been operating effectively and adequately in all material respects. This assurance is supported by similar representations from the respective heads of operations.

CONCLUSION

For FYE 2025, the Board is satisfied that the Group's risk management and internal control system in place during the financial year, and up to the date of approval of this SORMIC, is sound and adequate in protecting shareholders' investments, stakeholders' interests and the Group's assets. There were no significant internal control deficiencies or material weaknesses that resulted in material losses, contingencies or uncertainties requiring separate disclosure in this Annual Report.

The Board also recognises the importance of continuous improvement in the Group's risk management and internal control system to support business growth and adapt to the evolving business and regulatory environment. Accordingly, the Board, together with the Board Committees and the Management, remains committed to enhancing the Group's risk management and internal control system on an ongoing basis.

This SORMIC was approved by the Board on 15 April 2026.

ADDITIONAL COMPLIANCE INFORMATION

AUDIT FEES AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the external auditors and/or its affiliates by the Group and the Company, respectively for FYE 2025 are as follows:

	Group RM	Company RM
Audit		
- Financial audit	213,000	32,000
Non-audit		
- Review of SORMIC	5,000	5,000
Total	**218,000**	**37,000**

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Group involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial period.

UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE

Private Placement

On 12 July 2024, the Company had proposed to undertake a private placement of up to 70,820,000 new ordinary shares in Nestcon, representing not more than 10% of the total number of issued shares of Nestcon to independent third-party investors. As at 31 December 2025, the Company had completed two (2) tranches of the Private Placement involving issuance of 48,000,000 new shares, at an issue price of RM0.385 and RM0.290 respectively, raised total proceeds of approximately RM14.54 million. On 29 July 2025, the Company announced that further extension of time was granted for an additional six (6) months up to 30 January 2026 to complete the implementation of the Private Placement.

As at 31 December 2025, the status of the utilisation of proceeds arising from the Private Placement is set out as below:

Details of Utilisation	Proceeds Raised RM'000	Actual Utilisation RM'000	Unutilised Amount RM'000	Intended Timeframe for Utilisation (from Listing Date)
Repayment of bank borrowings	14,403	(14,403)	-	Within 6 months
Working capital	-	-	-	Within 12 months
Estimated expenses for the Private Placement	135	(135)	-	Within 1 month
Total	**14,538**	**(14,538)**	**-**	

The utilisation of proceeds disclosed above should be read in conjunction with the announcement of the Proposed Private Placement dated 12 July 2024.

RECURRENT RELATED PARTY TRANSACTIONS

	Transacting Party	Nature of Transaction with Nestcon Group	Details	Name of Interested Related Parties	Tenancy Period	Monthly Rental (RM)	Actual Aggregated Value Transacted from 1 January 2025 to 31 December 2025 (RM)
1.	Datuk Ir. Dr. Lim Jee Gin Ong Yong Chuan Nestcon Builders	Rental of office	No. 2-10, Jalan Kenari 13B, Bandar Puchong Jaya, 47170 Puchong, Selangor	Datuk Ir. Dr. Lim Jee Gin Ong Yong Chuan	1 January 2025 to 31 December 2026	5,000	60,000
2.	Datuk Ir. Dr. Lim Jee Gin Ong Yong Chuan Nestcon Infra	Rental of office	No. 1-10, Jalan Kenari 13B, Bandar Puchong Jaya, 47170 Puchong, Selangor	Datuk Ir. Dr. Lim Jee Gin Ong Yong Chuan	1 January 2025 to 31 December 2026	1,500	18,000
3.	Datuk Ir. Dr. Lim Jee Gin Ong Yong Chuan Nestcon Sustainable Solutions N1 Solar N2 Solar Nestcon Solar	Rental of office	No. G-10, Jalan Kenari 13B, Bandar Puchong Jaya, 47170 Puchong, Selangor	Datuk Ir. Dr. Lim Jee Gin Ong Yong Chuan	1 January 2025 to 31 December 2026	3,200	38,400

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 9.25A of the AMLR, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

	The Group	
	2025	2024
Total Income	**RM**	**RM**
Revenue	723,753,337	838,132,065
Other operating income	3,009,909	3,324,472
Total	**726,763,246**	**841,456,537**
Total Assets	**813,339,737**	**775,816,025**

(B) Business Activities

	The Group	
	2025	2024
Shariah Non-Compliant Activities	**RM**	**RM**
Interest income	1,596,198	1,809,128
Insurance income	215,411	593,979
Total	**1,811,609**	**2,403,107**

(C) Component of Financial Position

(i) Cash Component

	The Group	
	2025	2024
Islamic Account/Instruments	**RM**	**RM**
Cash and bank balances	12,979,102	13,229,942
Fixed deposits with licensed banks	1,589,578	1,766,491
Financial assets	-	8,412,373
Total Cash	**14,568,680**	**23,408,806**

	The Group	
	2025	2024
Conventional Account/Instruments	**RM**	**RM**
Cash and bank balances	88,065,344	69,513,331
Fixed deposits with licensed banks	32,691,061	57,067,230
Financial assets	-	2,136,001
Total Cash	**120,756,405**	**128,716,562**

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(C) Component of Financial Position (Cont'd)

(ii) Debt Component

Islamic Financing	The Group 2025 RM	2024 RM
Current		
Term loans	2,583,945	2,356,027
Bank overdrafts	-	4,991,258
Invoice financing	18,189,594	14,520,283
Revolving credits	3,000,000	7,000,000
Non-Current		
Term loans	12,842,779	3,000,209
Total Financing	**36,616,318**	**31,867,777**

Conventional Borrowings	The Group 2025 RM	2024 RM
Current		
Term loans	6,525,462	6,974,285
Bank overdrafts	31,614,370	31,951,988
Factoring payable	2,261,317	49,309,175
Invoice financing	50,584,023	45,438,816
Bankers' acceptance	1,668,863	1,499,000
Revolving credits	32,751,437	23,309,803
Lease liabilities	15,724,152	14,034,238
Non-Current		
Term loans	23,397,652	12,979,291
Lease liabilities	32,726,709	26,718,003
Total Borrowings	**197,253,985**	**212,214,599**

DIRECTORS' RESPONSIBILITY STATEMENT

FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Act to prepare the financial statements for each financial year which have been made out in accordance with applicable MFRS, IFRS, the requirements of the Act in Malaysia and the AMLR.

The Directors are responsible to ensure that the financial statements give a true and fair view of the financial position of the Group and the Company at the end of the financial year, and of the financial performance and cash flows of the Group and the Company for the financial year. Where there are new accounting standards or policies that become effective during the year, the impact of these new requirements would be stated in the notes to the financial statements, accordingly.

In the preparation of the financial statements, the Directors ensure that Management have:

(a) applied appropriate and consistent accounting policies;
(b) made judgements and estimates that are reasonable and prudent;
(c) ensured that all applicable accounting standards have been followed; and
(d) prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue operations for the foreseeable future.

The Directors have responsibility to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the provisions of the Act.

The Directors have overall responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and the Company to detect and prevent fraud and other irregularities.

FINANCIAL **STATEMENTS**

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DIRECTORS' REPORT

The directors of NESTCON BERHAD have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The information on the name of subsidiary company, place of incorporation, principal activities and effective equity interest held by the Company in each subsidiary company is as disclosed in Note 14 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit before tax	16,875,905	720,533
Income tax expense	(5,043,084)	(345,154)
Profit for the financial year	11,832,821	375,379
Profit attributable to:		
Owners of the Company	11,489,397	375,379
Non-controlling interests	343,424	-
	11,832,821	375,379

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and fully paid-up ordinary shares by issuance of 41,500,000 new ordinary shares at issue price of RM0.29 per ordinary share, through second tranche of second private placement ("**Private Placement 2024**").

The new ordinary shares issued rank pari passu with the existing ordinary shares of the Company.

The Company has not issued any debentures during the financial year.

DIRECTORS' REPORT (CONT'D)

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that there are no known bad debts to be written off and that no allowance for doubtful debts is required; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would require the writing off of bad debts or the setting up of an allowance for doubtful debts in the financial statements of the Group and of the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Datuk Ir. Dr. Lim Jee Gin*
Ong Yong Chuan*
Lim Joo Seng*
Nor Azzam Bin Abdul Jalil
Yeoh Sheong Lee
Mohd Noor Bin Setapa
Roslinda Binti Awang @ Mat Yazid

The directors of the subsidiary companies in office during the financial year and during the period from the end of the financial year to the date of this report are:

Say Qui Ken
Kho Khoon Hiok
Lim Kok Leong
Huan Teck Yu (Appointed on 14 March 2025)
Livina Dompok (Appointed on 14 March 2025)

* Director of the Company and its subsidiary companies

DIRECTORS' INTERESTS

The interests in shares in the Company of those who were directors of the Company at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	Number of Ordinary Shares			
	Balance as at 1.1.2025	Bought	Sold	Balance as at 31.12.2025
Shares in the Company				
Direct interest				
Datuk Ir. Dr. Lim Jee Gin	363,243,758	-	-	363,243,758
Ong Yong Chuan	64,680,842	-	-	64,680,842
Lim Joo Seng	2,000,000	-	-	2,000,000
Yeoh Sheong Lee	2,500,000	-	-	2,500,000
Indirect interest				
Ong Yong Chuan#	165,000	-	-	165,000

Deemed interest by virtue of his spouse's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act, 2016.

By virtue of the above directors' interest in the shares of the Company, they are deemed to have beneficial interest in the shares of all the subsidiary companies to the extent the Company has an interest.

The other directors in office at the end of the financial year did not hold shares, nor had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of full-time employees of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The details of the directors' remuneration of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Executive directors:		
Salaries and other emoluments	2,706,209	-
Defined contribution plans	320,072	-
	3,026,281	-
Non-executive directors:		
Fees	214,200	214,200
Other emoluments	24,000	24,000
	238,200	238,200
	3,264,481	238,200

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group amounted to RM33,695.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for any directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors of the Group and of the Company for financial year ended 31 December 2025 are as follows:

	The Group RM	The Company RM
Auditors' remuneration:		
Statutory audit	213,000	32,000
Other services	5,000	5,000
	218,000	37,000

DIRECTORS' REPORT (CONT'D)

SUBSEQUENT EVENTS

The details of subsequent events are disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, Morison LC PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the directors,

_____
DATUK IR. DR. LIM JEE GIN

_____
ONG YONG CHUAN

Puchong,
15 April 2026

STATEMENT BY DIRECTORS

The directors of **NESTCON BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the directors,

_____
DATUK IR. DR. LIM JEE GIN

_____
ONG YONG CHUAN

Puchong,
15 April 2026

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE

FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **LIM JOO SENG**, the director primarily responsible for the financial management of **NESTCON BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

_____

LIM JOO SENG

Subscribed and solemnly declared by the abovenamed **LIM JOO SENG** at **PETALING JAYA** in **SELANGOR DARUL EHSAN** on 15th day of April, 2026.

Before me,

_____

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NESTCON BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NESTCON BERHAD**, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 112 to 162.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("**By-Laws**") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("**IESBA Code**"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
Revenue recognition from construction contracts Refer to Notes 3, 4 and 6 to the financial statements for the Group's accounting policies on revenue recognition from construction contracts, key sources of estimation uncertainty and related disclosures. Revenue from construction contracts during the financial year amounted to RM710,627,959, which represent 98% of the Group's total revenue. We determined this to be a key audit matter given its magnitude relative to the Group's revenue as well as the significant judgements and estimates involved in the following areas: • progress of completion of the performance obligations; and • budgeting process in estimating the budgeted contract costs.	Our audit procedures, amongst others, included the following: (i) Obtained an understanding of the relevant processes and internal controls in respect of revenue recognition for construction contracts and performed procedures to evaluate the design and implementation of such controls. (ii) Evaluated the terms and conditions of material contracts, to ensure that revenue is recognised appropriately in line with the Group's accounting policy and in compliance with the requirements of MFRS 15 *Revenue from Contracts with Customers*.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)

Key audit matter	How the matter was addressed in our audit
	(iii) Assessed the reasonableness of the estimated total contract costs by examining the supporting evidence, interviewing the project team and performing retrospective review to establish the reasonableness and reliability of the estimated total contract costs. (iv) Performed test of details on selected actual contract costs incurred during the financial year to the relevant supporting evidences such as contractors' interim certificates and suppliers' invoices. (v) Performed search for unrecorded liabilities, and evaluated accruals made in respect of work performed by sub-contractors of which invoice or contractors' interim certificate has yet to be received as at financial year end, by reviewing the basis of estimation of the amount accrued. (vi) Performed site visits for individually significant on-going construction contracts and examined the completion progress reports to arrive at an overall assessment as to whether progress of completion of the performance obligations determine on a cost-to-cost basis was reasonable.
Valuation of trade receivables and contract assets Refer to Notes 3, 4, 18 and 20 to the financial statements for the Group's accounting policies on impairment of financial assets, key sources of estimation uncertainty and related disclosures. As at 31 December 2025, the Group's trade receivables and contract assets amounted to RM246,995,211 and RM228,431,112, which represent 30% and 28% of the Group's total assets, respectively. We determined this to be a key audit matter given its magnitude relative to the Group's total assets as well as the significant judgements and estimates involved in measuring the loss allowance. The loss allowance is estimated based on past loss experience, timing of billing and observable data such as current changes and future forecast in economic conditions.	Our audit procedures, amongst others, included the following: (i) Assessed and discussed with management on the reasonableness of the key bases and assumptions used in estimation of loss allowance with reference to the trade receivables and contract assets balance as at reporting date, timing of billing and previous collection experience. (ii) Tested the accuracy and completeness of the data used by the management in the assessment. (iii) Reviewed the adequacy of the amount of expected credit loss and inquired the management regarding the recoverability of trade receivables and contract assets with long aging but not impaired and reviewed the correspondence. (iv) Assessed the billing of contract assets and collection subsequent to the end of the financial year.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MORISON LC PLT (AF 002469)
202206000028 (LLP0032572-LCA)
Chartered Accountants

LEE HUI ZIEN
03564/03/2027 J
Chartered Accountant

Petaling Jaya
15 April 2026

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group 2025 RM	The Group 2024 RM	The Company 2025 RM	The Company 2024 RM
Revenue	6	723,753,337	838,132,065	-	-
Cost of sales		(677,152,292)	(799,290,833)	-	-
Gross profit		46,601,045	38,841,232	-	-
Other operating income	7	3,009,909	3,324,472	1,831,251	1,764,738
Administrative expenses		(18,160,902)	(16,777,695)	(1,110,718)	(892,847)
Other operating expenses		(792,283)	(445,000)	-	-
Profit from operations		30,657,769	24,943,009	720,533	871,891
Finance costs	8	(13,781,864)	(15,163,106)	-	-
Profit before tax	9	16,875,905	9,779,903	720,533	871,891
Income tax expense	10	(5,043,084)	(3,312,739)	(345,154)	(292,370)
Profit for the financial year, representing total comprehensive income for the financial year		11,832,821	6,467,164	375,379	579,521
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) attributable to:					
Owners of the Company		11,489,397	7,859,400	375,379	579,521
Non-controlling interests		343,424	(1,392,236)	-	-
		11,832,821	6,467,164	375,379	579,521
Earnings per ordinary share attributable to owners of the Company:					
Basic/Diluted	11	0.02	0.01		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	The Group 2025 RM	The Group 2024 RM	The Company 2025 RM	The Company 2024 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	158,038,803	96,447,108	15,728,660	-
Investment properties	13	1,670,500	1,709,530	-	-
Investment in subsidiary companies	14	-	-	60,247,000	60,245,000
Goodwill arising from consolidation	15	1,075,347	1,075,347	-	-
Deferred tax assets	16	1,719,284	2,818,269	-	-
Total Non-Current Assets		162,503,934	102,050,254	75,975,660	60,245,000
Current Assets					
Inventories	17	586,557	3,470,231	-	-
Trade receivables	18	246,995,211	250,595,632	-	-
Other receivables, deposits and prepayments	19	36,945,047	34,669,196	25,071	60,373
Contract assets	20	228,431,112	229,667,855	-	-
Amount due from subsidiary companies	29	-	-	64,087,212	48,048,446
Tax recoverable		2,552,791	3,237,489	-	-
Other financial assets	21	-	10,548,374	-	8,412,373
Fixed deposits with licensed banks	22	34,280,639	58,833,721	-	-
Cash and bank balances	22	101,044,446	82,743,273	8,927,984	7,852,621
Total Current Assets		650,835,803	673,765,771	73,040,267	64,373,813
Total Assets		813,339,737	775,816,025	149,015,927	124,618,813

STATEMENTS OF FINANCIAL POSITION (CONT'D)
AS AT 31 DECEMBER 2025

	Note	The Group 2025 RM	The Group 2024 RM	The Company 2025 RM	The Company 2024 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	23	138,402,716	126,481,528	138,402,716	126,481,528
Merger reserves	24	(47,543,900)	(47,543,900)	-	-
Retained earnings/(Accumulated losses)		81,059,275	69,569,878	(1,694,734)	(2,070,113)
Equity Attributable to Owners of the Company		171,918,091	148,507,506	136,707,982	124,411,415
Non-controlling interests		2,283,887	1,838,583	-	-
Total Equity		174,201,978	150,346,089	136,707,982	124,411,415
Non-Current Liabilities					
Bank borrowings	25	36,240,431	15,979,500	10,952,455	-
Lease liabilities	26	33,976,885	26,779,440	-	-
Deferred tax liabilities	16	1,909,925	1,738,801	-	-
Total Non-Current Liabilities		72,127,241	44,497,741	10,952,455	-
Current Liabilities					
Trade payables	27	351,295,923	346,988,380	-	-
Other payables and accruals	28	23,996,231	17,113,965	106,486	101,774
Contract liabilities	20	25,091,572	14,639,489	-	-
Bank borrowings	25	149,179,011	187,350,635	1,127,545	-
Lease liabilities	26	16,084,161	14,464,067	-	-
Tax liabilities		1,363,620	415,659	121,459	105,624
Total Current Liabilities		567,010,518	580,972,195	1,355,490	207,398
Total Liabilities		639,137,759	625,469,936	12,307,945	207,398
Total Equity and Liabilities		813,339,737	775,816,025	149,015,927	124,618,813

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Share capital RM	Non-distributable reserve - Merger reserves RM	Distributable reserve - Retained earnings RM	Equity attributable to Owners of the Company RM	Non-controlling interests RM	Total equity RM
The Group							
As at 1 January 2024		115,591,598	(47,543,900)	61,710,478	129,758,176	3,230,499	132,988,675
Contributions by and distribution to owners of the Company							
Issuance of shares	23	10,995,400	-	-	10,995,400	-	10,995,400
Share issue expenses	23	(105,470)	-	-	(105,470)	-	(105,470)
		10,889,930	-	-	10,889,930	-	10,889,930
Issuance of shares in subsidiary companies to non-controlling interests		-	-	-	-	320	320
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year		-	-	7,859,400	7,859,400	(1,392,236)	6,467,164
As at 31 December 2024/1 January 2025		126,481,528	(47,543,900)	69,569,878	148,507,506	1,838,583	150,346,089
Contributions by and distribution to owners of the Company							
Issuance of shares	23	12,035,000	-	-	12,035,000	-	12,035,000
Share issue expenses	23	(113,812)	-	-	(113,812)	-	(113,812)
		11,921,188	-	-	11,921,188	-	11,921,188
Issuance of shares in subsidiary companies to non-controlling interests		-	-	-	-	101,880	101,880
Profit for the financial year, representing total comprehensive income for the financial year		-	-	11,489,397	11,489,397	343,424	11,832,821
As at 31 December 2025		138,402,716	(47,543,900)	81,059,275	171,918,091	2,283,887	174,201,978

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Share capital RM	Distributable reserve - Accumulated losses RM	Total equity RM
The Company				
As at 1 January 2024		115,591,598	(2,649,634)	112,941,964
Contributions by and distribution to owners of the Company				
Issuance of shares	23	10,995,400	-	10,995,400
Share issue expenses	23	(105,470)	-	(105,470)
		10,889,930	-	10,889,930
Profit for the financial year, representing total comprehensive income for the financial year		-	579,521	579,521
As at 31 December 2024/1 January 2025		126,481,528	(2,070,113)	124,411,415
Contributions by and distribution to owners of the Company				
Issuance of shares	23	12,035,000	-	12,035,000
Share issue expenses	23	(113,812)	-	(113,812)
		11,921,188	-	11,921,188
Profit for the financial year, representing total comprehensive income for the financial year		-	375,379	375,379
As at 31 December 2025		138,402,716	(1,694,734)	136,707,982

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit before tax	16,875,905	9,779,903	720,533	871,891
Adjustments for:				
Accretion of interest on other financial assets	(9,726)	(48,704)	-	-
Depreciation of property, plant and equipment	20,846,098	17,899,377	-	-
Depreciation of investment properties	39,030	39,030	-	-
Dividend income from other financial assets	(9,053)	(46,227)	(9,053)	(46,227)
Fair value gain from other financial assets	(125,329)	(212,157)	(125,329)	(212,157)
Gain on derecognition of lease upon termination	(688)	(930)	-	-
Gain on disposal of property, plant and equipment	(266,669)	(38,033)	-	-
Gain on unrealised foreign exchange	(35,084)	-	-	-
Inventories written off	88,874	1,380	-	-
Interest expenses	13,781,864	15,163,106	-	-
Interest income from:				
Fixed deposits with licensed banks	(879,511)	(1,179,645)	-	-
Bank balances	(859,888)	(724,406)	(218,603)	(189,670)
Advances to subsidiary companies	-	-	(1,478,266)	(1,316,684)
Property, plant and equipment written off	10,123	146,951	-	-
Provision for defect liabilities	5,836,500	4,822,500	-	-
Provision for foreseeable losses	116,625	217,037	-	-
Operating profit/(loss) before changes in working capital	55,409,071	45,819,182	(1,110,718)	(892,847)
Changes in working capital:				
Decrease/(Increase)in:				
Inventories	2,794,800	(2,197,678)	-	-
Trade receivables	3,600,421	(9,880,276)	-	-
Other receivables, deposits and prepayments	(2,275,851)	(4,517,888)	35,302	45,122
Contract assets	1,236,743	(15,147,583)	-	-
Increase/(Decrease) in:				
Trade payables	4,342,627	29,012,109	-	-
Other payables and accruals	(9,860,196)	(381,574)	4,712	18,329
Contract liabilities	10,452,083	6,352,799	-	-
Cash from/(used in) operations	65,699,698	49,059,091	(1,070,704)	(829,396)
Interest received	859,888	724,406	218,603	189,670
Tax paid	(5,881,640)	(2,825,499)	(329,319)	(258,124)
Tax refunded	3,741,324	1,183,970	-	-
Net Cash From/(Used In) Operating Activities	64,419,270	48,141,968	(1,181,420)	(897,850)

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS USED IN INVESTING ACTIVITIES				
Acquisition of a subsidiary company, net of cash acquired	-	-	(2,000)	(1,000)
Dividend income from other financial assets	9,053	46,227	9,053	46,227
Addition of other financial assets	125,329	212,157	125,329	212,157
Advances to subsidiary companies	-	-	(16,038,766)	(3,665,912)
Interest received	-	-	1,478,266	1,316,684
Proceeds from disposal of property, plant and equipment	806,799	291,199	-	-
Proceeds from maturity of other financial assets	2,145,727	-	-	-
Purchase of property, plant and equipment*	(17,453,783)	(3,280,936)	(3,648,660)	-
Net Cash Used In Investing Activities	(14,366,875)	(2,731,353)	(18,076,778)	(2,091,844)
CASH FLOWS (USED IN)/ FROM FINANCING ACTIVITIES				
Subscription of shares by non-controlling interests	101,880	320	-	-
Interest paid	(13,781,864)	(15,163,106)	-	-
Proceed from issuance of shares, net of share issuance expenses	11,921,188	10,889,930	11,921,188	10,889,930
Interest received	879,511	1,179,645	-	-
Withdrawal/(Placement) of pledged fixed deposits with licensed banks	24,553,082	(12,290,914)	-	-
Movement in restricted cash at licensed banks	(2,880,660)	(5,483,461)	(3,143,029)	(94,743)
Repayment of lease liabilities	(17,565,971)	(9,309,829)	-	-
Net (repayment)/drawdown of bank borrowings	(40,942,545)	6,863,276	-	-
Net Cash (Used In)/From Financing Activities	(37,715,379)	(23,314,139)	8,778,159	10,795,187
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	12,337,016	22,096,476	(10,480,039)	7,805,493
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	21,600,996	(495,480)	12,002,719	4,197,226
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	33,938,012	21,600,996	1,522,680	12,002,719

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The details of cash and cash equivalents are as follow:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other investment	-	8,412,373	-	8,412,373
Fixed deposits with licensed banks	34,280,639	58,833,721	-	-
Cash and bank balances	101,044,446	82,743,273	8,927,984	7,852,621
Bank overdrafts	(31,614,370)	(36,943,246)	-	-
	103,710,715	113,046,121	8,927,984	16,264,994
Less: Non-cash and cash equivalents				
Pledged fixed deposits with licensed banks	(34,280,639)	(58,833,721)	-	-
Restricted cash at licensed banks	(35,492,064)	(32,611,404)	(7,405,304)	(4,262,275)
	33,938,012	21,600,996	1,522,680	12,002,719

* During the current financial year, the Group and the Company acquired property, plant and equipment through the following arrangements:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financed by:				
Cash payments	17,453,783	3,280,936	3,648,660	-
Lease liabilities	26,467,392	15,373,410	-	-
Term loans	28,360,728	4,082,913	12,080,000	-
Other payables	10,789,337	3,136,221	-	-
	83,071,240	25,873,480	15,728,660	-

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is that of investment holding.

The information on the name of subsidiary company, place of incorporation, principal activities and effective equity interest held by the Company in each subsidiary company is as disclosed in Note 14.

The registered office of the Company is located 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, Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at No. 2-10, Jalan Kenari 13B, Bandar Puchong Jaya, 47170 Puchong, Selangor Darul Ehsan, Malaysia.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance on 15 April 2026.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("**MFRSs**"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Adoption of amendments to MFRSs standards

During the financial year, the Group and the Company have adopted the following applicable amendments to MFRSs issued by the Malaysian Accounting Standards Board ("**MASB**") that are mandatory for current financial year:

Amendments to MFRS 121	Lack of Exchangeability

The adoption of this amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

New MFRSs and amendments to MFRSs in issue but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards-Volume 11[1]
MFRS 18	Presentation and Disclosure in Financial Statements[2]
MFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency[2]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2026.
2 Effective for annual periods beginning on or after 1 January 2027.
3 Deferred to a date to be determined and announced by MASB.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

New MFRSs and amendments to MFRSs in issue but not yet effective (Cont'd)

The directors anticipate that the abovementioned new MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective, if applicable. The adoption of these new MFRSs and amendments to MFRSs may not have an impact on the financial statements of the Group and of the Company in the period of initial application except as further discussed below:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 *Presentation and Disclosure in Financial Statements* sets out overall requirements for the presentation and disclosure in the financial statements, and will replace MFRS 101 *Presentation of Financial Statements* upon its adoption. The International Accounting Standard Board ("**IASB**") did not reconsider all aspects of MFRS 101 when developing MFRS 18, but instead focused on the statement of profit or loss. The IASB retained some paragraphs from MFRS 101 in MFRS 18 and moved some paragraphs from MFRS 101 to MFRS 108 *Basis of Preparation of Financial Statements* and MFRS 7 *Financial Instruments: Disclosures*.

MFRS 18 aims to improve financial reporting by:

- requiring an entity to classify income and expenses including in the statement of profit or loss into five categories, namely operating, investing, financing, income taxes and discontinued operations;
- requiring an entity to present two new defined subtotals in the statement of profit or loss, including "operating profit or loss" and "profit or loss before financing and income taxes";
- requiring an entity to disclose management-defined performance measure; and
- adding new principles for aggregation and disaggregation of items.

An entity is required to apply MFRS 18 for annual periods beginning on or after 1 January 2027, with earlier application permitted. MFRS 18 requires retrospective application with specific transition provisions.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost unless otherwise indicated in the accounting policy information below.

Functional and presentation currency

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("**RM**"), which is the Group's and the Company's functional and presentation currency. All financial information is presented in RM and has been rounded to the nearest RM.

Basis of consolidation

The Group applies the acquisition method to account for business combination from the acquisition date when the acquired set of activities meet the definition of a business and control is transferred to the Group except for those business combinations which were accounted using merger method of accounting, which are Nestcon Builders Sdn. Bhd. and Nestcon Infra Sdn. Bhd..

A business combination involving entities under common control is a business combination in which all the combining subsidiary companies are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Under the merger method of accounting, the results of subsidiary companies are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combine are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between the carrying value of the investment in subsidiary companies and the share capital of the Company's subsidiary companies is taken to merger reserve.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable assets.

Investment in subsidiary companies

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less accumulated impairment losses.

Goodwill arising from business combination

Goodwill arising from business combination represents the excess of cost of the acquisition over the Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities, and is initially recognised as an asset at cost and subsequently measured at costs less any accumulated impairment losses.

Revenue from contract with customers

The Group recognises revenue from the following major sources:

(a) Construction contracts

The Group constructs buildings and related infrastructure work under long-term contracts with customers. Construction service constructs comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, the Group has an enforceable right to payment for performance completed to date and that the customer controls the assets during the course of construction by the Group and that the construction services performed does not create an asset with an alternative use to the Group. Therefore, revenue from construction contracts is recognised over time using input method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the budgeted contract costs. The Group considers this method as an appropriate measure of the progress of completion towards complete satisfaction of the performance obligations.

The Group becomes entitled to invoice customer for construction service based on achieving a series of performance-related milestones.

(b) Engineering, procurement, construction and commissioning ("**EPCC**") of solar energy solution

The Group provides turnkey EPCC services in solar energy solution to customers in two categories: residential; and commercial and industrial (roof-top projects). Its end-to-end solution covers the initial feasibility to in-depth system designs and installations, project commissioning to project handover that caters to all types of solar photovoltaic projects.

EPCC contracts involve multiple deliverables, such as solar system design, supply of solar energy equipment, installation of solar energy system and testing of newly installed solar energy system. As the Group provides significant integration service for multiple performance obligations, they are accounted for a single performance obligation.

For revenue from EPCC, the Group is restricted contractually from directing the solar energy system under construction for another use as they are being developed and has an enforceable right to payment for performance completed to date. Therefore, revenue from EPCC is recognised over time using input method, based on the cost incurred to date relative to the budgeted contract costs.

Progress billings to the customer are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. There is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue under the input method and the milestone payment is always less than one year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Leases

The Group presents right-of-use assets as property, plant and equipment in Note 12.

Lessee accounting

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are initially measured at cost less any accumulated amortisation and accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities. Amortisation is computed on the straight-line basis over the lease period.

Land and buildings	33.33% - 50%
Building equipment	20%
Machinery	20%
Motor vehicles	14% - 25%

The lease liabilities are initially measured at the present value of the lease payments that are paid at commencement date, discounted using the interest rate implicit in the lease contract. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

Lessor accounting

The Group recognises lease payments received from rental of machineries under operating leases as income on a straight-line basis over the lease term as part of revenue.

Property, plant and equipment

Property, plant and equipment other than right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses.

Assets under construction are not depreciated until it is completed and ready for intended use.

Property, plant and equipment other than assets under construction and right-of-use assets are depreciated on straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Building equipment	10%
Computer and software	15% - 33.33%
Furniture and fittings	10% - 50%
Machinery	10%
Motor vehicles	20%
Office equipment	15% - 20%
Renovation	10% - 20%
Tools and equipment	20%
Solar assets	4%

Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Leasehold buildings	2%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Inventories

Inventories, which mainly consist of solar panels, are stated at lower of cost or net realisable value. Cost of inventories comprises the original cost of purchase plus incidental costs incurred in bringing the inventories to their present location, and accounted for on a first-in, first-out basis.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's and the Company's statements of financial position when the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income ("**FVTOCI**"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss ("**FVTPL**").

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the Group and the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (ii) below).

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Financial assets (Cont'd)

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Financial assets that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called "accounting mismatch") that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has designated investment in quoted unit trust and other investment as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss from other financial assets are recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other operating income" or "administrative expenses" line item.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units.

The recoverable amount of an asset or a cash-generating units is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating units. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is recognised if the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses ("**ECL**") for all debts instruments not held at FVTPL. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables and contract assets. The Group and the Company considers past loss experience, timing of billing and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment not been recognised previously.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as financial evaluation of the creditworthiness of the debtors, ageing of receivables, defaults and past due amounts, past experience with the debtors, current conditions and reasonable forecast of future economic conditions.

The Group and the Company presume that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 365 days past due, unless the Group and the Company have reasonable and supportable information that demonstrates otherwise.

Probability of default

The Group and the Company consider the information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group and the Company, in full, as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets are generally not recoverable.

The Group and the Company consider that default has occurred when a financial asset is more than 365 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Group and the Company write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, with case-by-case assessment performed based on indicators such as insolvency or demise. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss as bad debts recovered.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Impairment of financial assets (Cont'd)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group and the Company in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the original effective interest rate.

If the Group and the Company have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determine at the current reporting date that the conditions for lifetime ECL are no longer met, the Group and the Company measure the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group and the Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The directors are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Statements of cash flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude pledged fixed deposits with licensed banks and restricted cash at licensed banks.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Directors have used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the report amounts.

(a) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, the directors are of the opinion that there are no instances of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

Directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period, except for:

Revenue recognition from construction contracts

The Group recognises revenue from construction contracts based on input method. The progress of completion is determined based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs.

Significant judgement is required in recognising the revenue by reference to the progress towards satisfaction of performance obligations, the extent of the contract costs incurred and the estimated total contract costs. In making these judgements, the Group relies on past experience and continuous monitoring of the estimated total contract costs.

Information about the revenue recognition from construction contracts are disclosed in Note 6.

Valuation of trade receivables and contract assets

The Group assesses impairment losses for trade receivables and contract assets based on simplified approach by applying an ECL rate. Significant judgement is required in determining the ECL rate by making assumption based on past loss experience, timing of billing and observable data such as current changes and future forecast in economic conditions.

Information about the valuation of trade receivables and contract assets are disclosed in Note 18 and Note 20, respectively.

Provision for defect liabilities

The Group recognises provision for defect liabilities for future work expected to be carried out subsequent to the project's completion as part of their defect liability obligations. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

Information about the provision for defect liabilities is disclosed in Note 28.

Income taxes

Liability for taxation is recognised based on estimates of whether additional taxes will be payable. The estimation process includes seeking advice of whether additional taxes will be payable. When the final outcome of the tax payable is determined with the tax authority, the amount might be different from the initial estimate of the tax payable. Such difference may impact the income tax in the period when such determination is made. The Group and the Company will adjust for the differences as over- or under provision of income tax in the period in which those differences arise.

As at 31 December 2025, the Group has tax recoverable and tax liabilities of RM2,552,791 (2024: RM3,237,489) and RM1,363,620 (2024: RM415,659) respectively. As at 31 December 2025, the Company has tax liability of RM121,459 (2024: RM105,624).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. SEGMENT REPORTING

The Group has two main reporting operating segments, which are:

(a) Building and infrastructure: Provision of construction services for building and infrastructure; and

(b) Renewable energy: Renewable energy activities and maintenance works.

Performance is measured on segment revenue that is reviewed by the Group's Managing Director who is the Group's chief operating decision maker. Segment revenue is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments.

Segment results, assets and liabilities

Segment results, assets and liabilities information are neither included in the internal management reports nor provided regularly to the Managing Director. Hence, no breakdown by segment disclosure is made on segment results, assets and liabilities.

The following is an analysis of the Group's revenue by the operating segments.

	Building and infrastructure RM	Renewable energy RM	Total RM
The Group			
2025			
Revenue	710,926,058	12,827,279	723,753,337
Depreciation of property, plant and equipment			(20,846,098)
Depreciation of investment properties			(39,030)
Interest income			1,739,399
Finance costs			(13,781,864)
Unallocated income			1,270,510
Unallocated expenses			(675,220,349)
Tax expense			(5,043,084)
Profit after tax			11,832,821
Assets and liabilities			
Segment assets			813,339,737
Segment liabilities			639,137,759

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. SEGMENT REPORTING (Cont'd)

	Building and infrastructure RM	Renewable energy RM	Total RM
2024			
Revenue	820,867,073	17,264,992	838,132,065
Depreciation of property, plant and equipment			(17,899,377)
Depreciation of investment properties			(39,030)
Interest income			1,904,051
Finance costs			(15,163,106)
Unallocated income			1,420,421
Unallocated expenses			(798,575,121)
Tax expense			(3,312,739)
Profit after tax			6,467,164
Assets and liabilities			
Segment assets			775,816,025
Segment liabilities			625,469,936

Geographical segments

The Group's revenue from contracts with customers were generated within Malaysia.

Revenue from major customers

During the financial year, major customers contributing more than 10% of the Group's total revenue amounted to RM381,262,174 (2024: RM555,855,749), which relates to three (2024: two) customers.

6. REVENUE

	The Group	
	2025 RM	2024 RM
Revenue from contract with customers:		
Construction contracts	710,627,959	820,355,507
EPCC of solar energy solution	11,768,101	16,399,143
Renewable energy	1,059,178	865,849
Transportation	298,099	511,566
	723,753,337	838,132,065

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. REVENUE (Cont'd)

	The Group	
	2025 RM	2024 RM
Timing of revenue recognition:		
Over time:		
Construction contracts	710,627,959	820,355,507
EPCC of solar energy solution	11,768,101	16,399,143
	722,396,060	836,754,650
At a point in time:		
Renewable energy	1,059,178	865,849
Transportation	298,099	511,566
	723,753,337	838,132,065

The following table shows the aggregate amount of the transaction price allocated to performance obligations that is unsatisfied (or partially unsatisfied) at the end of the reporting period and the expectation on the revenue from unsatisfied performance obligations to be recognised in the following years.

	The Group	
	2025 RM	2024 RM
Within one year	1,067,473,054	1,272,803,374
Later than one year but not later than five years	494,574,764	300,767,933
	1,562,047,818	1,573,571,307

7. OTHER OPERATING INCOME

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Accretion of interest on other financial assets	9,726	48,704	-	-
Interest income from:				
Fixed deposits with licensed banks	879,511	1,179,645	-	-
Bank balances	859,888	724,406	218,603	189,670
Advances to subsidiary companies	-	-	1,478,266	1,316,684
Dividend income from other financial assets	9,053	46,227	9,053	46,227
Fair value gain from other financial assets	125,329	212,157	125,329	212,157
Gain on derecognition of lease upon termination	688	930	-	-
Gain on disposal of property, plant and equipment	266,669	38,033	-	-
Gain on foreign exchange:				
Unrealised	35,084	-	-	-
Realised	274,718	-	-	-
Insurance claim	205,685	545,275	-	-
Management fee	253,740	215,324	-	-
Renewable energy certificates	13,765	66,220	-	-
Other miscellaneous income	76,053	247,551	-	-
	3,009,909	3,324,472	1,831,251	1,764,738

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8. FINANCE COSTS

	The Group	
	2025 RM	2024 RM
Interest expense on:		
Bank borrowings	11,175,225	13,143,336
Lease liabilities	2,606,639	2,019,770
	13,781,864	15,163,106

9. PROFIT BEFORE TAX

Profit before tax for the financial year is arrived at after charging:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration:				
Statutory audits:				
Current financial year	213,000	175,000	32,000	30,000
Other services	5,000	5,000	5,000	5,000
Staff costs	52,206,889	51,518,113	238,200	229,950
Depreciation of property, plant and equipment	20,846,098	17,899,377	-	-
Depreciation of investment properties	39,030	39,030	-	-
Property, plant and equipment written off	10,123	146,951	-	-
Provision for defect liabilities	5,836,500	4,822,500	-	-
Provision for foreseeable losses	116,625	217,037	-	-
Inventories written off	88,874	1,380	-	-
Realised loss on foreign exchange	-	36,815	-	-
Expenses relating to short-term leases	32,637,730	43,547,245	-	-
Expenses relating to leases of low value assets	14,400	126,309	-	-

Included in staff costs of the Group and of the Company are directors' remuneration of RM3,264,481 (2024: RM2,923,606) and RM238,200 (2024: RM229,950), respectively as further disclosed in Note 29.

Staff costs include salaries, bonuses, contributions to Employees Provident Fund ("**EPF**") and all other staff related expenses. Contributions to EPF by the Group during the financial year amounted to RM3,854,244 (2024: RM3,551,133).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10. INCOME TAX EXPENSE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Estimated tax payable:				
Current financial year	3,950,689	3,767,978	342,059	300,384
(Over)/Under provision in prior financial years	(177,714)	(111,499)	3,095	(8,014)
	3,772,975	3,656,479	345,154	292,370
Deferred tax (Note 16):				
Current financial year	1,262,910	(747,492)	-	-
Under provision in prior financial years	7,199	403,752	-	-
	1,270,109	(343,740)	-	-
	5,043,084	3,312,739	345,154	292,370

A reconciliation of income tax expense applicable to profit before tax at the applicable statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	16,875,905	9,779,903	720,533	871,891
Taxation at statutory rate of 24% (2024: 24%)	4,050,217	2,347,177	172,928	209,254
Tax effects of:				
Non-taxable income	(32,252)	(11,689)	(32,252)	-
Expenses not deductible	1,195,634	684,998	201,383	91,130
(Over)/Under provision in prior financial years:				
Estimated tax payable	(177,714)	(111,499)	3,095	(8,014)
Deferred tax	7,199	403,752	-	-
	5,043,084	3,312,739	345,154	292,370

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11. EARNINGS PER ORDINARY SHARE

Basic and diluted earnings per ordinary share attributable to owner of the Company are computed by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

Basic earnings per ordinary share

	The Group	
	2025	**2024**
Profit attributable to owners of the Company (RM)	11,489,397	7,859,400
Weighted average number of ordinary shares (units)	729,030,027	708,858,288
Basic and diluted earnings per ordinary share (RM)	0.02	0.01

Diluted earnings per ordinary share

There were no dilutive potential equity instruments in issue as at financial year ended that have dilutive effect to the earnings per ordinary share.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings RM	Building equipment RM	Computer and software RM	Furniture and fittings RM	Machinery RM	Motor vehicles RM	Office equipment RM	Renovation RM	Tools and equipment RM	Solar assets RM	Assets under construction RM	Total RM
The Group												
Cost												
As at 1 January 2024	1,566,557	34,146,522	1,638,592	795,833	82,901,785	32,006,123	522,219	667,350	1,862,484	3,520,495	110,165	159,738,125
Additions	449,249	12,004,922	225,752	2,375	8,898,024	2,072,891	49,124	-	366,887	1,795,600	8,656	25,873,480
Disposals	-	-	-	-	(355,000)	-	-	-	-	-	-	(355,000)
Written offs	-	-	-	-	-	(226,080)	-	-	-	-	-	(226,080)
Transfer	-	-	-	-	-	-	-	-	-	110,165	(110,165)	-
Derecognition arising from lease termination	(672,479)	-	-	-	-	-	-	-	-	-	-	(672,479)
As at 31 December 2024/1 January 2025	1,343,327	46,151,444	1,864,344	798,208	91,444,809	33,852,934	571,343	667,350	2,229,371	5,426,260	8,656	184,358,046
Additions	1,897,472	5,862,918	127,101	23,000	18,513,538	5,141,016	26,174	-	404,714	612,810	50,462,497	83,071,240
Disposals	-	-	-	-	(1,434,000)	(477,550)	(4,500)	-	(26,000)	-	-	(1,942,050)
Written offs	-	-	-	-	-	(3,450)	-	-	(12,000)	-	-	(15,450)
Derecognition arising from lease termination	(445,797)	-	-	-	-	-	-	-	-	-	-	(445,797)
As at 31 December 2025	2,795,002	52,014,362	1,991,445	821,208	108,524,347	38,512,950	593,017	667,350	2,596,085	6,039,070	50,471,153	265,025,989

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Land and buildings RM	Building equipment RM	Computer and software RM	Furniture and fittings RM	Machinery RM	Motor vehicles RM	Office equipment RM	Renovation RM	Tools and equipment RM	Solar assets RM	Assets under construction RM	Total RM
The Group												
Accumulated depreciation												
As at 1 January 2024	888,616	13,496,959	613,569	524,383	32,863,524	20,040,079	387,664	533,428	1,419,188	48,253	-	70,815,663
Charge for the financial year (Note 9)	606,938	3,971,807	257,553	64,812	8,593,842	3,919,446	61,607	37,973	219,061	166,338	-	17,899,377
Disposals	-	-	-	-	(101,834)	-	-	-	-	-	-	(101,834)
Written offs	-	-	-	-	-	(79,129)	-	-	-	-	-	(79,129)
Derecognition arising from lease termination	(623,139)	-	-	-	-	-	-	-	-	-	-	(623,139)
As at 31 December 2024/1 January 2025	872,415	17,468,766	871,122	589,195	41,355,532	23,880,396	449,271	571,401	1,638,249	214,591	-	87,910,938
Charge for the financial year (Note 9)	688,222	4,741,705	425,770	46,735	9,243,129	5,148,038	49,349	35,962	250,136	217,052	-	20,846,098
Disposals	-	-	-	-	(906,004)	(477,550)	(4,499)	-	(13,867)	-	-	(1,401,920)
Written offs	-	-	-	-	-	(2,127)	-	-	(3,200)	-	-	(5,327)
Derecognition arising from lease termination	(362,603)	-	-	-	-	-	-	-	-	-	-	(362,603)
As at 31 December 2025	1,198,034	22,210,471	1,296,892	635,930	49,692,657	28,548,757	494,121	607,363	1,871,318	431,643	-	106,987,186
Carrying amount												
As at 31 December 2024	470,912	28,682,678	993,222	209,013	50,089,277	9,972,538	122,072	95,949	591,122	5,211,669	8,656	96,447,108
As at 31 December 2025	1,596,968	29,803,891	694,553	185,278	58,831,690	9,964,193	98,896	59,987	724,767	5,607,427	50,471,153	158,038,803

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Asset under construction RM
The Company	
Cost	
As at 1 January 2024/31 December 2024/1 January 2025	-
Addition	15,728,660
As at 31 December 2025	15,728,660
Accumulated depreciation	
As at 1 January 2024/31 December 2024/1 January 2025/ 31 December 2025	-
Carrying amount	
As at 31 December 2024	-
As at 31 December 2025	15,728,660

Included in assets under construction of the Group and of the Company are land and buildings and solar assets amounting to RM15,100,000 and RM15,728,660 and RM35,371,153 and RM Nil respectively.

Included in property, plant and equipment of the Group are building equipment, machinery, motor vehicles and solar assets under finance lease arrangements with net book value RM16,766,188 (2024: RM14,979,278), RM36,175,289 (2024: RM RM26,346,604), RM7,636,393 (2024: RM5,920,547) and RM3,478,400 (2024: RM1,944,858) respectively. These building equipment, machinery, motor vehicles and solar assets have been charged to local licensed banks for finance lease obligations as disclosed in Note 26.

Right-of-use assets

The information about leases for which the Group are lessee is presented below:

	Land and buildings RM	Building equipment RM	Machinery RM	Motor vehicles RM	Solar assets RM	Total RM
The Group						
Cost						
As at 1 January 2024	1,566,557	10,099,249	32,900,667	10,370,372	-	54,936,845
Additions	449,249	7,679,833	4,242,226	1,955,397	2,040,061	16,366,766
Written offs	-	-	-	(226,080)	-	(226,080)
Derecognition arising from lease termination	(672,479)	-	-	-	-	(672,479)
Transfer to owned assets	-	-	(2,435,193)	(1,364,418)	-	(3,799,611)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Right-of-use assets (Cont'd)

The information about leases for which the Group are lessee is presented below: (Cont'd)

	Land and buildings RM	Building equipment RM	Machinery RM	Motor vehicles RM	Solar assets RM	Total RM
The Group						
Cost						
As at 31 December 2024 /1 January 2025	1,343,327	17,779,082	34,707,700	10,735,271	2,040,061	66,605,441
Additions	1,897,472	4,419,838	15,164,200	5,093,316	-	26,574,826
Disposals	-	-	(100,000)	(426,715)	-	(526,715)
Derecognition arising from lease termination	(445,797)	-	-	-	-	(445,797)
Transfer (to) /from owned assets	-	(1,000,000)	(2,960,000)	(295,196)	1,705,681	(2,549,515)
As at 31 December 2025	2,795,002	21,198,920	46,811,900	15,106,676	3,745,742	89,658,240
Accumulated amortisation						
As at 1 January 2024	888,616	1,602,923	5,188,135	4,178,234	-	11,857,908
Charge for the financial year	606,938	1,196,881	3,988,401	2,061,287	95,203	7,948,710
Written offs	-	-	-	(79,129)	-	(79,129)
Derecognition arising from lease termination	(623,139)	-	-	-	-	(623,139)
Transfer to owned assets	-	-	(815,440)	(1,345,668)	-	(2,161,108)
As at 31 December 2024/1 January 2025	872,415	2,799,804	8,361,096	4,814,724	95,203	16,943,242
Charge for the financial year	688,222	2,024,595	3,712,682	3,464,509	142,714	10,032,722
Disposals	-	-	(32,500)	(426,715)	-	(459,215)
Derecognition arising from lease termination	(362,603)	-	-	-	-	(362,603)
Transfer (to)/ from owned assets	-	(391,667)	(1,404,667)	(382,235)	29,425	(2,149,144)
As at 31 December 2025	1,198,034	4,432,732	10,636,611	7,470,283	267,342	24,005,002

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Right-of-use assets (Cont'd)

The information about leases for which the Group are lessee is presented below: (Cont'd)

	Land and buildings RM	Building equipment RM	Machinery RM	Motor vehicles RM	Solar assets RM	Total RM
Carrying amount						
As at 31 December 2024	470,912	14,979,278	26,346,604	5,920,547	1,944,858	49,662,199
As at 31 December 2025	1,596,968	16,766,188	36,175,289	7,636,393	3,478,400	65,653,238

The Group's right-of-use assets consist of land and buildings, building equipment, machinery, motor vehicles and solar assets. The lease term for right-of-use assets ranges from 1 to 7 years (2024: 1 to 7 years). The Group has options to extend the lease term for 1 year (2024: 1 year) at the end of the lease term.

13. INVESTMENT PROPERTIES

	Leasehold buildings RM
The Group	
Cost	
As at 1 January 2024/31 December 2024/1 January 2025/31 December 2025	1,951,503
Accumulated depreciation	
As at 1 January 2024	202,943
Charge for the financial year (Note 9)	39,030
As at 31 December 2024/1 January 2025	241,973
Charge for the financial year (Note 9)	39,030
As at 31 December 2025	281,003
Carrying amount	
As at 31 December 2024	1,709,530
As at 31 December 2025	1,670,500

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. INVESTMENT PROPERTIES (Cont'd)

(a) Leasehold buildings relate to:

Astoria Ampang
Lease of building for the Group located at Lot 18152, Section 2 in the Town of Ulu Kelang, District of Gombak and State of Selangor. The lease period is 99 years, expiring on 25 January 2094.

Primer Garden Town Villas
Lease of building for the Group located at Lot 87178, Mukim Bukit Raja, District of Petaling and State of Selangor. The lease period is 99 years, expiring on 27 December 2108.

(b) The leasehold buildings have been pledged to financial institutions as securities for a term loan obtained from a licensed bank as disclosed in Note 25.

(c) The fair value of investment properties are as follows:

	The Group	
	2025 RM	2024 RM
Leasehold buildings	2,010,928	1,745,656

The fair value represents the amounts at which the properties could be exchanged on an open market basis between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at each financial year end. The fair value disclosure of investment properties is estimated by directors of the Company and categorised in Level 3 of the fair value hierarchy.

14. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2025 RM	2024 RM
Unquoted shares - at cost:		
As at 1 January	60,245,000	60,244,000
Addition	2,000	1,000
As at 31 December	60,247,000	60,245,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

Details of the subsidiary companies are as follows:

Name of Company	Place of incorporation	Effective equity interest		Principal activities
		2025	2024	
		%	%	
Direct subsidiary companies				
Nestcon Builders Sdn. Bhd. ("**Nestcon Builders**")	Malaysia	100	100	Engaged in construction works
Nestcon Infra Sdn. Bhd. ("**Nestcon Infra**")	Malaysia	100	100	Engaged in construction works
Nestcon Sustainable Solutions Sdn. Bhd. ("**Nestcon Sustainable Solutions**")	Malaysia	51	51	Engaged in the business of renewable energy activities and maintenance works and investment holding
Nestcon Property Sdn. Bhd. (f.k.a Nestcon Development Sdn. Bhd.) ("**Nestcon Property**")[@]	Malaysia	100	100	Dormant
Nestcon RE Sdn. Bhd. ("**Nestcon RE**")	Malaysia	100	-	Dormant
Nestcon Alliance Sdn. Bhd. ("**Nestcon Alliance**")[#]	Malaysia	100	-	Dormant
Indirect subsidiary companies held through Nestcon Infra				
Nestcon Borneo Sdn. Bhd. (f.k.a Nestcon KSJ Ventures Sdn. Bhd.) ("**Nestcon Borneo**")	Malaysia	51	51	Engaged in construction works
Nestcon Floatovoltaics Sdn. Bhd. ("**Nestcon Floatovoltaics**")	Malaysia	80	80	Engaged in EPCC services for solar photovoltaic system and investment in solar PV plant and investment holding
Nestcon Frontier Sdn. Bhd. ("**Nestcon Frontier**")*	Malaysia	10	-	Engaged in EPCC services for solar photovoltaics system and investment in solar PV plant

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

Name of Company	Place of incorporation	Effective equity interest		Principal activities
		2025	2024	
		%	%	
Indirect subsidiary companies held through Nestcon Infra (cont'd)				
Nestcon Ecology Sdn. Bhd. ("**Nestcon Ecology**")	Malaysia	60	-	Engaged in EPCC services for solar photovoltaics system and investment in solar PV plant
Indirect subsidiary companies held through Nestcon Sustainable Solutions				
N1 Solar Sdn. Bhd. ("**N1 Solar**")	Malaysia	100	100	Dormant
N2 Solar Sdn. Bhd. ("**N2 Solar**")	Malaysia	100	100	Engaged in EPCC services for solar photovoltaics system and investment in solar PV plant and investment holding
Nestcon Solar Sdn. Bhd. ("**Nestcon Solar**")	Malaysia	100	100	Engaged in the business of solar energy, solar photovoltaics and facility, engineering, procurement, installation, construction and project management of all kind of renewal energy and any related business and services and sale by commission
N3 Solar Sdn. Bhd. ("**N3 Solar**")	Malaysia	100	100	Dormant
Indirect subsidiary companies held through Nestcon Property				
Nestcon PJS Sdn. Bhd. ("**Nestcon PJS**")[@]	Malaysia	70	70	Dormant
Nestcon Iskandar Puteri Sdn. Bhd. ("**Nestcon Iskandar Puteri**")	Malaysia	70	-	Dormant
Nestcon Idaman Sdn. Bhd. ("**Nestcon Idaman**")	Malaysia	70	-	Dormant

@ The subsidiary company is consolidated based on its management account as at 31 December 2024.
# The subsidiary company is consolidated based on its management account as at 31 December 2025.
* The Group holds a 10% equity interest in Nestcon Frontier and has control by virtue of a shareholders' agreement with the other investor that grants the Group the unilateral right to direct and control all relevant activities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

Incorporation of subsidiary companies

(i) On 7 January 2025, the wholly-owned subsidiary company, Nestcon Property subscribed for 700 ordinary shares which represents 70% of the total issued ordinary shares from the newly incorporated subsidiary company, Nestcon Iskandar Puteri for a total cash consideration of RM700.

(ii) On 8 January 2025, the Company subscribed 1,000 ordinary shares, which represent 100% of the total issued ordinary shares from the newly incorporated subsidiary company, Nestcon RE for a total cash consideration of RM1,000.

(iii) On 14 March 2025, the wholly-owned subsidiary company, Nestcon Infra subscribed for 600 ordinary shares, which represents 60% of the total issued ordinary shares from the newly incorporated subsidiary company, Nestcon Ecology for a total cash consideration of RM600.

(iv) On 14 March 2025, the wholly-owned subsidiary company, Nestcon Infra subscribed for 100 ordinary shares, which represents 10% of the total issued ordinary shares from the newly incorporated subsidiary company, Nestcon Frontier for a total cash consideration of RM100.

(v) On 14 March 2025, the wholly-owned subsidiary company, Nestcon Property subscribed for 700 ordinary shares, which represents 70% of the total issued ordinary shares from the newly incorporated subsidiary company, Nestcon Idaman for a total cash consideration of RM700.

(vi) On 30 September 2025, the Company subscribed 1,000 ordinary shares, which represent 100% of the total issued ordinary shares from the newly incorporated subsidiary company, Nestcon Alliance for a total cash consideration of RM1,000.

(vii) On 15 July 2024, the holding company, Nestcon Berhad subscribed for 1,000 ordinary shares which represents 100% of the total issued ordinary shares from the newly incorporated subsidiary company, Nestcon Property for a total cash consideration of RM1,000.

(viii) On 10 September 2024, the wholly-owned subsidiary company, Nestcon Property subscribed for 700 ordinary shares which represents 70% of the total issued ordinary shares from the newly incorporated subsidiary company, Nestcon PJS for a total cash consideration of RM700.

Acquisition of ordinary shares in a subsidiary company

(i) On 6 February 2024, a subsidiary company, Nestcon Sustainable Solutions, acquired 3 ordinary shares of N3 Solar from the shareholder, Energy Crest Sdn. Bhd. for a total cash consideration of RM3.

Consequently, Nestcon Sustainable Solutions's effective equity interest in N3 Solar had increased from 70% to 100%.

15. GOODWILL ARISING FROM CONSOLIDATION

	The Group	
	2025 RM	2024 RM
As at 1 January/31 December	1,075,347	1,075,347

The goodwill arising from the acquisition of Nestcon Solar Sdn. Bhd. on 1 April 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. GOODWILL ARISING FROM CONSOLIDATION (Cont'd)

The recoverable amount is determined based on "value-in-use" where management made an estimate of the expected future cash flows covering five-years (2024: five-years) period. The key assumptions for the value-in-use calculation are as below:

	2025 %	2024 %
Gross profit margin	13.05	13.05
Growth rate	5 to 20	5 to 20
Pre-tax discount rate	19.20	19.20

The Group has conducted an analysis on the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount. The directors believe that any reasonably change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

16. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2025 RM	2024 RM
Deferred tax assets	1,719,284	2,818,269
Deferred tax liabilities	(1,909,925)	(1,738,801)
	(190,641)	1,079,468

The movements in deferred tax during the financial year are as follows:

	The Group	
	2025 RM	2024 RM
As at 1 January	1,079,468	735,728
(Charged)/Credited to profit or loss (Note 10):		
Property, plant and equipment	(414,197)	(883,594)
Right-of-use assets	(24,351)	49,686
Lease liabilities	20,642	(50,441)
Provisions	(996,873)	1,744,403
Unutilised tax losses	37,892	361,455
Unabsorbed capital allowances	106,778	(877,769)
	(1,270,109)	343,740
As at 31 December	(190,641)	1,079,468

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

The deferred tax in the financial statements is in respect of the tax effects on the following:

	The Group	
	2025 RM	2024 RM
Deferred tax assets (before offsetting):		
Temporary differences arising from:		
Lease liabilities	138,546	117,904
Provisions	1,943,557	2,940,430
Unutilised tax losses	1,451,882	1,413,990
Unabsorbed capital allowances	471,467	364,689
	4,005,452	4,837,013
Offsetting	(4,005,452)	(3,757,545)
Deferred tax assets (after offsetting)	-	1,079,468
Deferred tax liabilities (before offsetting):		
Temporary differences arising from:		
Property, plant and equipment	4,058,723	3,644,526
Right-of-use assets	137,370	113,019
	4,196,093	3,757,545
Offsetting	(4,005,452)	(3,757,545)
Deferred tax liabilities (after offsetting)	190,641	-

At the end of the reporting period, the Group has unabsorbed capital allowances and unutilised tax losses that are available for offsetting against future taxable profits, subject to the agreement with the tax authorities.

The details of unabsorbed capital allowances and unutilised tax losses are as follow:

	The Group	
	2025 RM	2024 RM
Unabsorbed capital allowances	1,964,446	1,519,539
Unutilised tax losses	6,049,508	5,891,625

The unabsorbed capital allowances do not expire under current tax legislation.

Pursuant to Section 8 of the Finance Act, 2021 (Act 833), the amendments to Subsection 44(5F) of Income Tax Act, 1967, the time limit of the carried forward unutilised tax losses is 10 consecutive years of assessment.

Expiry date of the unutilised tax losses is summarised below:

	The Group	
	2025 RM	2024 RM
Year of assessment:		
2034	5,710,454	5,891,625
2035	339,054	-
	6,049,508	5,891,625

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17. INVENTORIES

	The Group	
	2025 RM	2024 RM
At cost:		
Purchased materials	586,557	3,470,231

The cost of inventories recognised by the Group as an expense during the financial year is RM17,098,488 (2024: RM7,341,449).

18. TRADE RECEIVABLES

	The Group	
	2025 RM	2024 RM
Receivables	104,943,243	122,918,567
Retention sum receivables	142,051,968	127,677,065
	246,995,211	250,595,632

The credit period granted to customers ranges from 14 to 60 days (2024: 14 to 60 days).

The retention sum receivables are subject to satisfactory completion of the respective project's defect liability periods ranges from 1 to 2.5 years (2024: 1 to 2.5 years).

The Group does not hold any collateral or other credit enhancements over trade receivable balances.

The aged analysis of trade receivables at the end of the reporting period:

	The Group	
	2025 RM	2024 RM
Neither past due nor impair	215,040,560	176,040,739
Past due but not impair:		
1 to 30 days	7,674,475	44,802,881
31 days to 60 days	9,470,442	20,385,020
61 days to 90 days	2,142,082	939,739
More than 90 days	12,667,652	8,427,253
	31,954,651	74,554,893
	246,995,211	250,595,632

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. TRADE RECEIVABLES (Cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

Receivables that are past due but not impaired

Trade receivables that were past due but not impaired relate to customers that have a good track record with the Group. Based on past experience and no adverse information to date, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered recoverable.

The Group uses a provision matrix to measure ECLs of trade receivables. Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other receivables	1,964,897	3,974,325	-	-
Deposits	13,212,223	8,503,129	1,000	1,000
Prepayments	4,580,825	5,143,433	24,071	59,373
Advance payment	17,045,324	16,909,557	-	-
Accrued revenue	141,778	138,752	-	-
	36,945,047	34,669,196	25,071	60,373

Included in deposits of the Group is an amount of RM29,100 (2024: RM37,350) paid to a director of the Company.

20. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2025 RM	2024 RM
Contract assets	228,431,112	229,667,855
Contract liabilities	(25,091,572)	(14,639,489)
	203,339,540	215,028,366

Contract assets are balances due from customer under construction contracts and EPCC that arise when the Group receives payments from customer via progress billings. These amounts are initially recognised as contract assets. Any amount previously recognised as contract assets is reclassified to trade receivable at the point at which it is invoiced to the customers.

Contract liabilities are the advance consideration received from customers and progress billings issued in excess of the Group's revenue recognition. The contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contracts with customers under construction contracts and EPCC.

20. CONTRACT ASSETS/(LIABILITIES) (Cont'd)

The movements in contract assets/(liabilities) during the financial year are as follows:

	The Group	
	2025 RM	2024 RM
As at 1 January	215,028,366	206,233,582
Revenue recognised during the financial year	722,396,060	836,754,650
Progress billings issued during the financial year	(734,084,886)	(827,959,866)
As at 31 December	203,339,540	215,028,366

Revenue recognised during the financial year which was included in contract liabilities balances at the beginning for the financial year is RM14,533,505 (2024: RM8,286,690).

21. OTHER FINANCIAL ASSETS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial asset at amortised cost (Note (a))	-	2,136,001	-	-
Financial asset at fair value through profit or loss (Note (b))	-	8,412,373	-	8,412,373
	-	10,548,374	-	8,412,373

(a) Financial asset at amortised cost

The financial asset represented the certain assets paid as a security to the term loan as disclosed in Note 25. This financial asset in the previous financial year carried at effective interest rates ranges 2.39% to 2.43% per annum and to be received in financial year 2025. There are no such financial assets as at the end of the current financial year.

	The Group	
	2025 RM	2024 RM
Nominal		
As at 1 January	2,145,727	2,145,727
Proceeds from maturity	(2,145,727)	-
As at 31 December	-	2,145,727
Less: Discount		
As at 1 January	9,726	58,430
Unwinding of discount (Note 7)	(9,726)	(48,704)
As at 31 December	-	9,726
Carrying amount		
As at 31 December	-	2,136,001

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21. OTHER FINANCIAL ASSETS (Cont'd)

(b) Financial asset at fair value through profit or loss

The financial asset represents investment in short-term funds in Malaysia which allow redemption with notice of 1 business day.

The fair value measurements for the financial asset have been categories as Level 1 fair value based on unadjusted quoted price.

22. FIXED DEPOSITS WITH LICENSED BANKS AND CASH AND BANK BALANCES

The Group's fixed deposits with licensed banks have been pledged to licensed financial institutions for banking facilities granted to the Group as disclosed in Note 25.

Fixed deposits with licensed banks earn interest at rates ranging from 1.75% to 3.10% (2024: 2.00% to 3.10%) per annum. Fixed deposits with licensed banks of the Group have maturity terms of 1 month to 12 months (2024: 1 month to 12 months).

Included in cash and bank balances of RM35,492,064 (2024: RM32,611,404) have been restricted to licensed financial institutions for banking facilities granted to the Group as disclosed in Note 25.

The Group performed impairment assessment on bank balances and concluded the probability of defaults of the licensed financial institutions are insignificant and accordingly, no allowance for credit loss is provided.

23. SHARE CAPITAL

	The Group and the Company			
	Number of ordinary shares		Amount	
	2025	2024	2025 RM	2024 RM
Issued and fully paid:				
Ordinary shares				
As at 1 January	714,704,000	682,072,000	126,481,528	115,591,598
Issuance of shares pursuant to private placements	41,500,000	32,632,000	12,035,000	10,995,400
Share issuance expenses	-	-	(113,812)	(105,470)
As at 31 December	756,204,000	714,704,000	138,402,716	126,481,528

During the financial year, the Company increased its issued and fully paid-up ordinary shares from RM126,481,528, comprising 714,704,000 ordinary shares, to RM138,402,716, comprising 756,204,000 ordinary shares through second tranche of second private placement ("**Private Placement 2024**") at issue price of RM0.29 per ordinary share.

In previous financial year, the Company increased its issued and fully paid-up ordinary shares from RM115,591,598 to RM126,481,528:

(a) 26,132,000 new ordinary shares at issue price of RM0.325 per ordinary share through fourth tranche of first private placement ("**Private Placement 2022**"); and

(b) 6,500,000 new ordinary shares at issue price of RM0.385 per ordinary share through first tranche of second private placement ("**Private Placement 2024**").

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitle to one vote per ordinary share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

24. MERGER RESERVES

The merger reserves represent the difference between the carrying value of the investment in subsidiary companies and the share capital of the Company's subsidiary companies upon consolidation under the merger accounting principle.

25. BANK BORROWINGS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Secured				
Term loans	45,349,838	25,309,812	12,080,000	-
Bank overdrafts	31,614,370	36,943,246	-	-
Factoring payable	2,261,317	49,309,175	-	-
Invoice financing	68,773,617	59,959,099	-	-
Bankers' acceptance	1,668,863	1,499,000	-	-
Revolving credits	35,751,437	30,309,803	-	-
	185,419,442	203,330,135	12,080,000	-
Current				
Term loans	9,109,407	9,330,312	1,127,545	-
Bank overdrafts	31,614,370	36,943,246	-	-
Factoring payable	2,261,317	49,309,175	-	-
Invoice financing	68,773,617	59,959,099	-	-
Bankers' acceptance	1,668,863	1,499,000	-	-
Revolving credits	35,751,437	30,309,803	-	-
	149,179,011	187,350,635	1,127,545	-
Non-Current				
Term loans	36,240,431	15,979,500	10,952,455	-
	185,419,442	203,330,135	12,080,000	-

The effective interest rates for bank borrowings (per annum) as at reporting date are as follows:

	The Group		The Company	
	2025 %	2024 %	2025 %	2024 %
Term loans	3.50 to 6.82	3.88 to 6.82	4.50%	-
Bankers' acceptance	4.37 to 4.85	4.76	-	-
Above the Cost of Funds				
Bank overdrafts	1.00 to 1.50	1.00 to 1.50	-	-
Factoring payable	1.00 to 1.50	1.00	-	-
Invoice financing	1.00 to 2.00	1.25 to 2.00	-	-
Revolving credits	0.75 to 1.50	0.75 to 1.25	-	-
Above the Base Lending Rate				
Bank overdrafts	1.00	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

25. BANK BORROWINGS (Cont'd)

The bank borrowings are secured by way of:

(a) Charged over designated collections account, sinking fund account and other accounts.
(b) Charged over goods as defined in Master Security Agreement.
(c) All Monies Legal Charge or all Monies Deed of Assignment and Power of Attorney over investment properties.
(d) Insurance policy is taken up under the name of directors of the Company and assigned to the Bank.
(e) Assignment of project proceeds receivable and rights, interests and benefits under the project agreements, including power purchase agreement, connection agreement, engineering, procurement, construction and commissioning contract, and land lease agreement.
(f) Open charged over specific properties owned by the Company.
(g) All Monies Debenture and Power of Attorney over all present and future assets and properties.
(h) Corporate guarantee by the Company and third parties.

26. LEASE LIABILITIES

The maturity analysis of the lease liabilities are as follows:

	The Group	
	2025 RM	2024 RM
Minimum lease payments:		
Less than one year	18,503,397	16,309,541
Later than one year but not later than five years	35,504,405	28,458,696
Later than five years	2,394,180	567,454
Total minimum lease payments	56,401,982	45,335,691
Less: Unearned interest	(6,340,936)	(4,092,184)
Present value of lease liabilities	50,061,046	41,243,507

26. LEASE LIABILITIES (Cont'd)

The lease liabilities component is analysed as follows:

	The Group	
	2025 RM	2024 RM
Current	16,084,161	14,464,067
Non-current	33,976,885	26,779,440
	50,061,046	41,243,507

The Group does not face a significant liquidity risk with regard to their lease liabilities.

The lease liabilities are denominated in Ringgit Malaysia and comprise land and buildings, building equipment and obligations under finance lease on machineries, motor vehicles and solar assets.

Certain lease liabilities of the Group are secured by corporate guarantee of the Company.

Land and buildings

The Group applied the incremental borrowing rates to the lease liabilities ranging from 4.46% to 5.81% (2024: 4.46% to 5.81%) per annum.

Obligations under finance lease

The Group's obligations under finance lease bear effective interest rates ranging from 3.91% to 13.15% (2024: 3.91% to 6.66%) per annum. The obligations under finance lease are secured by a charge over the property, plant and equipment as disclosed in Note 12.

27. TRADE PAYABLES

	The Group	
	2025 RM	2024 RM
Payables	279,064,770	285,964,870
Retention sum payables	72,231,153	61,023,510
	351,295,923	346,988,380

The normal credit terms granted to the Group ranges from 7 to 120 days (2024: 30 to 90 days).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables	4,187,096	4,341,866	46,439	62,182
Provision for defect liabilities	7,495,668	5,538,703	-	-
Provision for foreseeable losses	333,662	217,037	-	-
Accruals	5,431,947	5,238,525	60,047	39,592
Deposits received	3,685,783	1,777,834	-	-
Sales and services tax ("**SST**") payable	2,862,075	-	-	-
	23,996,231	17,113,965	106,486	101,774

The movement in provision for defect liabilities during the year is as follows:

	The Group	
	2025 RM	2024 RM
As at 1 January	5,538,703	3,729,505
Provision during the financial year	5,836,500	4,822,500
Utilisation during the financial year	(3,879,535)	(3,013,302)
As at 31 December	7,495,668	5,538,703

The movement in provision for foreseeable losses during the year is as follows:

	The Group	
	2025 RM	2024 RM
As at 1 January	217,037	-
Provision during the financial year	116,625	217,037
As at 31 December	333,662	217,037

Provision for defect liabilities represents the probable outflow of future economic obligations related to rectification work on completed project.

Provision for foreseeable losses represents the anticipated losses arising from construction contracts where the estimated total contract costs exceed the total contract revenue.

Provisions are recognised based on the directors' best estimates and past experience.

29. RELATED PARTY TRANSACTIONS

(a) Identify related parties

For the purposes of these financial statements, parties are considered to be related to the Group and to the Company if the Group and Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company include Executive Directors of the Company.

(b) Significant related party transactions and balances

Amount due from subsidiary companies represent unsecured, interest bearing non-trade balances and are receivable on demands.

Related party transactions have been entered in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the related party transactions of the Group and of the Company are as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Subsidiary companies:				
Interest income	-	-	1,478,266	1,316,684
Related party:				
Director				
Rental expenses	(116,400)	(116,400)	-	-

(c) Compensation of key management personnel

The remuneration of key management personnel during the financial year are as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive directors:				
Salaries and other emoluments	2,706,209	2,399,302	-	-
Defined contribution plans	320,072	294,354	-	-
	3,026,281	2,693,656	-	-
Non-executive directors:				
Fees	214,200	209,950	214,200	209,950
Other emoluments	24,000	20,000	24,000	20,000
	238,200	229,950	238,200	229,950
	3,264,481	2,923,606	238,200	229,950

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group amounted to RM33,695 (2024: RM28,825).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. CAPITAL COMMITMENTS

	The Group	
	2025 RM	2024 RM
Approved and contracted for:		
Building equipment	-	2,515,294
Machineries	15,440,000	1,300,000
Solar assets	9,414,574	-
Joint development agreement*	10,000,000	-
	34,854,574	3,815,294

* As at 31 December 2025, the Group had an outstanding commitment of RM10,000,000 pursuant to a joint development agreement entered on 3 March 2025. On 13 March 2026, the Group and the proprietor mutually agreed to terminate the said agreement. Consequently, the Group is no longer subject to this commitment.

31. FINANCIAL GUARANTEE CONTRACTS

	The Group	
	2025 RM	2024 RM
Corporate guarantee given to licensed banks to secure credit facilities granted to subsidiary companies	236,374,961	236,870,826
Corporate guarantee for suppliers	12,233,328	21,686,521
Corporate guarantee for contract customers	79,830,128	78,008,881

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statements of cash flows as cash flows (used in)/from financing activities.

	Bank borrowings (Note 25)			
	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
As at 1 January	166,386,889	155,440,700	-	-
Purchase of property, plant and equipment	28,360,728	4,082,913	12,080,000	-
Net (repayment)/drawdown of bank borrowings	(40,942,545)	6,863,276	-	-
Interest expense incurred (Note 8)	11,175,225	13,143,336	-	-
Interest expense paid	(11,175,225)	(13,143,336)	-	-
As at 31 December	153,805,072	166,386,889	12,080,000	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (Cont'd)

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statements of cash flows as cash flows (used in)/from financing activities. (Cont'd)

	Lease liabilities (Note 26) The Group	
	2025 RM	2024 RM
As at 1 January	41,243,507	35,230,196
Additions to right-of-use assets	26,467,392	15,373,410
Derecognition of right-of-use assets	(83,882)	(50,270)
Payment of lease liabilities - principal	(17,565,971)	(9,309,829)
Interest expense incurred (Note 8)	2,606,639	2,019,770
Interest expense paid	(2,606,639)	(2,019,770)
As at 31 December	50,061,046	41,243,507

33. FINANCIAL INSTRUMENTS

Classification of financial instruments

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial assets				
Fair value through profit or loss				
Other financial assets	-	8,412,373	-	8,412,373
At amortised cost				
Trade receivables	246,995,211	250,595,632	-	-
Other receivables and refundable deposits	15,177,120	12,477,454	1,000	1,000
Amount due from subsidiary companies	-	-	64,087,212	48,048,446
Other financial assets	-	2,136,001	-	-
Fixed deposits with licensed banks	34,280,639	58,833,721	-	-
Cash and bank balances	101,044,446	82,743,273	8,927,984	7,852,621
Financial liabilities				
At amortised cost				
Trade payables	351,295,923	346,988,380	-	-
Other payables and accruals	9,619,043	9,580,391	106,486	101,774
Bank borrowings	185,419,442	203,330,135	12,080,000	-
Lease liabilities	50,061,046	41,243,507	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies

The Group and the Company are exposed to financial risk arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and market risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of those risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company that may arise if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk mainly from trade receivables, other receivables and refundable deposits and contract assets; whereas the Company's exposure to credit risk mainly from amount due from subsidiary companies and financial guarantee given to licensed banks and third parties.

The management has in place a credit procedure to monitor and minimise the exposure of default. Receivables are monitored on a regular and an ongoing basis. Credit evaluations are performed on all customers requiring credit over certain amount.

For cash and cash equivalents, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company provides advances to subsidiary companies and monitors the results of the subsidiary companies regularly.

Concentration profile

Concentration of credit risk arises when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar risk characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Group monitors various portfolios to identify and assess risk concentration.

The Group major concentration of credit risk relates to the amount due from four (2024: three) receivables which constituted 38% (2024: 48%) of its trade receivables at the end of the reporting period.

Exposure to credit risk

The carrying amount of the financial assets recorded on the statements of financial position at the end of the reporting period represents the Group's and the Company's maximum exposure to credit risk in relation to financial assets. No financial assets carry a significant exposure to credit risk.

In addition, the Company are exposed to credit risk in relation to financial guarantee given to licensed banks and third parties. The financial guarantees have not been recognised in the financial statements since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary companies' borrowings in view of the securities pledged by the subsidiary companies. The maximum exposure to credit risk in relation to the financial guarantees contract is as disclosed in Note 31.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company encounter difficulty in meeting its obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from trade payables, other payables and accruals, bank borrowings and lease liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the end of the reporting period based on undiscounted contractual payments:

	Effective interest rate %	Total carrying amount RM	On demand or within 1 year RM	Within 2 to 5 years RM	More than 5 years RM	Total undiscounted cash flow RM
The Group						
2025						
Non-interest bearing:						
Trade payables		351,295,923	279,064,770	72,231,153	-	351,295,923
Other payables and accruals		9,619,043	9,619,043	-	-	9,619,043
Interest bearing:						
Bank borrowings	3.50 to 6.82	185,419,442	152,144,767	20,419,628	26,153,065	198,717,460
Lease liabilities	3.91 to 13.15	50,061,046	18,503,397	35,504,405	2,394,180	56,401,982
		596,395,454	459,331,977	128,155,186	28,547,245	616,034,408
2024						
Non-interest bearing:						
Trade payables		346,988,380	285,964,870	61,023,510	-	346,988,380
Other payables and accruals		9,580,391	9,580,391	-	-	9,580,391
Interest bearing:						
Bank borrowings	3.88 to 6.82	203,330,135	191,300,645	15,723,457	1,710,845	208,734,947
Lease liabilities	3.91 to 6.66	41,243,507	16,309,541	28,458,696	567,454	45,335,691
		601,142,413	503,155,447	105,205,663	2,278,299	610,639,409
The Company						
2025						
Non-interest bearing:						
Other payables and accruals		106,486	106,486	-	-	106,486
Interest bearing:						
Bank borrowings	4.50	12,080,000	1,127,545	4,510,179	11,275,448	16,913,172
		12,186,486	1,234,031	4,510,179	11,275,448	17,019,658
2024						
Non-interest bearing:						
Other payables and accruals		101,774	101,774	-	-	101,774

The Company has provided corporate guarantees in favour of its subsidiary companies, as disclosed in Note 31. At the end of the reporting period, the counterparties to the financial guarantees do not have the right to demand cash as there is no default event by the subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

33. FINANCIAL INSTRUMENTS (Cont'd)

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates risk which will affect the Group's and the Company's financial position or cash flows.

Interest rate risk

The Group's and the Company's deposits with licensed banks and bank borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of its fixed deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short-term and long-term deposits.

The Group and the Company manage its interest rate risk exposure from interest-bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and and the Company's significant interest-bearing financial instruments, based on carrying amounts at the end of the reporting period was:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed rate instruments				
Financial assets				
Fixed deposits with licensed banks	34,280,639	58,833,721	-	-
Financial liabilities				
Bank borrowings	39,164	252,681	-	-
Lease liabilities	50,061,046	41,243,507	-	-
Floating rate instruments				
Financial liabilities				
Bank borrowings	185,380,278	203,077,454	12,080,000	-

Interest rate risk sensitivity analysis

Sensitivity analysis is not disclosed for fixed rate instruments as fixed rate instruments are not exposed to interest rate risk and are measured at amortised cost.

At the end of the reporting period, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit before tax for the financial year would have been approximately RM926,901 and RM60,400 (2024: RM1,015,387 and RM Nil) lower/higher, arising mainly as a result of lower/higher finance costs on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

33. FINANCIAL INSTRUMENTS (Cont'd)

Fair values of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and bank borrowings except term loans approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The fair values of other investments are measured at fair value in the statements of financial position as at the end of the reporting period using Level 1 inputs for the purpose of fair value hierarchy in accordance with the generally accepted pricing model based on the net asset value of the unit trust fund.

The fair value of lease liabilities is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the financial reporting period.

The carrying amount of the floating rate term loans approximated their fair values as these instruments bear interest at variables rates.

The carrying amount of the fixed rate term loans approximated their fair values as these instruments bear interest at approximated market lending rate at the reporting date.

34. CAPITAL MANAGEMENT

The objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balance. The Group's overall strategy remains unchanged during the current financial year.

The capital structure of the Group consists of debt (as disclosed in Notes 25 and 26) and equity (as disclosed in Notes 23 and 24).

Gearing Ratio

	The Group	
	2025	**2024**
	RM	**RM**
Debt	235,480,488	244,573,642
Equity	174,201,978	150,346,089
Debt to equity ratio (%)	1.35	1.63

Debt consists of bank borrowings and lease liabilities.

Debt to equity ratio is not applicable to the Company as the management monitors capital based on the Group's gearing ratios.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. SUBSEQUENT EVENTS

(i) On 28 January 2026, the Company increased its issued and fully paid-up share capital from RM138,402,716 comprising 756,204,000 ordinary shares to RM144,732,853 comprising 779,024,000 ordinary shares, following the completion of the final tranche of its Private Placement exercise through the listing of 22,820,000 Placement Shares at an issue price of RM0.28 per share on the ACE Market of Bursa Securities.

(ii) On 10 April 2026, Nestcon Iskandar Puteri, an indirect 70%-owned subsidiary of the Company had entered into a conditional sale and purchase agreement with KLG Iskandar Puteri Sdn Bhd to acquire three (3) parcels of land all located in Mukim Pulai, Daerah Johor Bahru, Johor Darul Ta'zim, measuring in aggregate approximately 33,782 square metres for a total purchase consideration of RM95,000,000 ("**Proposed Acquisition**").

Upon the completion of the Proposed Acquisition, Nestcon Iskandar intends to undertake a mixed commercial and residential development comprising serviced apartments and retail units on the said lands. This development represents a diversification of the Group's existing business to include property development ("**Proposed Diversification**").

(collectively referred to as "**Proposals**")

The Proposals will be funded via a combination of internally generated funds and/or bank borrowings. The Proposals are subject to the approvals being obtained from the shareholders of the Company at an Extraordinary General Meeting to be convened and any other relevant authorities and/or parties, if required.

36. MATERIAL LITIGATION

(a) Civil action taken against Nestcon Builders by Rainbow Option Sdn Bhd ("**Plaintiff**") at Kuala Lumpur High Court (Civil Division) for Nestcon Builders's alleged breach of duty of care, negligence and recklessness and interference with the Plaintiff's use and enjoyment of premises, whereby the Plaintiff has claimed for injunction, general damages, punitive and exemplary damages against Nestcon Builders.

The trial for this civil suit has concluded and Nestcon Builders was found not liable. Costs in the sum of RM60,000 was awarded by the Court in favour of Nestcon Builders.

(b) Nestcon Infra ("**Defendant 2**") was appointed by Bright Term Sdn Bhd ("**Defendant 1**") as a subcontractor for earthworks, retaining wall and drainage upgrading works at a project know as Sena Parc Homes at Seremban. Ong Nai Loo ("**Plaintiff**") alleged that Nestcon Infra illegally trespass onto his land and caused damages to the land, which Nestcon Infra denied and maintains that the Plaintiff's allegations are unrelated to Nestcon Infra's scope of work.

On 7 April 2026, Nestcon Infra has amicably settled this legal suit on a without any admission as to liability. In consideration, this legal suit shall be withdrawn against Nestcon Infra without liberty and without any order as to costs.

LIST OF PROPERTIES

No.	Postal Address	Description of Property/ Existing Use/ Expiry of Lease (if any)/ Category of Land Use (if any)	Approximate Age (Years)	Land Area/ Built-up Area (sq ft)	Date of Purchase	Audited NBV as at 31 December 2025 (RM'000)
1.	B-11-07, Block B Astoria Ampang Jalan Ampang 50450 Kuala Lumpur	Serviced apartment on 11th floor/ Investment property/ Leasehold of 99 years expiring on 25 January 2094/ Building	7	Not applicable/ 1,505	11 July 2019	1,030
2.	G-01-1, Primer Garden Town Villas Jalan Hijau Pelangi U9/55 Cahaya SPK, Seksyen U9 40150 Shah Alam Selangor	Ground and first floor (lower unit) of a 3-storey town house/ Investment property/ Leasehold of 99 years expiring on 27 December 2108/ Building	11	2,343/ 2,305	22 October 2012	641

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2026

Total Number of Issued Shares	:	779,024,000
Issued and Fully Paid-up	:	RM144,732,853
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) Vote Per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	10	0.683	200	0.000
100 - 1,000	267	18.250	118,300	0.015
1,001 - 10,000	569	38.893	3,213,100	0.412
10,001 - 100,000	409	27.956	15,378,600	1.974
100,001 – 5% (*)	206	14.081	497,389,200	63.848
5% and above (**)	2	0.137	262,924,600	33.751
	1,463	**100.000**	**779,024,000**	**100.000**

Remarks:
(*) Less than 5% of issued shares holdings
(**) 5% and above of issued shares holdings

DIRECTORS' INTERESTS IN SHARES
(Based on the Register of Directors' Shareholding)

	Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%
Mohd Noor Bin Setapa	-	-	-	-
Datuk Ir. Dr. Lim Jee Gin	363,243,758	46.628	-	-
Ong Yong Chuan	64,680,842	8.303	165,000[1]	0.021
Lim Joo Seng	2,000,000	0.257	-	-
Nor Azzam Bin Abdul Jalil	-	-	-	-
Yeoh Sheong Lee	2,500,000	0.321	-	-
Roslinda Binti Awang @ Mat Yazid	-	-	-	-

Note:
(1) Deemed interest by virtue of his/her spouse's interest pursuant to Section 59(II) of the Companies Act 2016.

SUBSTANTIAL SHAREHOLDERS
(Based on the Register of Substantial Shareholders)

	Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%
Datuk Ir. Dr. Lim Jee Gin	363,243,758	46.628	-	-
Ong Yong Chuan	64,680,842	8.303	165,000[1]	0.021
Hii Pick Hung	165,000	0.021	64,680,842[1]	8.303

Note:
(1) Deemed interest by virtue of his/her spouse's interest pursuant to Section 59(II) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 31 MARCH 2026

LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS
(Without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name of Shareholders	Total No. of Shares Held	%
1.	LIM JEE GIN	198,243,758	25.4477
2.	ONG YONG CHUAN	64,680,842	8.3028
3.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TA WEE DHER (7005303)	28,320,000	3.6353
4.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	27,000,000	3.4659
5.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN (7012027)	25,000,000	3.2091
6.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	25,000,000	3.2091
7.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	23,000,000	2.9524
8.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	22,000,000	2.8240
9.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AIK FU	21,500,000	2.7599
10.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AIK HOE	18,620,200	2.3902
11.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	18,000,000	2.3106
12.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR LEE SENG YONG (SMART)	17,000,000	2.1822
13.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR DEUTSCHE BANK AG SINGAPORE (MAYBANK SG PWM)	16,792,000	2.1555
14.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SENG YONG (7006274)	15,500,000	1.9897
15.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DATO' ONG CHOO MENG (MY3273)	13,310,000	1.7085
16.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN (MY4470)	13,000,000	1.6688
17.	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN (MGN-LJG0001M)	12,000,000	1.5404
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AIK KIAT	11,382,700	1.4611
19.	LIONG LISA	9,550,000	1.2259
20.	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR EAC FUND	8,531,000	1.0951
21.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH POH SENG (E-KLC)	7,641,800	0.9809
22.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MBUILD VENTURE SDN BHD (MY4716)	7,000,000	0.8986
23.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AIK FU (7006144)	6,750,000	0.8665
24.	BIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANDREW TAN JUN SUAN (MGNM88133)	5,572,800	0.7154
25.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TAN CHYI BOON (SMART)	5,000,000	0.6418
26.	BIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HIQ MEDIA (MALAYSIA) SDN. BHD. (MGNM43005)	5,000,000	0.6418
27.	BIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (MGNM88030)	4,820,000	0.6187
28.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHARLIE CHING WEE CHUN (MY3732)	4,180,000	0.5366
29.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AIK KIAT (7006129)	4,100,000	0.5263
30.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG SOON LIM (MY4640)	4,051,900	0.5201

NOTICE OF SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixth Annual General Meeting (**"6th AGM"**) of the Company will be held at DoubleTree by Hilton Shah Alam i-City, Finance Avenue, 40000 Shah Alam, Selangor (**"Main Venue")** on Tuesday, 30 June 2026 at 10:00 a.m. to transact the following businesses:

A G E N D A

AS ORDINARY BUSINESS

1 To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. ***[Please refer to Explanatory Note 1]***

2. To approve an increase in Non-Executive Directors' benefits (excluding Directors' fees) for an amount up to RM8,000.00 payable to the Non-Executive Directors for the period from 24 June 2025 to 30 June 2026, in such proportions and manner as the Directors may determine as follows: ***[Please refer to Explanatory Note 2] [Ordinary Resolution 1]***

No.	Type of Director	Non-Executive Directors' benefits (excluding Directors' fees) of the Company (RM)
1.	Chairman of the Board	2,000.00
2.	Independent Non-Executive Directors	6,000.00
	Total	8,000.00

3. To approve the payment of Non-Executive Directors' fees (inclusive of Board Committees' fees) for an amount up to RM214,200.00 payable to Non-Executive Directors on a monthly basis for the period from 1 July 2026 until the next Annual General Meeting (**"AGM"**) of the Company, in such proportions and manner as the Directors may determine as follows: ***[Please refer to Explanatory Note 2] [Ordinary Resolution 2]***

No.	Type of Director	Non-Executive Directors' fees of the Company (RM)
1.	Chairman of the Board	63,000.00
2.	Independent Non-Executive Directors	151,200.00
	Total	214,200.00

AND THAT to approve the Non-Executive Directors' benefits (excluding Directors' fees) for an amount up to RM24,000.00 payable to Non-Executive Directors for the period from 1 July 2026 until the next AGM of the Company, in such manner as the Directors may determine as follows:

No.	Type of Director	Non-Executive Directors' benefits (excluding Directors' fees) of the Company (RM)
1.	Chairman of the Board	6,000.00
2.	Independent Non-Executive Directors	18,000.00
	Total	24,000.00

4. To re-elect the following Directors who retire pursuant to Clause 82 of the Company's Constitution and being eligible, have offered themselves for re-election: ***[Please refer to Explanatory Note 3]***

(i) Mr. Ong Yong Chuan; and ***[Ordinary Resolution 3]***
(ii) Ms. Lim Joo Seng. ***[Ordinary Resolution 4]***

5. To re-appoint Messrs. Morison LC PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. ***[Please refer to Explanatory Note 4] [Ordinary Resolution 5]***

NOTICE OF SIXTH ANNUAL GENERAL MEETING (CONT'D)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolution:

6. ORDINARY RESOLUTION
- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

[Please refer to Explanatory Note 5] [Ordinary Resolution 6]

*"**THAT** subject always to the Companies Act 2016 (the "**Act**"), the Constitution of the Company and the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and approvals of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("**New Shares**") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("**Proposed General Mandate**").*

***THAT** the existing shareholders of the Company do hereby waive their pre-emptive rights pursuant to Section 85(1) of the Act read together with Rule 7.08 of the AMLR of Bursa Securities and the Company's Constitution to be offered the New Shares to be allotted and issued under the Proposed General Mandate, which rank equally with the existing issued shares in the Company.*

***THAT** such approval on the Proposed General Mandate shall continue to be in force until:*

(a) the conclusion of the next AGM of the Company held after the approval was given;

(b) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or

(c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

***THAT** the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation for such New Shares on Bursa Securities.*

***AND THAT** authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.*

***AND FURTHER THAT** the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."*

7. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and/or the Act.

NOTICE OF SIXTH ANNUAL GENERAL MEETING (CONT'D)

BY ORDER OF THE BOARD

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

Kuala Lumpur
Dated: 30 April 2026

Explanatory Notes on Ordinary and Special Business:

1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. As such, this Agenda item is not put forward for voting.

2. Item 2 and 3 of the Agenda

Section 230(1) of the Act provides that the fees of the directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Company had, at its Fifth (5th) AGM held on 23 June 2025, obtained approval from the shareholders in respect of the Non-Executive Directors' fees and benefits for the period from 24 June 2025 until the next AGM of the Company to be held in 2026:

	The Company	
	Approved limit granted by the shareholders at the 5th AGM	
	Directors' Fees (RM)	**Meeting Allowance and Claimable Benefits (RM)**
Chairman of the Board	63,000.00	5,000.00
Independent Non-Executive Directors	151,200.00	15,000.00
Total ("**Column 1**")	214,200.00	20,000.00

The Non-Executive Directors' fees payable to the Chairman of the Board and Independent Non-Executive Directors of the Company for the financial year ended 2025 had not exceeded the amount as set out in Column I that were approved by the shareholders at the 5th AGM of the Company.

However, the Non-Executive Directors' meeting allowance and claimable benefits payable to the Chairman of the Board and Independent Non-Executive Directors of the Company for the financial year ended 2025 are expected to exceed the approved limit as set out in Column I, as previously approved by the shareholders at the 5th AGM of the Company. This is primarily attributable to additional general meetings held during the financial year, which resulted in higher meeting allowances based on the actual attendance of the Non-Executive Directors.

Accordingly, the Board of Directors (the "**Board**") of the Company has resolved to seek shareholders' approval at the 6th AGM for the Non-Executive Directors' fees and benefits payable to the Non-Executive Directors of the Company through the following resolutions:

(a) Ordinary Resolution 1 – Approval for an increase of RM8,000.00 in Non-Executive Directors' benefits (excluding Directors' fees) payable to the Non-Executive Directors for the period from 24 June 2025 to 30 June 2026.

(b) Ordinary Resolution 2 – Approval of Non-Executive Directors' fees (inclusive of Board Committees' fees) for an amount up to RM214,200.00 payable to Non-Executive Directors on a monthly basis for the period from 1 July 2026 until the next AGM of the Company.

(c) Ordinary Resolution 2 – Approval for Non-Executive Directors' benefits (excluding Directors' fees) for an amount up to RM24,000.00 payable to Non-Executive Directors for the period from 1 July 2026 until the next AGM of the Company.

NOTICE OF SIXTH ANNUAL GENERAL MEETING (CONT'D)

2. Item 2 and 3 of the Agenda (cont'd)

The proposed Non-Executive Directors' fees under Ordinary Resolution 2 are derived based on the current Board size and the expected number of scheduled Board and Board Committees meetings. The benefits payable under Ordinary Resolution 2 to the Non-Executive Directors comprise meetings allowances based on actual attendance of meetings by the Directors. The payment of such benefits will be made by the Company on a monthly basis and/or as and when incurred.

These Ordinary Resolutions are intended to facilitate payment of Directors' fees and benefits for the financial year 2026/2027.

In the event that the proposed Directors' fees and benefits payable are insufficient due to the enlarged Board size or holding of additional meetings, the Company will seek shareholders' approval at the next AGM of the Company for the additional Directors' fees and benefits required to meet the shortfall.

Details of the Directors' Remuneration for the financial year ended 31 December 2025 are enumerated in the Corporate Governance Report 2025.

3. Item 4 of the Agenda

Mr. Ong Yong Chuan and Ms. Lim Joo Seng ("**the Retiring Director**" or collectively "**the Retiring Directors**") are due for retirement by rotation in accordance with Clause 82 of the Company's Constitution, are eligible for re-election and hence, they have offered themselves for re-election at the 6th AGM. The re-election of the Retiring Directors shall be voted on individually.

The Board through its Nominating Committee ("**NC**") had assessed each of the Retiring Directors, and considered the following:

(i) Contribution to interaction;
(ii) Knowledge and caliber;
(iii) Provision of quality of input to the Board;
(iv) Understanding of role;
(iii) Factors outlined in the Company's Fit and Proper Policy; and
(iv) Conflict of Interest.

The NC and the Board have considered the results of the assessment conducted on these Directors and collectively agree that they each meet the criteria of character, experience, integrity, competence and time required to effectively discharge their respective roles as Directors, as prescribed by Rule 2.20A of the AMLR of Bursa Securities and additionally have satisfied the Directors' fit and proper assessment criteria. The Board approved the NC's recommendation that the Directors who retire in accordance with Clause 82 of the Constitution namely, Mr. Ong Yong Chuan and Ms. Lim Joo Seng are eligible to stand for re-election. The Retiring Directors had abstained from deliberations and decisions on their own eligibility and suitability to stand for re-election at the relevant NC and Board meetings.

The profiles of these Retiring Directors are set out on page 22 and 23 of the Annual Report 2025.

4. Item 5 of the Agenda

The Board has through the Audit Committee ("**AC**"), considered the re-appointment of Messrs. Morison LC PLT as Auditors of the Company. The factors considered by the AC in making the recommendation to the Board to table their re-appointment at the 6th AGM are disclosed in the Corporate Governance Overview Statement of the Annual Report 2025.

5. Item 6 of the Agenda

Ordinary Resolution 6 is to seek a renewal of the general mandate for allotment and issuance of shares by the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed the prescribed limit under the AMLR of Bursa Securities ("**General Mandate**").

NOTICE OF SIXTH ANNUAL GENERAL MEETING (CONT'D)

5. Item 6 of the Agenda (cont'd)

However, pursuant to Section 85(1) of the Act, Clause 52 of the Company's Constitution and Rule 7.08 of AMLR of Bursa Securities, the New Shares will have to be offered to the existing shareholders of the Company unless there is a direction to the contrary given in the general meeting of the Company. Should the existing shareholders of the Company approve the proposed Ordinary Resolution 6, they are waiving their pre-emptive rights pursuant to Section 85(1) of the Act, which then allow the Directors to issue New Shares to any person without having to offer the said New Shares equally to all existing shareholders of the Company prior to the issuance. This will result in a dilution to the shareholding percentage of the existing shareholders of the Company.

The purpose of this General Mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot New Shares in the Company for fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or such other purposes as the Directors may deem fit in the best interest of the Company, provided that the aggregate number of shares or convertible securities issued must not be more than 10% of the total number of issued shares. This General Mandate, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

The Board of the Company is of the view that the General Mandate is in the best interest of the Company and its shareholders as it will provide flexibility to the Company to issue New Shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time. It will also enable the Directors to take swift action in case of a need to issue and allot New Shares in the Company for fund raising activities, including but not limited to further placement of shares for the purpose of funding the Company's current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such applications as the Directors may deem fit in the best interest of the Company and its shareholders, provided that the aggregate number of shares or convertible securities issued must not be more than 10% of the total number of issued shares of the Company.

The proposed Ordinary Resolution 6 is a renewal of the previous year's mandate. The Company had on 12 July 2024 announced the proposed private placement of up to 70,820,000 new ordinary shares, representing not more than 10% of the total number of issued shares of the Company. Bursa Securities had, via its letter dated 31 July 2024, approved the Private Placement, and subsequently approved an extension of time up to 30 January 2026 for its completion. The Private Placement was completed on 28 January 2026, raising total proceeds of approximately RM20.93 million.

As at the date of this Notice, the proceeds has been fully utilised. Details of the total proceeds raised from the Private Placement and its utilisation are disclosed in the Annual Report 2025.

Notes:

(i) The 6th AGM of the Company will be held at the Main Venue. Members and proxies will have to attend physically in person at the Main Venue.

(ii) A member who is entitled to attend and vote at the 6th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 6th AGM. 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 6th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.

*(iii) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), 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.*

NOTICE OF SIXTH ANNUAL GENERAL MEETING (CONT'D)

*(iv) 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 two (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.*

(v) 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 proxy form must be initialled.

(vi) The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to the Constitution of the Company in relation to the Record of Depositors made available to the Company.

(vii) 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 6th AGM or at any adjournment thereof:

(a) In Hardcopy Form

The Proxy Form shall be deposited at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, 40460 Kota Kemuning, Shah Alam, Selangor Darul Ehsan.

(b) By Electronic Means

The Proxy Form can be electronically submitted via https://www.symphonycorporateservices.com.my (Domain Registration No. D1C534619-MYNIC).

*(viii) Please ensure **ALL** the particulars as required in the Proxy Form are completed, signed and dated accordingly.*

(ix) Last date and time for lodging the proxy form is Sunday, 28 June 2026 at 10:00 a.m..

(x) Pursuant to Rule 8.31A(1) of the AMLR of Bursa Securities, all the resolutions set out in this Notice of 6th AGM will be put to vote by poll.

(xi) 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 6th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.

(xii) Those Proxy Forms which are indicated with "√" in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the Proxy Form must be initialed.

(xiii) 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 administration of the 6th AGM.

Personal Data Privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 6th AGM and/or any adjournment thereof, a 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 6th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 6th AGM (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.

STATEMENT ACCOMPANYING
THE NOTICE OF THE SIXTH ANNUAL GENERAL MEETING
(Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Director standing for election or appointment.

   There is no individual seeking election or appointment as a Director at the forthcoming 6th AGM.

2. Directors standing for re-election.

   Mr. Ong Yong Chuan and Ms. Lim Joo Seng ("**the Retiring Director**" or collectively "**the Retiring Directors**") are due for retirement by rotation and are standing for re-election as Directors of the Company at the 6th AGM. For the purpose of determining the eligibility of the each of the Retiring Directors to stand for re-election at the 6th AGM, the Board through its Nominating Committee ("**NC**") had assessed each of the Retiring Directors, and considered the following:

   (i) Contribution to interaction;
   (ii) Knowledge and caliber;
   (iii) Provision of quality of input to the Board;
   (iv) Understanding of role;
   (v) Factors outlined in the Company's Fit and Proper Policy; and
   (vi) Conflict of interest.

   The NC and the Board have considered the results of the assessment conducted on these Directors and collectively agree that they each meet the criteria of character, experience, integrity, competence and time required to effectively discharge their respective roles as Directors, as prescribed by Rule 2.20A of the AMLR of Bursa Securities.

   The Retiring Directors confirmed that they do not have existing or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries or family interest that could affect the execution of his role as the Directors of the Company. The NC has also assessed the Retiring Directors in accordance with the Directors' Fit and Proper Policy of the Company and found him to have met the criteria for a fit and proper person as outlined in the said policy. The Board approved the NC's recommendation that the Directors who retire in accordance with Clause 82 of the Constitution namely, Mr. Ong Yong Chuan and Ms. Lim Joo Seng are eligible to stand for re-election. These Retiring Directors had abstained from deliberations and decisions on their own eligibility and suitability to stand for re-election at the relevant NC and Board meetings.

   The profiles of these Retiring Directors are set out on page 22 and 23 of the Annual Report 2025.

3. Statement relating to a general mandate for the issue of securities in accordance with Rule 6.04(3) of the AMLR of Bursa Securities.

   Ordinary Resolution 6 on the general mandate for the issuance and allotment of securities

   Details on the general mandate for the issuance and allotment of securities in accordance to Rule 6.04 of the AMLR of Bursa Securities are provided under the Explanatory Note 5 of the Notice of the 6th AGM.

NESTCON BERHAD
[Registration No.: 202001008684 (1365004-W)]
(Incorporated in Malaysia)

PROXY FORM
(before completing this Proxy Form, please refer to the notes below)

Number of Shares Held		**CDS Account No.**	

*I/We_____NRIC No./Passport No./Company No._____
(FULL NAME IN BLOCK LETTER)

of_____
(FULL ADDRESS)

with email_____and mobile phone no._____

, being a *member/members of **NESTCON BERHAD**, do hereby appoint(s):

Full Name (in Block) [Proxy 1]	**NRIC/Passport No.**	**Proportion of shareholding**	
Address:		**No of shares**	**%**
Email Address:			
Mobile Phone No.:			

And/or failing whom,

Full Name (in Block) [Proxy 2]	**NRIC/Passport No.**	**Proportion of shareholding**	
Address:		**No of shares**	**%**
Email Address:			
Mobile Phone No.:			

or failing whom, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Sixth Annual General Meeting ("**6th AGM**") of of the Company to be held at DoubleTree by Hilton Shah Alam i-City, Finance Avenue, 40000 Shah Alam, Selangor ("**Main Venue**") on Tuesday, 30 June 2026 at 10:00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy(ies) will vote or abstain for voting at his/her discretion.

ORDINARY RESOLUTION		**FOR**	**AGAINST**
ORDINARY BUSINESS			
1.	To approve an increase in Non-Executive Directors' benefits (excluding Directors' fees) for an amount up to RM8,000.00 payable to the Non-Executive Directors for the period from 24 June 2025 to 30 June 2026, in such proportions and manner as the Directors may determine.		
2.	To approve the payment of Non-Executive Directors' fees (inclusive of Board Committees' fees) for an amount up to RM214,200.00 payable to Non-Executive Directors on a monthly basis for the period from 1 July 2026 until the next Annual General Meeting ("**AGM**") of the Company, in such proportions and manner as the Directors may determine AND THAT to approve the Non-Executive Directors' benefits (excluding Directors' fees) for an amount up to RM24,000.00 payable to Non-Executive Directors for the period from 1 July 2026 until the next AGM of the Company, in such manner as the Directors may determine.		
3.	Re-election of Mr. Ong Yong Chuan as Director pursuant to Clause 82 of the Company's Constitution.		
4.	Re-election of Ms. Lim Joo Seng as Director pursuant to Clause 82 of the Company's Constitution.		
5.	Re-appointment of Messrs. Morison LC PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
SPECIAL BUSINESS			
6.	Authority to issue shares pursuant to the Companies Act 2016.		

Dated this_____day of _____2026

_____
Signature of Member/Common Seal

**Strike out whichever is not desired.*

Notes:

(i) The 6th AGM of the Company will be held at the Main Venue. Members and proxies will have to attend physically in person at the Main Venue.

(ii) A member who is entitled to attend and vote at the 6th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 6th AGM. 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 6th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.

*(iii) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), 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.*

*(iv) 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 two (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.*

(v) 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 proxy form must be initialled.

(vi) The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to the Constitution of the Company in relation to the Record of Depositors made available to the Company.

(vii) 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 6th AGM or at any adjournment thereof:

(i) In Hardcopy Form

The Proxy Form shall be deposited at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, 40460 Kota Kemuning, Shah Alam, Selangor Darul Ehsan.

(ii) By Electronic Means

The Proxy Form can be electronically submitted via https://www.symphonycorporateservices.com.my (Domain Registration No. D1C534619-MYNIC).

*(viii) Please ensure **ALL** the particulars as required in the Proxy Form are completed, signed and dated accordingly.*

(ix) Last date and time for lodging the proxy form is Sunday, 28 June 2026 at 10:00 a.m..

(x) Pursuant to Rule 8.31A(1) of the AMLR of Bursa Securities, all the resolutions set out in this Notice of 6th AGM will be put to vote by poll.

(xi) 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 6th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.

(xii) Those Proxy Forms which are indicated with "√" in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the Proxy Form must be initialed.

(xiii) 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 administration of the 6th AGM.

Personal Data Privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 6th AGM 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 the 6th AGM dated 30 April 2026.

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AFFIX STAMP

The Share Registrar of
NESTCON BERHAD [Registration No. 202001008684 (1365004-W)]
c/o: **SYMPHONY CORPORATE SERVICES SDN BHD**
S-4-04, The Gamuda Biz Suites,
Jalan Anggerik Vanilla 31/99,
Kota Kemuning,
40460 Shah Alam, Selangor.

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NESTCON BERHAD
[Registration No. 202001008684 (1365004-W)]

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