



NESTCON BERHAD
(Registration No. 202001008684 (1365004-W))



ANNUAL REPORT 2024



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 Builders	Nestcon Builders Sdn Bhd
Nestcon Floatovoltaics	Nestcon Floatovoltaics Sdn Bhd
Nestcon Infra	Nestcon Infra Sdn Bhd
Nestcon KSJ Ventures	Nestcon KSJ Ventures Sdn Bhd
Nestcon PJS	Nestcon PJS Sdn Bhd
Nestcon Property	Nestcon Property Sdn Bhd (formerly known as Nestcon Development 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
General	
AMLR	ACE Market Listing Requirements
ABC Policy	Anti-Bribery and Corruption Policy
AC	Audit Committee
AC Report	Audit Committee Report
AFWB Policy	Anti-Fraud and Whistleblowing Policy
AGM	Annual General Meeting
Board	Board of Directors of Nestcon
Bursa Securities	Bursa Malaysia Securities Berhad
The Act	Companies Act 2016
CAGR	Compound annual growth rate
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
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

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	
EPS	Earnings per share
ESG	Environment, Social and Governance
FYE	Financial year ended/ending 31 December
G7	Grade 7
GBI	Green Building Index
GDP	Gross domestic product
GL	Gross loss
GMD	Group Managing Director
GP	Gross profit
GreenRE	Green Real Estate
HOD	Head of Departments
HR	Human Resources
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 for 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
LSSPV	Large scale solar PV
MASB	Malaysian Accounting Standards Board
MACC	Malaysian Anti-Corruption Commission (Amendment) Act 2018
MBAM	Master Builders Association Malaysia
MCCG	Malaysian Code on Corporate Governance
MFRS	Malaysian Financial Reporting Standards
MIA	Malaysian Institute of Accountants
MRT	Mass Rapid Transit
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
OHSAS	Occupational Health and Safety Assessment Series

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	
OHSMS	Occupational Health and Safety Management System
OSH	Occupational Safety and Health
OSHA	Occupational Safety and Health Administration
OSHC	Occupational Safety and Health Conference
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
RPV	Remote participation and voting
SEDA	Sustainable Energy Development Authority
SMGCPV	SEDA Malaysia Grid-Connected PV
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
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

OBLE Honorable and ethical at all times

E

XCELLENCE Strike for quality and superiority

S

ATISFACTION Strike for clients and customers' satisfaction

T

RUSTWORTHY Exhibit integrity and honesty

C

OMMITMENT Dedicated to the success of our clients and customers

O

PTIMISTIC Be positive in all we do

N

ETWORK Maintain respectful relations with clients and customers

CORPORATE INFORMATION

BOARD OF DIRECTORS

MOHD NOOR BIN SETAPAIndependent 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 JALILIndependent 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**

NOMINATING 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

Website : www.nestcon.my

Email address : ir@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

SHARE REGISTRAR

Symphony Corporate Services Sdn
Bhd

[Registration No. 201201037454 (1021936-V)]

S-4-04, The Gamuda Biz Suites

Jalan Anggerik Vanilla 31/99

40460 Kota Kemuning

Shah Alam, Selangor

Tel : 6016-439 7718

Fax : 603-5131 9134

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia

Securities Berhad

Stock Name : NESTCON

Stock Code : 0235

Sector : Construction

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 Petaling Jaya, Selangor

Tel : 603-7491 4419

Fax : 603-7481 4288

SPONSOR

M & A Securities Sdn Bhd

[Registration No. 197301001503 (15017-H)]

45-11, The Boulevard

Mid Valley City

Lingkaran Syed Putra

59200 Kuala Lumpur

Tel : 603-2284 2911

Fax : 603-2284 2718

CORPORATE STRUCTURE

AS AT 31 DECEMBER 2024



NESTCON BERHAD

Registration No. 202001008684 (1365004-W)



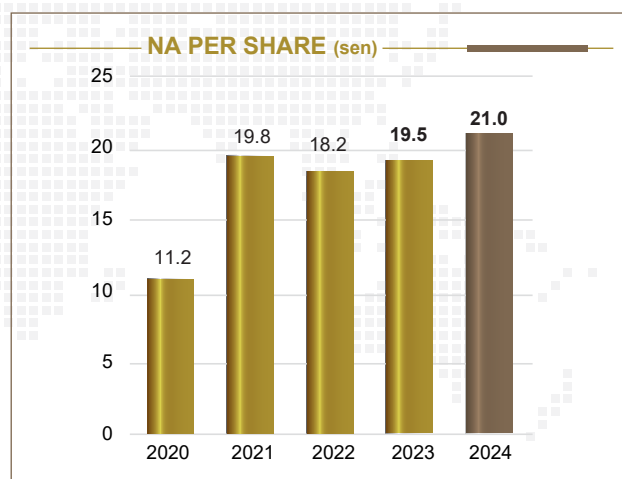
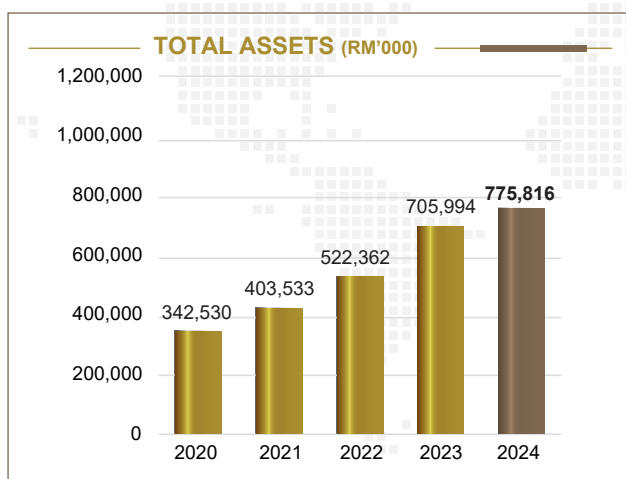
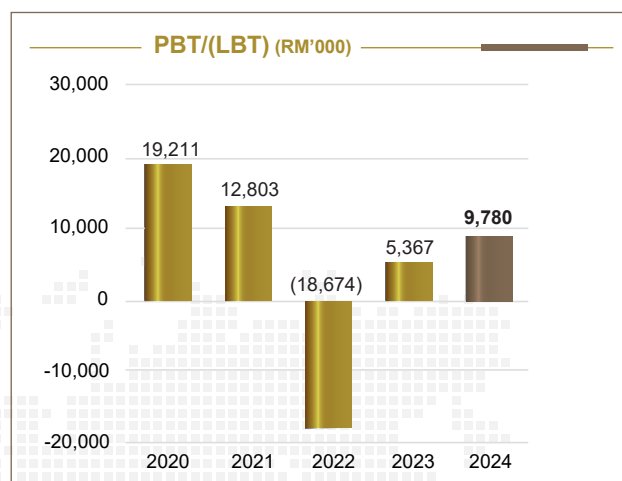
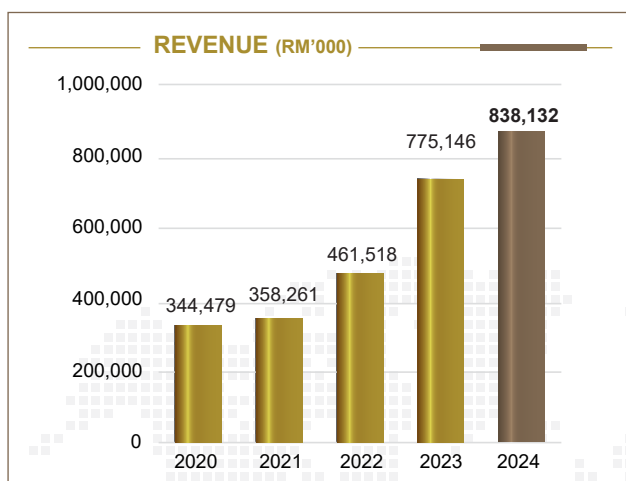
FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December	⁽¹⁾ 2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
FINANCIAL RESULTS					
Revenue	344,479	358,261	461,518	775,146	838,132
GP/(GL)	33,283	28,522	(407)	28,314	38,841
PBT/(LBT)	19,211	12,803	(18,674)	5,367	9,780
PAT/(LAT)	14,301	12,211	(15,560)	3,901	6,467
Net profit/(loss) attributable to the Owners of the Company	14,301	12,211	(15,348)	3,492	7,859
FINANCIAL POSITION					
Non-current assets	106,969	65,071	89,913	95,216	102,050
Current assets	235,561	338,462	432,449	610,778	673,766
Total assets	342,530	403,533	522,362	705,994	775,816
Non-current liabilities	36,145	13,356	38,891	43,224	44,498
Current liabilities	234,140	262,636	361,448	529,781	580,972
Total liabilities	270,285	275,992	400,339	573,005	625,470
Total equity	72,245	127,541	122,023	132,989	150,346
Number of ordinary shares ('000)	643,822	643,822	669,072	682,072	714,704
FINANCIAL RATIOS					
Basic EPS/(LPS) (sen) ⁽²⁾	2.22	1.90	(2.29)	0.51	1.10
NA per share (sen) ⁽²⁾	11.22	19.81	18.24	19.50	21.04

Notes:

⁽¹⁾ Based on the combined financial information as disclosed in our prospectus dated 8 June 2021.

⁽²⁾ Calculated based on the Company's number of ordinary shares as at respective financial year end.



MANAGEMENT DISCUSSION AND ANALYSIS



OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Nestcon stands as one of the prominent construction group of companies, renowned for delivering world-class, sustainable and innovative urban development solutions. With more than 15 years of experience in the industry, the Group specialises in civil engineering and infrastructure projects with core expertise in earthworks, land reclamation, roadworks, railway and bridge infrastructure, as well as building construction projects including residential, commercial and industrial properties.

The Group's key subsidiaries, namely Nestcon Infra and Nestcon Builders, are registered as G7 contractors with CIDB, enabling the Group to undertake construction projects with unlimited project size and value across Malaysia, including government projects.

Beyond construction, Nestcon is also actively growing its presence in the renewable energy industry. The Company had on 30 May 2024 obtained shareholders' approval to officially diversify into the EPCC of solar PV systems, project management of renewable energy activities as well as owning and operating solar PV assets in Malaysia. The Group currently offers EPCC services for solar PV systems to residential, commercial and industrial customers. With shareholders' approval, the Group is now expanding its footprint by tapping into the public sector and solar PV plants, particularly government-owned office buildings and LSSPV projects. Nestcon's EPCC arm, Nestcon Solar is also registered as G7 contractors with CIDB.

Completed Contracts

During FYE 2024, the Group has completed a total of twenty-five (25) contracts with a total contract value of RM716.74 million. This comprises RM320.64 million from two (2) contracts in Building Construction division, RM378.02 million from eleven (11) contracts in Civil Engineering and Infrastructure division and RM18.08 million from twelve (12) contracts in Renewable Energy division.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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

Completed Contracts (Cont'd)

Some of our key completed contracts during FYE 2024 are as follows:

Business Division	Contract Details	Contract Value (RM'000)
Building Construction	<ul style="list-style-type: none"> Kuchai Sentral Residence (Phase 1) <p>Construction of a mixed development comprising one (1) block of 39-storey serviced apartments (408 units) and one (1) block of 43-storey serviced apartments (526 units) with other relevant facilities located at Mukim Petaling, Kuala Lumpur.</p>	225,122
	<ul style="list-style-type: none"> Nest 2 Residence (Phase 2) <p>Construction of one (1) block of 37-storey mixed development comprising serviced apartments (346 units), hotel suites (72 units) and 3 levels of shop offices with other relevant facilities located at Mukim Petaling, Kuala Lumpur.</p>	95,517
Civil Engineering and Infrastructure	<ul style="list-style-type: none"> Site clearance and embankment earthwork with all associated works for Gemas-Johor Bahru Electrified Double-Tracking Project sub-section 5.1. 	114,000
	<ul style="list-style-type: none"> Site clearance and embankment earthwork with all associated works for Gemas-Johor Bahru Electrified Double-Tracking Project section 4. 	84,000
	<ul style="list-style-type: none"> Earthworks and drainage work for bridge crossing and link road located at Mukim Pulai, Johor. 	26,000

Since FYE 2021, our Renewable Energy division has been engaged in the EPCC of solar PV systems and investment in solar PV assets. With shareholders' approval obtained in May 2024, we have officially diversified into the renewable energy sector, expanding our scope to include not only the EPCC of solar PV systems but also renewable energy project management, along with the ownership and operation of solar PV assets. This strategic expansion reinforces our future earnings potential and establish a solid foundation for long-term growth.

During FYE 2024, we completed twelve (12) contracts with a total contract value of RM18.08 million. Looking ahead, we are committed to broadening our footprint in the renewable energy sector by leveraging on technological advancements and capturing new market opportunities.



Kuchai Sentral Residence @ Kuchai Lama



Nest 2 Residence @ Jalan Puchong

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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

Ongoing Contracts

As at 31 December 2024, we have 57 ongoing contracts with a total contract value of RM3.07 billion and unbilled order book of RM1.56 billion as follows:

Business Division	No. of Contract	Total Contract Value (RM'000)	Unbilled Amount (RM'000)
Building Construction	12	2,103,373	977,063
Civil Engineering and Infrastructure	19	887,623	517,151
Renewable Energy	26	79,457	70,435
Total	57	3,070,453	1,564,649

These ongoing contracts are set for completion over the next one (1) to four (4) financial years. With a strong unbilled order book, the Group anticipates positive contributions to its financial results in the years ahead.

Some of the key ongoing contracts during FYE 2024 are as follows:

Business Division	Contract Details	Estimated Completion Date
Building Construction	<ul style="list-style-type: none"> Arte Solaris Residence Construction of one (1) block of 52-storey mixed development comprising office suites and serviced apartments located at Mukim Batu, Kuala Lumpur. 	February 2026
	<ul style="list-style-type: none"> Hugoz Suites Earthworks, foundation, sub-structure, main building and infrastructure works for the construction of a 46-storey mixed development comprising serviced apartments (320 units) and strata office (354 units) with other relevant facilities located at Bandar Kuala Lumpur, Kuala Lumpur. 	June 2026
	<ul style="list-style-type: none"> Kuchai Sentral Residence (Phase 2) Construction of a mixed development comprising one (1) block of 30-storey serviced apartments (408 units) and one (1) block of 34-storey serviced apartments (526 units) with other relevant facilities located at Mukim Petaling, Kuala Lumpur. 	November 2026
Civil Engineering and Infrastructure	<ul style="list-style-type: none"> Earthworks and main infrastructure work for Wawari Phase 1 Township Development at Mukim Pulau, Johor Bahru. 	November 2025
	<ul style="list-style-type: none"> Rock blasting and other general works at Damansara Perdana, Mukim Sungai Buloh, Selangor. 	November 2025
	<ul style="list-style-type: none"> Civil and associated works for Nenggiri Hydroelectric Project at Mukim Ulu Nenggiri in the Southern District of Gua Musang, Kelantan. 	April 2026
Renewable Energy	<ul style="list-style-type: none"> Design, engineering, procurement, construction, installation, testing and commissioning for the development of Selco solar PV plant at Sungai Selangor. 	September 2025
	<ul style="list-style-type: none"> Design, engineering, procurement, construction, installation, testing and commissioning for the development of 15MWp floating solar plant at Tanjung Dua Belas, Kuala Langat. 	November 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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

Ongoing Contracts (Cont'd)



Arte Solaris Residence



HugoZ Suites @ Jalan Yap Kwan Seng

Tender Books

As at 31 December 2024, we have 58 pending tenders awaiting award/decision for our various business division, with a total tender value of RM4.29 billion, as detailed below:

Business Division	Number of Tenders	Tender Sum (RM'000)
Building Construction	7	1,442,285
Civil Engineering and Infrastructure	35	2,827,934
Renewable Energy	16	24,576
Total	58	4,294,795

FINANCIAL REVIEW

Financial Performance Review

	FYE 2024	FYE 2023	Variance	
	RM'000	RM'000	RM'000	%
Financial Indicators				
Revenue	838,132	775,146	62,986	8.1
GP	38,841	28,314	10,527	37.2
PBT	9,780	5,367	4,413	82.2
PAT	6,467	3,901	2,566	65.8
Financial Ratios				
GP margin (%)	4.6	3.7		0.9
PBT margin (%)	1.2	0.7		0.5
PAT margin (%)	0.8	0.5		0.3

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

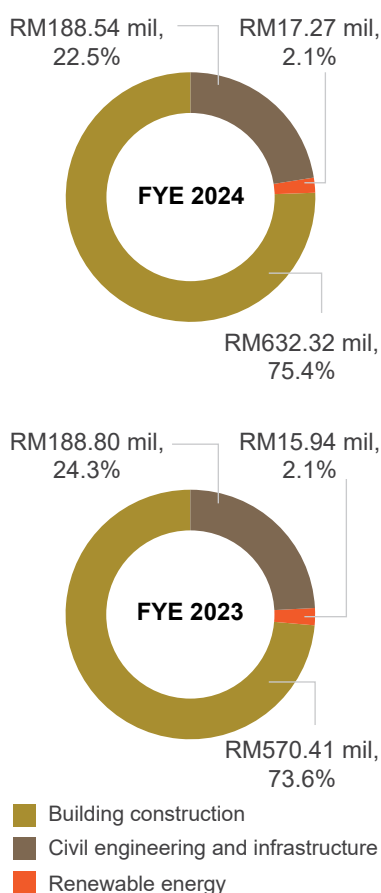
FINANCIAL REVIEW (CONT'D)

Financial Performance Review
(Cont'd)

Revenue

The Group achieved a historic record-high revenue, with an increase of RM62.98 million or 8.1% from RM775.15 million in FYE 2023 to RM838.13 million in FYE 2024. This growth was primarily driven by the Building Construction division, which contributed an additional RM61.91 million during the financial year.

Our revenue segmentation by business division for FYE 2024 and FYE 2023 are as follows:

Revenue by Business Division

The Building Construction division remained as our primary revenue contributor, contributing RM632.32 million or 75.4% of the Group's total revenue in FYE 2024, which represents a 10.9% increase compared to FYE 2023. The increase in revenue was primarily driven by higher construction progress on ongoing contracts such as D'Ivo Residence, D'Clover Residences, Hugoz Suites, Arte Solaris Residence, Nestree Residence and Alamanda Residence. Additionally, the commencement of new contracts including Kuchai Sentral Residence (Phase 2) and Kyliez Suites, further boosted our revenue.

Our Civil Engineering and Infrastructure division followed, generating RM188.54 million or 22.5% of the Group's total revenue in FYE 2024, remaining relatively stable compared to RM188.80 million recorded in FYE 2023. While we completed more projects this year, we also secured several new contracts during FYE 2024, including earthworks and main infrastructure works for Wawari Phase 1 Township Development in Johor, as well as earthworks, soil improvement and other associated works for a development in Kota Seri Langat, Selangor.

The Group's Renewable Energy division remained as our smallest revenue contributor, recording a slight increase of RM1.33 million or 8.3% from RM15.94 million in FYE 2023 to RM17.27 million in FYE 2024. This growth was mainly attributed to a higher number of secured and completed contracts during the financial year.

GP and GP Margin

In tandem with overall revenue growth, the Group's GP increased by RM10.53 million or 37.2% from RM28.31 million in FYE 2023 to RM38.84 million in FYE 2024. Our GP margin also improved by 0.9% from 3.7% in FYE 2023 to 4.6% in FYE 2024. This improvement was primarily driven by higher profitability in our Civil Engineering and Infrastructure division, as well as the Renewable Energy division. The increase in profitability was largely attributed to the implementation of stringent cost control measures across our operations, including close monitoring of material prices and fostering strong relationship with suppliers to ensure a stable and cost-effective supply chain.

PBT and PBT Margin

Aligned with the growth in our GP and GP margin, the Group recorded a higher PBT of RM9.78 million with a PBT margin of 1.2% in FYE 2024, compared to RM5.37 million and a PBT margin of 0.7% in FYE 2023. However, this increase was partially offset by higher administrative expenses and finance costs associated with increased headcount, professional fees, and the utilisation of banking facilities for newly secured and commenced contracts during FYE 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW (CONT'D)

Financial Position Review

	31.12.2024	31.12.2023	Variance	
	RM'000	RM'000	RM'000	%
Non-current assets	102,050	95,216	6,834	7.2
Current assets	673,766	610,778	62,988	10.3
Total assets	775,816	705,994	69,822	9.9
Non-current liabilities	44,498	43,224	1,274	2.9
Current liabilities	580,972	529,781	51,191	9.7
Total liabilities	625,470	573,005	52,465	9.2
Total equity/ NA	150,346	132,989	17,357	13.1
Financial Ratio				
NA per share (RM)	0.21	0.19	0.02	10.5
Current ratio (times)	1.16	1.15	0.01	0.9
Gearing ratio (times)	1.63	1.78	(0.15)	(8.4)

The Group recorded an increase in total assets by RM69.83 million or 9.9% from RM705.99 million as at 31 December 2023 to RM775.82 million as at 31 December 2024. The increase was primarily due to the increase in current assets by RM62.99 million, which included a RM24.64 million increase in cash and bank balances, along with fixed deposits with licensed banks, and a RM15.15 million increase in contract assets. The latter was due to timing difference between revenue recognition based on cost incurred method and the issuance of certified progress billings to clients.

On the other hand, the Group's total liabilities increased by RM52.46 million or 9.2% from RM573.01 million as at 31 December 2023 to RM625.47 million as at 31 December 2024. The increase was mainly due to the increase in current liabilities by RM51.19 million, which included a RM29.01 million increase in trade payables, in line with higher construction activities during FYE 2024, and a RM7.81 million increase in our borrowings, which largely attributed to higher drawdowns of factoring payable and finance leases for machineries and motor vehicles.

Overall, the Group recorded a stronger NA position of RM150.35 million with NA per share of RM0.21 as at 31 December 2024, compared to RM132.99 million and NA per share of RM0.19 as at 31 December 2023. Meanwhile, the Group maintained a stable current ratio at 1.16 times and achieved a slight improvement in the gearing ratio to 1.63 times as at 31 December 2024, primarily due to an increase in share capital and retained earnings in FYE 2024.

Cash Flow Review

	FYE 2024	FYE 2023
	RM'000	RM'000
Net cash generated from/(used in) operating activities	48,142	(18,429)
Net cash used in investing activities	(2,732)	(1,316)
Net cash used in financing activities	(23,314)	(7,792)
Net increase/(decrease) in cash and cash equivalents	22,096	(27,537)
Cash and cash equivalents at the beginning of financial year	(495)	27,042
Cash and cash equivalents at the end of financial year	21,601	(495)

In FYE 2024, the Group generated a net cash from operating activities of RM48.14 million, reflecting a significant improvement compared to the net cash used in operating activities of RM18.43 million in FYE 2023. This positive turnaround was primarily driven by higher PBT and improved collections from clients during FYE 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW (CONT'D)

Cash Flow Review (Cont'd)

Meanwhile, the Group's net cash used in investing activities amounted to RM2.73 million in FYE 2024, primarily due to the purchase of property, plant and equipment totalling RM3.28 million, which included building equipment, machineries and motor vehicles to support the Group's increased construction activities during the year.

The Group's net cash used in financing activities amounted to RM23.31 million in FYE 2024, mainly due to interest payments of RM15.16 million, the placement of pledged fixed deposits with licensed banks amounting to RM12.29 million, net repayment of lease liabilities of RM9.31 million and net movement in restricted cash at licensed banks of RM5.48 million. However, the increase in net cash used in financing activities was partially offset by proceeds from the issuance of shares amounting to RM10.89 million and a net drawdown of bank borrowings of RM6.86 million.

CAPITAL STRUCTURE, RESOURCES AND EXPENDITURE

As at 31 December 2024, the Company's share capital increased to RM126.48 million, consisting of 714,704,000 ordinary shares with a NA per share of RM0.21.

The Group finances its operations through cash generated from operations, available cash and bank balances, credit extended by suppliers and banking facilities secured from financial institutions. Our facilities from financial institutions comprise of term loans, bank overdrafts, factoring payable, invoice financing, banker's acceptance, revolving credits and finance lease.

In FYE 2024, the Group allocated a total of RM25.87 million for capital expenditure purposes, as detailed below:

Capital Expenditure	RM'000
Land and buildings	449
Building equipment	12,005
Computer and software	226
Furniture and fittings	2
Machinery	8,898
Motor vehicles	2,073
Office equipment	49
Tools and equipment	367
Solar assets	1,795
Solar assets under construction	9
Total	25,873

Approximately 46.4% of the total capital expenditure was allocated for the purchase of building equipment, including aluminium formwork, self-climbing protection platform and Plytec Wonder Crab Lock modular shoring system. The Group also invested in machineries, such as mining dump trucks, retractable loading platform, excavator, compactor and bulldozer. Furthermore, 28 motor vehicles were acquired during the year.

As at 31 December 2024, the Group's capital commitment is as follows:

Capital Commitment	RM'000
Approved and contracted for:	
- Purchase of property, plant and equipment	3,815

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

ANTICIPATED AND KNOWN RISKS

Construction Materials Supply Risk

The Group is responsible for procuring construction materials as part of its project contractual obligations. However, material prices are generally based on prevailing market conditions at the time of securing project, making them highly sensitive to price fluctuations. The risk of cost volatility and potential supply shortages in obtaining adequate quantities at competitive prices, may result in increased project costs, delays in project execution and reduced profitability.

In order to minimise our exposure to the fluctuation of material cost, the Group has established strong relationship with trusted suppliers, ensuring a consistent supply of raw materials at competitive prices. Furthermore, the Group emphasises differentiation through exceptional service quality, value engineering and innovative solutions. In recent years, an increasing number of clients have adopted risk-sharing arrangements, including pegging the price of key construction materials to achieve more competitive contract offers. This collaborative approach helps mitigate the impact of price fluctuations, ensuring cost stability while enhancing the overall competitiveness of project.

Manpower Supply Risk

The Group's operations depend heavily on a steady workforce supply, particularly foreign labour. Any manpower shortage could severely disrupt business operations and result in substantial financial losses.

In order to address the reliance on foreign workers, the Group has implemented IBS technology, minimising the need for semi-skilled and unskilled labour while enhancing productivity and construction quality. Additionally, we are dedicated to increasing the employment of local workers to enhance regional productivity. This effort includes refining our recruitment and retention strategies and improving the work environment to facilitate the upskilling of local employees.

Competition Risk

Construction industry is highly competitive as market players striving to outperform one another based on factors such as quality, reputation, experience, pricing and technical expertise. The Group encounters competition from both local and international construction firms, including both listed and non-listed companies. Ineffective competition could have a significant impact the Group's overall performance.

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

- (a) to continuously evaluate existing and potential target markets to secure contracts with satisfactory terms and conditions;
- (b) to monitor developments within our core industry and related sectors to identify opportunities and propose cost-effective methodologies that provide significant value over competitors;
- (c) to establish bid review processes with clear and well-defined criteria to improve the likelihood of securing contracts;
- (d) to differentiate our offerings by delivering exceptional service quality, value engineering and innovative solutions, tailored to client needs while maintaining a thorough understanding of competitor strategies;
- (e) to conduct annual efficiency and improvement programs to strengthen competitiveness and adapt to evolving market conditions; and
- (f) to anticipate industry trends and consistently enhance all aspects of our business so as to drive sustainable growth through acquisitions, joint ventures, new service offerings, geographic expansion and other industry-specific strategies.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

ANTICIPATED AND KNOWN RISKS (CONT'D)

Industry Risk

The Group's operations are closely tied to Malaysia's property development industry, with the majority of its clients being local property developers. Furthermore, the revenue of the Group's Civil Engineering and Infrastructure division largely depends on government infrastructure expenditure. As such, any unfavourable changes in government policies concerning the property sector or infrastructure spending could negatively impact the Group's profitability.

To mitigate this risk, the Group is prioritising diversification strategies aimed at growth and effective risk management. A key initiative is expanding into the renewable energy sector, which is envisioned to become one of the Group's core businesses. Meanwhile, the Group continues to anticipate construction opportunities from major infrastructure projects such as the ECRL, Central Spine Road in East Coast, MRT Sungai Buloh-Serdang-Putrajaya Line, LRT Line 3 in Klang Valley, as well as the Pan Borneo Highway in Sabah and the Johor-Singapore Rapid Transit System Link.

Health and Safety Risk

The construction industry is inherently prone to have higher health risks and hazards. Any health and safety incidents occurring at project sites have the potential to disrupt business operations, leading to project delays and exposing the Group to additional costs from such delays and potential damages.

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

- (a) adopted management systems aligned with the ISO 45001 standards;
- (b) to have a Board-led commitment to maintain a zero-accident workplace;
- (c) to demonstrate visible management dedication through safety tours, audits and action groups; and
- (d) to conduct comprehensive mandatory training programmes to ensure employees fully understand and adhere to safety policies and requirements.

FUTURE PROSPECT AND OUTLOOK

Moving into 2025, both local and global economies remain susceptible to uncertainties stemming from ongoing conflicts in Ukraine and Gaza, as well as economic downturns, inflationary pressures and a recessionary backdrop. Nevertheless, Bank Negara Malaysia projects GDP growth of 4.5% to 5.5% while the Ministry of Finance forecasts the construction sector to grow by 9.4% in 2025, primarily driven by the acceleration of key infrastructure projects.

The construction industry in Malaysia faces significant challenges, particularly due to rising costs of construction materials and labour. Under Budget 2025, the government has announced an adjustment to the minimum wage, increasing from RM1,500 to RM1,700, effective 1 February 2025. This adjustment poses important considerations for our cost structure, as the anticipated increase in labour cost will likely elevate operational expenses, especially in labour-intensive sectors like construction. Furthermore, the removal of diesel subsidies and the imposition of service tax on logistics may place upward pressure on raw material costs, while ongoing supply chain disruptions could further impact profitability. To address these challenges and maintain our competitive edge, the Group remains committed to implementing prudent strategies, executing proactive cost management across operations and exploring innovative solutions. These efforts will enable us to adapt to economic shifts and ensure sustainable growth in the evolving market landscape.

In the Economic Outlook 2025, the residential buildings subsector is anticipated to witness considerable growth, propelled by sustained demand for affordable housing, as highlighted in the Ekonomi MADANI framework. This initiative underscores the government's commitment to addressing housing needs, which is expected to encourage further investment in residential projects. Additionally, the private sector is expected to play a crucial role in driving growth by launching new developments to fulfil the rising demand. As a result, the residential buildings subsector will be instrumental in fostering overall economic growth and creating valuable opportunities for the Group to strengthen its portfolio within this promising market segment.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FUTURE PROSPECT AND OUTLOOK (CONT'D)

On the other hand, the government is actively driving the transition to renewable energy. In this aspect, the NETR sets an ambitious target to increase the renewable energy adoption in Malaysia from 4.0% of Malaysia's total primary energy supply in 2023 to 23.0% by 2050, with a strong emphasis on solar PV expansion. To support this growth, the government has introduced various incentives, such as the NEM programme, LSSPV programme, CGPP, Green Investment Tax Allowance, Green Income Tax Exemption and the Green Technology Financing Scheme. According to the International Renewable Energy Agency, Malaysia's solar PV installed capacity has demonstrated robust growth, expanding at a CAGR of 29.3% from 894 MW in 2019 to 1,933 MW in 2022, and is projected to reach 8,390 MW by 2027. Given this momentum, diversifying into the renewable energy sector presents a compelling opportunity for the Group to enhance its revenue and profitability. By leveraging on our expertise in construction and infrastructure, the Group is well positioned to capitalise on the government-driven initiatives and emerging opportunities within the solar sector, further strengthening its income stream.

Looking ahead, the Group will prioritise service quality and operational efficiency to maintain its competitiveness and sustainability commitments. By leveraging government initiatives, the Group aims to strengthen its business and financial position through the pursuit of projects in building construction, civil engineering and infrastructure as well as renewable energy. With an unbilled order book of approximately RM1.56 billion, the Group remains cautiously optimistic about achieving improved financial performance in the years to come.

DIVIDEND

No dividends were declared or paid in FYE 2024 as the Company is currently focusing on enhancing its business operations to ensure long-term sustainable growth.

The Company currently does not have any formal dividend policy. Any recommendation or declaration of dividends is at the Board's discretion and will depend on several factors, including operating cash flow, capital expenditure needs, financial performance and other relevant considerations determined by the Board.



BOARD OF DIRECTORS



EN. MOHD NOOR BIN SETAPA
INDEPENDENT NON-EXECUTIVE CHAIRMAN

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 2024

No

Board meetings attended in FYE 2024

5/5

MOHD NOOR BIN SETAPA, a Malaysian male aged 61, is our Independent Non-Executive Chairman. He 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)



DATUK IR. DR. LIM JEE GIN
GROUP MANAGING DIRECTOR

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 69 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 2024

No

Board meetings attended in FYE 2024

5/5

DATUK IR. DR. LIM JEE GIN, a Malaysian male aged 51, is our GMD. He was the first Director of our Company since inception. He is a member of our Sustainability and Risk Management Committee. 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 Practising 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.

BOARD OF DIRECTORS (CONT'D)

**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 2024

No

Board meetings attended in FYE 2024

5/5

ONG YONG CHUAN, a Malaysian male aged 50, is our ED. He 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 where he is responsible for Nestcon Builders' business strategies and business development activities. He also oversees the Company's building construction projects.

BOARD OF DIRECTORS (CONT'D)



LIM JOO SENG, a Malaysian female aged 51, is our Finance Director. She 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.

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 2024

No

Board meetings attended in FYE 2024

5/5

BOARD OF DIRECTORS (CONT'D)



EN. NOR AZZAM BIN ABDUL JALIL
INDEPENDENT NON-EXECUTIVE DIRECTOR

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 2024

No

Board meetings attended in FYE 2024

5/5

NOR AZZAM BIN ABDUL JALIL, a Malaysian male aged 60, is our INED. He was appointed to our Board on 26 August 2020, and is also 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)



YEOH SHEONG LEE, a Malaysian male aged 51, is our INED. He was appointed to our Board on 26 August 2020 and serves as 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 Main 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 2024

No

Board meetings attended in FYE 2024

5/5

BOARD OF DIRECTORS (CONT'D)



**PUAN ROSLINDA BINTI AWANG @
MAT YAZID**

INDEPENDENT NON-EXECUTIVE DIRECTOR

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 2024

No

Board meetings attended in FYE 2024

5/5

ROSLINDA BINTI AWANG @ MAT YAZID, a Malaysian female aged 54, is our INED. She 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.

PROFILES OF KEY SENIOR MANAGEMENT

MR. YEE CHEE SING

PROJECT DIRECTOR - CIVIL ENGINEERING
AND INFRASTRUCTURE DIVISION

YEE CHEE SING, a Malaysian male aged 44, is Project Director in our Civil Engineering and Infrastructure Division. He 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 2024

No

MR. LAU HOE CHEONG

GENERAL MANAGER OF TENDER AND
CONTRACTS - CIVIL ENGINEERING AND
INFRASTRUCTURE DIVISION

LAU HOE CHEONG, a Malaysian male aged 50, is the General Manager of Tender and Contracts in our Civil Engineering and Infrastructure Division. He 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 2024

No

PROFILES OF KEY SENIOR MANAGEMENT (CONT'D)

MR. KHOO CHUN HOW
 GENERAL MANAGER OF TENDER AND
 CONTRACTS - BUILDING DIVISION

KHOO CHUN HOW, a Malaysian male aged 44, is the General Manager of Tender and Contracts in our Building Division. He 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. He was promoted to his current position in 2022.

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 2024
No

MR. LIM KIE NYAP
 GENERAL MANAGER OF PROJECT
 - BUILDING DIVISION

LIM KIE NYAP, a Malaysian male aged 51, is the General Manager of Project in our Building Division. He 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. He was promoted to his current position in 2022.

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 2024
No

PROFILES OF KEY SENIOR MANAGEMENT (CONT'D)



WONG WAI PENG, a Malaysian female aged 51, is our Group Senior Finance Manager. She 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 2024

No

SUSTAINABILITY STATEMENT

We do more than **BUILD**.
We build **INTEGRITY**.

We **CONNECT** more than just structure.
We connect **COMMUNITIES**.

Construction is more than just erecting buildings and infrastructure; it shapes the way people live, work and connect. Traditionally seen as resource-intensive with high carbon emissions, the construction industry is now undergoing a transformation, proving that large-scale development and sustainability can go hand in hand. With growing emphasis on environmental responsibility, the industry plays a crucial role in building a greener and more resilient future.

From green buildings that reduce energy consumption to renewable energy projects that empower communities, the construction industry is evolving beyond just laying bricks. Aside from using eco-friendly construction materials, sustainability in the construction industry involves minimising waste, optimising resources and integrating technology to ensure development and environmental responsibility progress together.

Nestcon is committed to this transformation, and thus striving to embed sustainability consideration into every aspect of our construction projects. We recognise that the future is not only about what we build but how we build it.

To this end, the Board is pleased to present Nestcon's Sustainability Statement for FYE 2024, highlighting our initiatives and performance in addressing sustainability risks and opportunities within the context of EESG.

SCOPE AND REPORTING PERIOD

This Sustainability Statement provides an overview of the Group's sustainability strategies and achievements across our Building Construction, Civil Engineering and Infrastructure as well as Renewable Energy divisions, all within Malaysia for the period from 1 January 2024 to 31 December 2024, unless otherwise specified.

BASIS OF PREPARATION

This Sustainability Statement was prepared based on all available internal information in accordance with AMLR of Bursa Securities relating to sustainability statement and its Sustainability Reporting Guide 3rd Edition. We have also made reference to the UNSDG as a guideline in mapping our material sustainability matters and developing our sustainability strategies.

MATERIAL MATTERS ASSESSMENT

During FYE 2024, we reassessed, identified and prioritised a list of material sustainability matters, considering both sustainability risks and opportunities which are relevant to the Group and various stakeholders. Further details are stipulated in the Material Matters Matrix within this Sustainability Statement.





FEEDBACK

We welcome all stakeholders' feedback on this Sustainability Statement and/or other aspects of our sustainability management, as we strive for continuous improvement in our sustainability practices and reporting standards. All relevant comments, inquiries or suggestions can be directed to ir@nestcon.my.

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY COMMITMENT

Nestcon is committed to delivering long-term value to our stakeholders by embedding sustainability practices across every aspect of our operations. Guided by the EESG pillars, our sustainability management is structured into four (4) focus areas, namely Marketplace, Environment, Community and Workplace. These focus areas serve as the foundation for our sustainability commitments, driving our initiatives to create long-term value for our stakeholders.

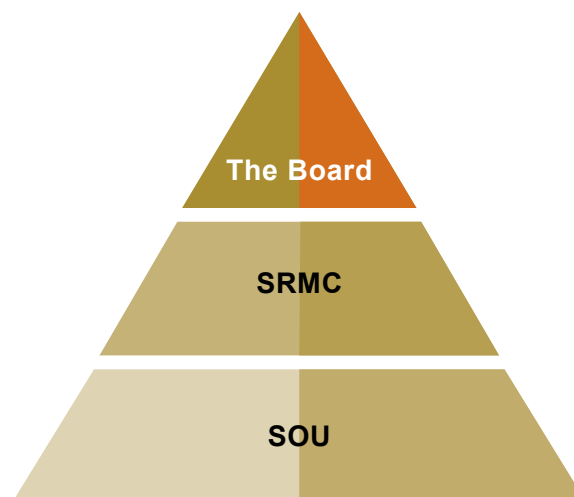
			
Marketplace	Environment	Community	Workplace
We create sustainable value for all stakeholders by growing our business while upholding robust corporate governance through effective policies, procedures and risk management.	We ensure full compliance with all applicable environmental laws and regulations through our comprehensive environmental management programme and industry best practices.	We shape a brighter future for our local community through meaningful collaborations and engagements that enhance its well-being.	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 STRUCTURE

At Nestcon, sustainability is not just a commitment but a core element woven into the fabric of our organisation. To ensure that sustainability principles are seamlessly integrated into our operations, we have established a well-defined governance structure to drive meaningful sustainability impact and long-term success.

Central to our sustainability governance structure is the leadership of our Board, who holds the ultimate accountability for the Group's overall sustainability management. In particular, the Board is responsible to review and approve the Group's strategic plan, ensuring that it aligns with the Group's sustainability objectives and long-term value creation to the stakeholders.

To support an effective discharge of responsibilities, the SRMC is empowered to oversee the Group's sustainability risks and opportunities as part of the Group's overall risk management strategy. In this regard, the SRMC is tasked to integrate sustainability considerations into the Group's risk management framework, ensure an effective implementation of sustainability strategies as well as to provide periodic updates to the Board on the Group's key sustainability matters and developments.



At the operational level, the SOU plays a key role in identifying, assessing and addressing sustainability matters across the Group. In this aspect, the SOU is responsible to engage with stakeholders, conduct material matters assessments and drive sustainability initiatives in our daily operations. To maintain oversight and alignment, the SOU reports to the SRMC on a semi-annual basis, ensuring continuous progress towards the Group's sustainability objectives.

SUSTAINABILITY STATEMENT (CONT'D)

ENGAGEMENT WITH STAKEHOLDERS

Effective stakeholder engagement is a cornerstone of the Group's sustainability management, enabling us to align our business strategies with various stakeholders' expectations while driving long-term value creation. By actively engaging our stakeholders, we are able to gain valuable insights into their needs, concerns and expectations.

In today's dynamic business landscape, fulfilling every stakeholder's expectation may be challenging, but we remain committed to fostering mutual benefits and strengthening relationships built on trust and transparency. In FYE 2024, we continue to engage our stakeholders through various formal and informal channels, as tabled below:

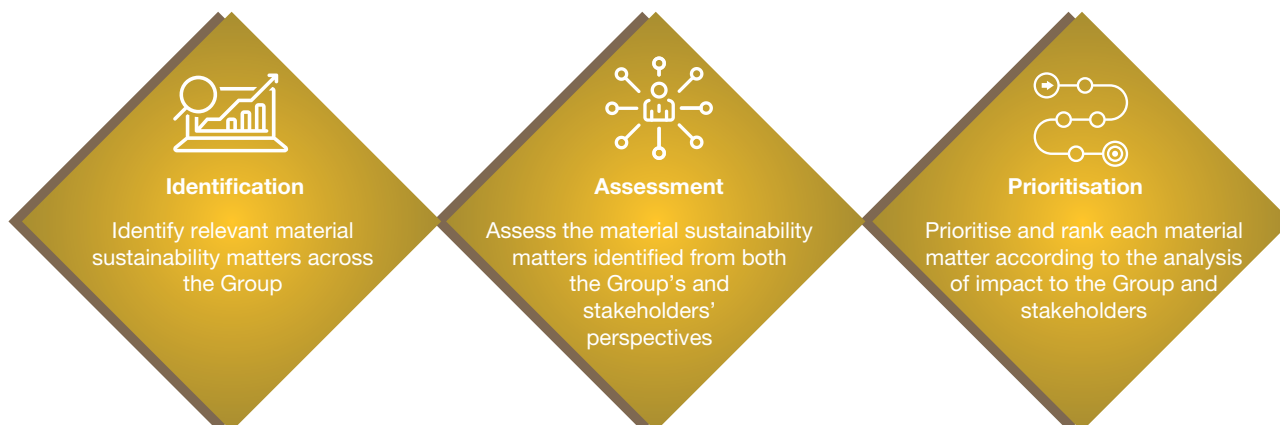
Stakeholders	Areas of Concern / Material Matters	Engagement Approaches
 Shareholders/ Investors	<ul style="list-style-type: none"> Financial and operational performance Investment risk and returns Share price performance Sustainable business expansion plan Corporate governance Regulatory compliance 	<ul style="list-style-type: none"> Quarterly financial results Annual report General meetings Announcements made on Bursa Securities website Company website and social media platforms
 Employees	<ul style="list-style-type: none"> Career development Competitive remuneration packages and employee welfare OSH Training and development 	<ul style="list-style-type: none"> Performance appraisal Company events Training and development programmes
 Clients	<ul style="list-style-type: none"> Regulatory compliance Timely completion and delivery of high-quality projects Project management and communication Client's satisfaction 	<ul style="list-style-type: none"> Site visits and physical interactions Email or phone communications Project progress meetings
 Suppliers/ Subcontractors	<ul style="list-style-type: none"> Fair and transparent procurement process Fair credit terms and timely payment Long-term business relationship 	<ul style="list-style-type: none"> Tendering process Supplier and subcontractor evaluation Project progress meetings Site visits and physical interactions Email or phone communications
 Government/ Regulator	<ul style="list-style-type: none"> Regulatory compliance Permits and licences Corporate governance Accurate, timely and transparent disclosure 	<ul style="list-style-type: none"> Site visits Compliance audit Announcements made on Bursa Securities website
 Analyst/Media	<ul style="list-style-type: none"> Financial and operational performance Share price performance Sustainable business expansion plan Corporate governance 	<ul style="list-style-type: none"> General meetings Company website Briefings and interviews Announcements made on Bursa Securities website
 Community	<ul style="list-style-type: none"> Local employment opportunities Local economic supports Environmental footprint from business operations 	<ul style="list-style-type: none"> Company website and social media platforms Community outreach events

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL MATTERS ASSESSMENT

Building on our stakeholder engagement efforts, we integrate their insights into our annual material matters assessment to ensure that our sustainability strategies and initiatives remain relevant and impactful. Recognising that the business landscape is constantly evolving, this assessment enables us to focus on the sustainability matters that are most relevant to both the Group and various stakeholders, ensuring alignment with the evolving business landscape and regulatory requirements.

For FYE 2024, we conducted our material matters assessment with the similar three-step approach, as illustrated below:



MATERIAL MATTERS MATRIX

In the material matters assessment conducted for FYE 2024, we have reviewed and reassessed the sustainability matters identified in previous financial year to ensure their continued relevance. Through this process, we concluded that all these matters remain significant to both the Group and various stakeholders. However, we have re-evaluated their significance and updated their positioning in the Material Matters Matrix to better reflect the evolving business landscape, regulatory environment and industry developments.

We also identified and included a new sustainability matter, namely "Community Engagement", further strengthening our approach to sustainable value creation. As a result, a total of fourteen (14) material matters have been depicted in the Material Matters Matrix, scaling from "Important" to "Most Important", as illustrated below:



SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY STRATEGIES AND MAPPING OF UNSDG

Based on the material matters identified, we have developed the relevant sustainability strategies to effectively address the Group's sustainability risks and opportunities. To further ensure alignment with global sustainability development agenda, we have mapped our sustainability strategies with eight (8) relevant UNSDGs, as summarised in the table below:

Sustainability Pillars	Material Matters	Sustainability Strategies	UNSDGs
 Economic	<ul style="list-style-type: none"> Sustainable Business Growth Quality Assurance Technological Innovation Supply Chain Management 	<ul style="list-style-type: none"> Continuously secure new contracts for building construction, civil engineering and infrastructure development, while actively growing our presence in the renewable energy sector Prioritise excellence in project quality and ensure timely delivery of project Leverage on technology to optimise operational efficiency Procure raw materials and subcontracting services responsibly from local suppliers and subcontractors, supporting local economy 	   
 Environmental	<ul style="list-style-type: none"> Environmental Compliance Water and Pollution Management Resources and Energy Management 	<ul style="list-style-type: none"> Adhere fully to all relevant environmental laws and regulations Actively reduce pollution generated from our operations and establish robust waste management systems Employ natural resources with diligence and efficiency 	
 Social	<ul style="list-style-type: none"> Workforce Diversity OSH Employee Welfare Employee Training Community Engagement 	<ul style="list-style-type: none"> Cultivate a vibrant and inclusive workplace culture, offering equal opportunities to all employees Ensure OSH Committee effectively addresses all OSH-related matters Attract and retain talents through competitive remuneration packages and benefits Provide robust training programmes and opportunities for career advancement while supporting professional growth Contribute to the enrichment and wellbeing of the local community 	   
 Governance	<ul style="list-style-type: none"> Regulatory Compliance Corporate Governance 	<ul style="list-style-type: none"> Ensure strict compliance with all applicable laws and regulatory requirements Uphold the highest standards of ethical business conducts and maintain strong corporate governance practices 	

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

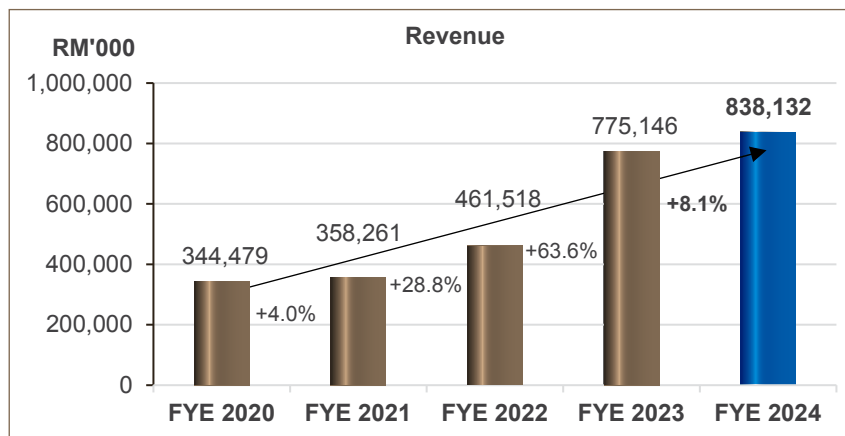
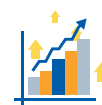
ENVIRONMENT

SOCIAL

GOVERNANCE

SUSTAINABLE BUSINESS GROWTH

To achieve sustainable business growth via continuous increase in revenue generated



Revenue in FYE 2024

RM838.13 mil

↑ 8.1%

PAT in FYE 2024

RM6.47 mil

↑ 65.8%

Building Construction Division

17 Completed Contracts

As at 31 December 2024

Civil Engineering and Infrastructure Division

36 Completed Contracts

As at 31 December 2024

Renewable Energy Division

37 Completed Contracts

As at 31 December 2024

In the dynamic realm of business, business resilience and sustainability are deeply interconnected. Our historic record-high revenue of RM838.13 million is a testament to our strong financial foundation, reflecting our ability to navigate the evolving market conditions and overcome challenges to ensure sustainable business growth. As at 31 December 2024, our industry footprint was further reinforced by the successful completion of 90 contracts, comprising 17 building construction contracts, 36 civil engineering and infrastructure contracts and 37 renewable energy contracts.

While financial growth is a key measure of success, we recognise that true business sustainability extends beyond financial performance. As we continue to scale, we remain committed to building a resilient economy, fostering a greener environment, and thriving the local community.

To this end, our commitment to business sustainability is reflected in our strategic involvement in green building construction, public infrastructure enhancement as well as renewable energy expansion. During FYE 2024, we continue to strengthen our role in driving long-term economic, environmental and social progress through the following initiatives:

Advancing Green Building Development

As urbanisation accelerates, sustainable construction plays a crucial role in shaping greener and more resilient cities. Aligned with UNSDG Target 11.3, we take pride in contributing to the sustainable urban development through our involvement in GreenRE-certified projects during FYE 2024, including D'Clover Residences, D'Ivo Residence and Hugoz Suites @ KL City Centre. While the property developers led the GreenRE certification process, our role as a construction company ensures that these projects adhere to stringent green building standards, reinforcing our commitment to responsible construction practices. By participating in these projects, we integrate sustainability principles into our operations, supporting both our business resilience and our contribution to creating a more sustainable built environment for future generations.



SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

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SUSTAINABLE BUSINESS GROWTH (CONT'D)

To achieve sustainable business growth via continuous increase in revenue generated



Enhancing Public Infrastructure for Economic Growth

Public infrastructure development is a catalyst for a country's economic growth, playing a crucial role in improving connectivity, boosting productivity and enhancing the overall quality of life. In line with UNSDG 9.1, we participate in public infrastructure projects that promote sustainable and inclusive urban development, such as the provision of earthworks and main infrastructure works for Wawari Phase 1 Township Development at Johor. As a construction player, we support the construction of essential infrastructure that strengthens transportation networks and improves urban accessibility, ultimately supporting regional connectivity and economic activities for a long-term community development.

TARGET 9-1

 DEVELOP SUSTAINABLE,
RESILIENT AND
INCLUSIVE
INFRASTRUCTURES

Expanding Renewable Energy for a Greener Future

Recognising the growing demand for clean energy, we have officially diversified into the renewable energy sector with shareholders' approval obtained on 30 May 2024. This strategic expansion enables us to further expand our renewable energy portfolio by tapping into public sector and LSSPV projects, reinforcing Malaysia's NETR and its ambitious renewable energy targets to increase the renewable energy adoption from 4.0% of Malaysia's total primary energy supply in 2023 to 23.0% by 2050.

TARGET 7-2

 INCREASE GLOBAL
PERCENTAGE OF
RENEWABLE ENERGY

This business expansion not only strengthens our business resilience but also promotes environmental sustainability. By investing in solar infrastructure, we actively contribute to shaping Malaysia's energy landscape in line with UNSDG Target 7.2, supporting the country's transition towards cleaner and more sustainable energy sources for long-term economic and environmental benefits.

While we acknowledge our contributions and value created during FYE 2024, we also recognise that a strong order book and an active tender pipeline are essential indicators of sustainable business growth. As at 31 December 2024, the Group's unbilled order book stood at RM1.56 billion, comprising 57 ongoing contracts across our three (3) business divisions. In addition to the secured contracts, we also submitted a total of 58 tenders, with a combined value of RM4.29 billion, reflecting the potential growth opportunities in the upcoming financial years.

Business Division	Order Book (RM'000)	Tender Book (RM'000)
Building Construction	977,063	1,442,285
Civil Engineering and Infrastructure	517,151	2,827,934
Renewable Energy	70,435	24,576
Total	1,564,649	4,294,795

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

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QUALITY ASSURANCE

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



At Nestcon, we acknowledge that quality assurance is not only fundamental to our business success but also integral to sustainability and environmental responsibility. High-quality construction reduces material wastage, minimises rework and ensures long-term structural integrity, thereby enhancing resources efficiency and reducing environmental footprint.

To uphold the highest quality standards, our QESH Department is empowered to oversee the Group's quality control across all projects. Our quality assurance practices cover various aspects from materials testing and compliance with building codes to adherence to project specifications and standards. This ensures that every stage of our construction projects aligns with rigorous quality requirements, fostering operational excellence while effectively mitigating risks associated with defects and inefficiencies.

We have also put in place a comprehensive IMS that seamlessly integrates our QMS, OHSMS and EMS to ensure a structured and consistent approach to quality, safety and environmental management. Our quality management system is further accredited with the ISO 9001:2015 certification since 2017 for both Nestcon Builders and Nestcon Infra, and since 2024 for Nestcon Solar, demonstrating our commitment to maintaining international quality standards.

The effectiveness of our quality management is also reflected in our QLASSIC workmanship quality assessments. Over the years, we have achieved notable scores of 83%, 87% and 83% for the Panorama Project, Mossaz Project and Embayu Project respectively, underscoring our dedication to high-quality workmanship. Building on this momentum, we are pleased to highlight that we attained an 86% workmanship quality score for the Kuchai Sentral Residence (Phase 1) Project in FYE 2024, reaffirming our ability to uphold high construction standards.

As we continue to grow, we remain committed to refining our quality management practices, ensuring that our projects not only meet industry standards but also contribute to a more sustainable and resilient built environment.



**ISO 9001:2015 Certification for
Nestcon Builders**



**ISO 9001:2015 Certification for
Nestcon Infra**



**ISO 9001:2015 Certification for
Nestcon Solar**

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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TECHNOLOGICAL INNOVATION

To leverage on technology for operational efficiencies



Aligned with UNSDG Target 8.2, we embrace technology innovation as a key driver of productivity, cost efficiency and sustainability to maintain our competitive edge. By leveraging modern construction technologies and digital solutions, we continuously enhance project execution, optimise resource utilisation and minimise our environmental footprint.



Project Sites

At our project sites, we consistently implement the following three (3) on-site casting IBS formwork systems to enhance construction efficiency while maintaining high standards of quality, safety and sustainability across all our projects:

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

These on-site casting IBS formwork systems redefine construction by offering streamlined construction processes, cost savings and improved quality control through standardised components and simplified assembly procedures. From an environmental perspective, they help to minimise waste and emissions, while offering flexibility for customisation to meet diverse project requirements.

In addition, we employ value engineering in our building construction operations to improve cost efficiency without compromising quality. This approach involves a detailed evaluation of each component’s function and associated costs to optimise material usage and reduce project timelines. Moreover, the integration of post-tensioning systems within our value engineering framework minimises the use of reinforcing bars, concrete volume as well as craneage time required, achieving an overall cost savings and contributing to a more sustainable construction process.

Office

In FYE 2024, we are delighted to highlight the successful integration of our back-office systems, encompassing purchasing and accounting functions into a centralised resource planning system. The unified resource planning system has streamlined our operational processes, automated redundant tasks and centralised data management, effectively and efficiently improving our project planning and reporting capabilities during the financial year.

SUPPLY CHAIN MANAGEMENT

To mainly engage with local suppliers and subcontractors



An effective and efficient supply chain is essential at every stage of our construction projects. A well-managed supply chain minimises disruptions and delays, and mitigate risks of materials shortage and logistical challenges, ensuring smooth project execution. In view that project timelines and quality are the key to our competitive edge, we strive to maintain a robust supply chain management that enhances operational efficiency while upholding cost-effectiveness and sustainability.

To build a stable and reliable supply chain, we foster strong relationships with our suppliers and subcontractors. For new potential suppliers/ subcontractors, we have implemented a comprehensive SOPs for screening and selection. This process requires them to submit a comprehensive pre-qualification document detailing their company profile, financial standing and track record of performance. This screening process allows us to identify eligible suppliers and subcontractors who meet our quality requirements and sustainability standards.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

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SOCIAL

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SUPPLY CHAIN MANAGEMENT (CONT'D)

To mainly engage with local suppliers and subcontractors

Meanwhile, for our approved suppliers and subcontractors, we conduct semi-annual evaluations based on criteria such as quality system, services, material delivery, competitive pricing, credit terms, technical advice, workmanship, hand-over schedule, jobsite discipline, OSHA and financial standing. The assessment process ensures our supply chain remains dependable and resilient, minimising the risk of disruptions to our supply chain and projects. We are pleased to report that all approved suppliers and subcontractors continued to meet our evaluation criteria during FYE 2024. As at 31 December 2024, our approved supplier and subcontractor list includes 121 alternative suppliers and 36 subcontractors, underscoring the stability of our supply chain.

In alignment with UNSDG Target 8.1, we are committed to prioritising the engagement of local suppliers and subcontractors to support our local economic growth and job creation, wherever feasible. In FYE 2024, 100% of the materials and subcontracting services for our Building Construction Division and Civil Engineering and Infrastructure Division were sourced locally, while our Renewable Energy Division achieved a 60% local procurement rate.

Building Construction
Division

100%

Local Procurement
For FYE 2024Civil Engineering and
Infrastructure Division

100%

Local Procurement
For FYE 2024Renewable Energy
Division

60%

Local Procurement
For FYE 2024

ECONOMIC

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ENVIRONMENTAL COMPLIANCE

To fully comply with all applicable environmental regulations

Every construction project leaves a mark, not just on the skyline but also on the environment. While we acknowledge the environmental footprint of our construction operations, we understand that environmental compliance is not just a regulatory obligation, but a fundamental commitment to safeguard our surroundings and ensuring the durability and resilience of our built structures.

We are pleased to highlight that our EMS has been accredited with the ISO 14001:2015 certification since 2017 for both Nestcon Builders and Nestcon Infra, and since 2024 for Nestcon Solar, reflecting our commitment to environmental sustainability. Our EMS is built on a structured pyramid framework, beginning with a clear commitment and scope as its foundation, progressing through various layers such as implementation of goals, targets, EMP, emergency response plan and culminating in corrective actions.



SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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ENVIRONMENTAL COMPLIANCE (CONT'D)*To fully comply with all applicable environmental regulations*

At the core of our EMS is our Environmental Policy, which serves as a guiding principle in our daily operations by outlining our key commitments as follows:

Environmental Policy
<ul style="list-style-type: none"> • Recognise environmental management as a key corporate priority and establish policies, programmes and practices to ensure contracting is carried out in an environmentally sound manner; • Minimise impacts to the environment caused by construction and development activities; • Implement pollution control measures whenever required in line with EIA during construction phase; • Monitor the performance of environmental programmes and ensure compliance with the requirements; • Develop effective, efficient and economically feasible corrective measures to protect the environment in the event of non-compliance; • Ensure that all employees understand and are able to fulfil their environmental responsibilities through training and awareness programmes; and • Promote a culture of environmental preservation among our subcontractors and suppliers by encouraging them to actively participate in environmental conservation through the implementation of EMS.

Environmental considerations are integrated into every stage of our construction activities, starting from project planning phase where we assess and evaluate potential environmental impacts arising from our daily operations. This evaluation allows us to develop appropriate mitigation strategies to address environmental issues such as air and noise pollution as well as water and waste management.

During project execution, environmental compliance is reinforced through dedicated oversight. Each project is closely monitored by a Senior Project Manager or Project Manager, who is responsible to oversee environmental compliance and report the same to the General Manager or Assistant General Manager, who in turn reports to the Executive Director. To further strengthen our environmental governance at our project sites, we have also established a Health, Safety, Security and Environment Committee, who oversees the Group's overall environmental compliance affairs.

Our commitment to environmental compliance extends beyond our internal operations as we also hold our suppliers and subcontractors accountable for meeting environmental standards. In the event if non-compliance is noted from any supplier or subcontractor, we provide briefings and training sessions to guide them on the necessary improvements. However, should the supplier or subcontractor repeatedly fail to comply, they will be removed from our approved supplier and subcontractor list to uphold our commitment to responsible sourcing and environmental integrity.

As an environmentally responsible construction company, we are committed to adhering to all relevant environmental laws, regulations, standards and guidelines, as outlined below:

Element/Aspect	Acts and Guidelines
General	<ul style="list-style-type: none"> • Town and Country Planning Act 1976 • Environmental Quality Act 1974
Water	<ul style="list-style-type: none"> • Interim National Quality Standards • Water Enactment Act
Noise	<ul style="list-style-type: none"> • World Health Organisation Recommended Noise Exposure Limits • Occupational Safety and Health (Noise Exposure) Regulations 2019 • Factories and Machinery (Permissible Exposure Limits), Regulations 1989
Petroleum	<ul style="list-style-type: none"> • Petroleum Safety Act 1984
Drainage	<ul style="list-style-type: none"> • Drainage & Irrigation Act • Drainage & Irrigation Manual
Erosion	<ul style="list-style-type: none"> • Erosion Guidelines
EIA	<ul style="list-style-type: none"> • Malaysian Public Works Department Guidelines for EIA • Department of Environment Guidelines for EIA

During FYE 2024, we are pleased to report that we have complied with all relevant environmental laws and regulations, and hence no fines or penalties were imposed by regulatory authorities for any instances of non-compliance.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

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WASTE AND POLLUTION MANAGEMENT






To minimise the impact of pollution and manage waste disposal

What we leave behind is just as important as what we build. While waste is an inevitable byproduct of construction, Nestcon places a strong emphasis on effective waste management, striving to minimise waste generation and implement responsible disposal practices that align with our commitment to environmental stewardship.

Our construction activities utilise raw materials such as timber, plywood, metal, concrete and cement, which may result in waste generation. In addition, our business operations also generated scheduled waste like engine oil and filters from on-site machinery and vehicles.

In FYE 2024, we are pleased to report that we maintained efficient resources utilisation, keeping our total waste generated below 3% of our total raw materials consumed. To manage these wastes responsibly, we have adopted the following proactive measures in line with UNSDG Target 12.5:



 Timber and Plywood	 Concrete and Cement Mortar	 Reinforcement Bar	 Worn Tyre	 Engine Oil and Filters
Initiatives for Reducing Wastage				
Replace conventional timber and plywood formwork with aluminium or steel formwork	Use precise measurements for concrete and cement mortar, supplemented by dry mix mortar to minimise excess usage	Order pre-cut reinforcement bars tailored to specific project dimensions and measurements	Repurpose worn tyres for constructing project access roads or to resurface the road with rubberised asphalt	Conduct scheduled preventive maintenance on plants and machinery to prevent oil leaks and contamination
Disposal Method				
Dispose to local authorities or Government approved dumping ground		Reuse materials, where possible, and resell the remaining materials to authorised recycling centres	Retread and reuse tyres whenever feasible	Store in designated containers with appropriate labelling of scheduled waste code before disposing to licensed transporters

In addition to waste management, we focus on mitigating various forms of construction-related pollution, including noise and dust, caused by activities such as excavation, demolition, carpentry works, hacking and vehicle movement. In accordance with our EMP, we implement several pollution control measures, including:

- Install temporary shelters with plastic sheets to minimise or contain dust;
- Remove vehicles or machineries 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.

In our Renewable Energy division, we recognise that while renewable energy drives a greener future, the solar PV panels will eventually reach the end of their lifespan. We are committed to managing the byproducts of these panels with the same level of care and responsibility to protect the environment.

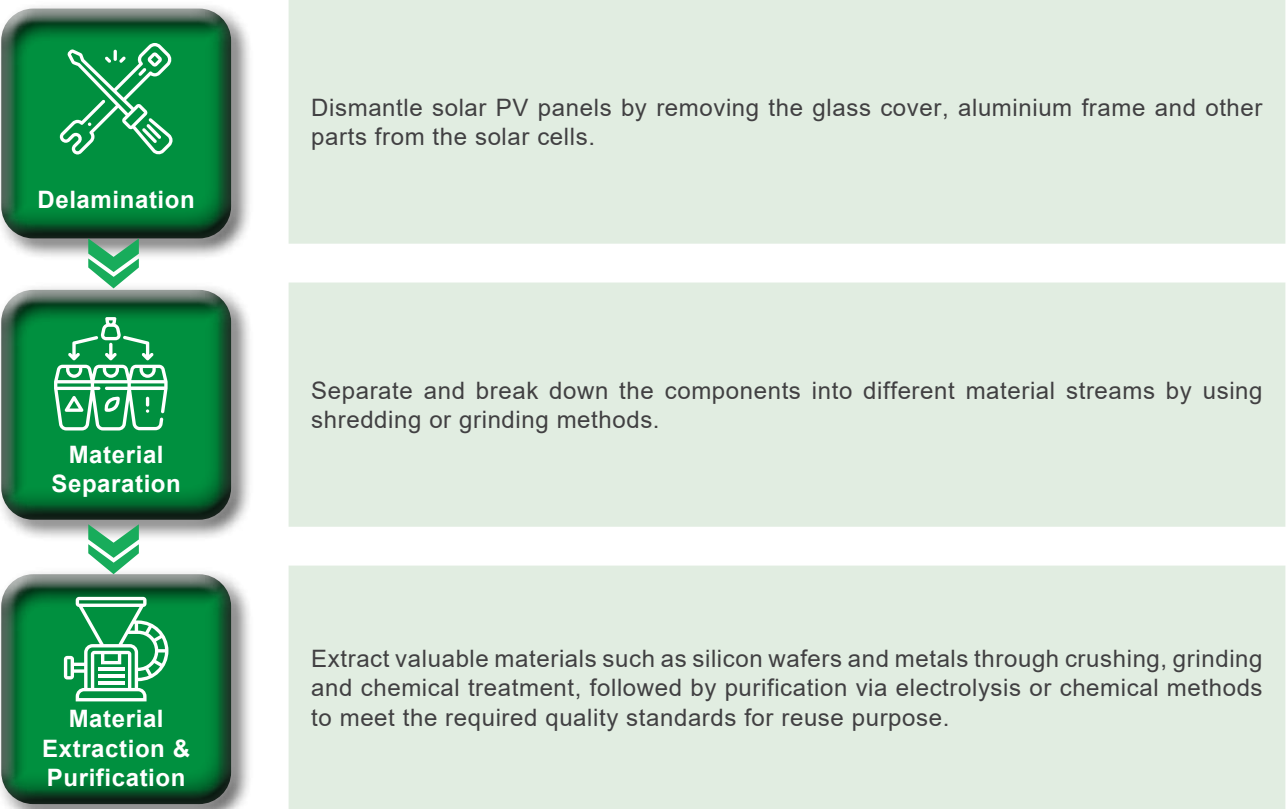
SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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WASTE AND POLLUTION MANAGEMENT (CONT'D)
To minimise the impact of pollution and manage waste disposal



Solar PV panels are intricate structures made up of multiple layers, including glass, metals and semiconductor materials, some of which contain hazardous elements. To prevent these panels from becoming an environmental burden at the end of their lifespan, we employ a systematic dismantling process. This allows us to extract and recover valuable materials, ensuring they are repurposed for future use while preventing environmental harm:



We recognise that waste is an unavoidable aspect of construction, but its responsible management makes all the difference. By adopting sustainable practices and aligning with circular economy principles where feasible, we strive to reduce our environmental footprint and contribute to a more responsible and sustainable construction industry.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

ENVIRONMENT

SOCIAL

GOVERNANCE

RESOURCES AND ENERGY MANAGEMENT

To ensure efficient use of resource and energy

From raw materials to energy consumption, the construction industry relies on vast resources to bring projects to life. Therefore, we take a proactive approach to managing resources and energy, ensuring that every material is used efficiently, every process is optimised and every opportunity for sustainability is explored. In alignment with UNSDG Target 12.2, we prioritise sustainable resource and energy management across all project sites and within our office through the following initiatives:



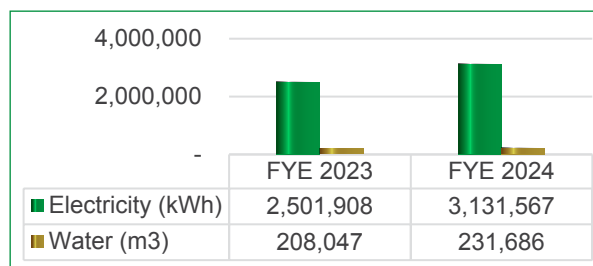
Project Sites

- We have installed rainwater harvesting system to collect and store rainwater, thereby reducing our dependency on municipal water sources and minimising water wastage;
- We utilise energy-efficient LED lighting equipped with automatic switch-off features when not in use, to promote energy conservation as well as reduce our operational costs and environmental impact;
- We prioritise the use of eco-friendly materials, such as low volatile organic compound paints to minimise the ecological footprint from our construction activities;
- We closely track and monitor our diesel usage against machinery working hours and project progress to prevent wastage and unauthorised use. All diesel storage and usage records are maintained by authorised site personnel and overseen by respective project managers. Reflecting the growth in our construction activities, we consumed a total of 6.93 million litres of diesel in FYE 2024, translating to a production of 18.01 million kilograms of CO₂ emissions. This is an increase from 5.40 million litres of diesel used in FYE 2023, which generated 14.00 million kilograms of CO₂ emissions, primarily due to the accelerated construction progress on ongoing projects and the commencement of new contracts during FYE 2024; and
- We prioritise the use of electric-powered machinery and equipment over diesel-powered alternatives, whenever feasible, as they produce fewer greenhouse gas emissions and contribute to cleaner air quality.

Office

- We encourage carpooling among employees for commuting to work, attending meetings and visiting project sites to reduce travel-related carbon emissions;
- We leverage technology to conduct virtual meetings in order to minimise travel, improve efficiency and reduce our overall carbon footprint; and
- We reinforce energy and water conservation by ensuring that all water taps, lights and air-conditioners are switched off when not in use.

Overall, we recorded increases in both electricity and water consumption by 25.2% and 11.4% respectively in FYE 2024 in line with our business growth and expansion. Nevertheless, we remain committed to implementing the aforementioned initiatives as well as exploring additional strategies to improve both energy and water efficiency across our operations, whenever viable.



SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

ENVIRONMENT

SOCIAL

GOVERNANCE

WORKFORCE DIVERSITY

To maintain the employee turnover rate at or below 20.0%

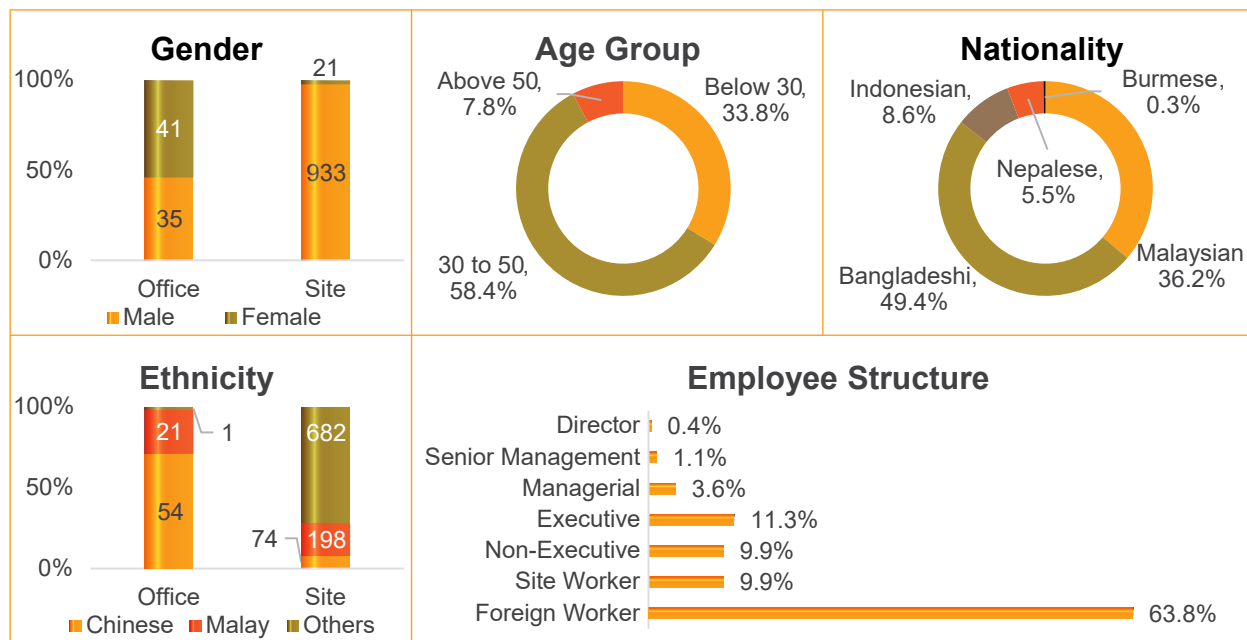


We strongly believe that a diverse workforce is the foundation of innovation and progress, driving the Group's business growth and success in the long run. By bringing together individuals from different backgrounds, experiences and perspectives, we create a dynamic workplace that thrives on inclusivity and equal opportunities for all. As a construction company operating in a dynamic industry, we are committed to fostering an environment where every individual is valued and given equal opportunities to thrive.

In alignment with UNSDG Target 10.3, we uphold fair and inclusive employment practices, ensuring all employees are treated equitably, free from discrimination based on gender, age, ethnicity or any other factors. To reinforce this commitment, we have put in place a Gender Diversity Policy, outlining our diversity objectives, strategies and procedures to promote equal opportunities across the Group.



To support the Group's business growth and expansion, we have increased our workforce from 1,017 employees as at 31 December 2023 to 1,030 employees as at 31 December 2024. Our employees come from diverse backgrounds in terms of genders, age groups, nationalities and ethnicities, reflecting a well-rounded talent pool in our organisation. Our employee demographics are illustrated as below:



Given the nature of our business, our workforce predominantly consists of male employees and individuals under the age of 50, particularly in technical and site-based roles. Besides, employees from others' ethnicity constitute the majority of our total workforce, reflecting the labour supply within the industry. Nevertheless, we remain committed to cultivating an inclusive workforce by providing equal opportunities across all levels of our operations. Notably, females made up 53.9% of our office-based workforce, while local Chinese and Malay employees account for nearly 100.0% of our office-based workforce, underscoring our dedication to diversity and our support for the local economy whenever possible.

While diversity plays a vital role in our success, employee retention is equally important in building a strong, experienced and sustainable workforce. In FYE 2024, our turnover rate stood at 20.0%, which is relatively consistent with last year's turnover rate of 18.0%. We managed to maintain our turnover rate within the target range, reflecting our ongoing efforts to cultivate an engaging and supportive workplace. We will continue to enhance our workforce diversity and inclusion initiatives, ensuring that our employees feel valued, empowered and motivated to build long-term careers with us.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

ENVIRONMENT

SOCIAL

GOVERNANCE

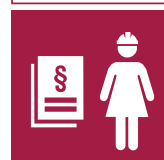
OCCUPATIONAL SAFETY AND HEALTH

To achieve zero-injury workplace

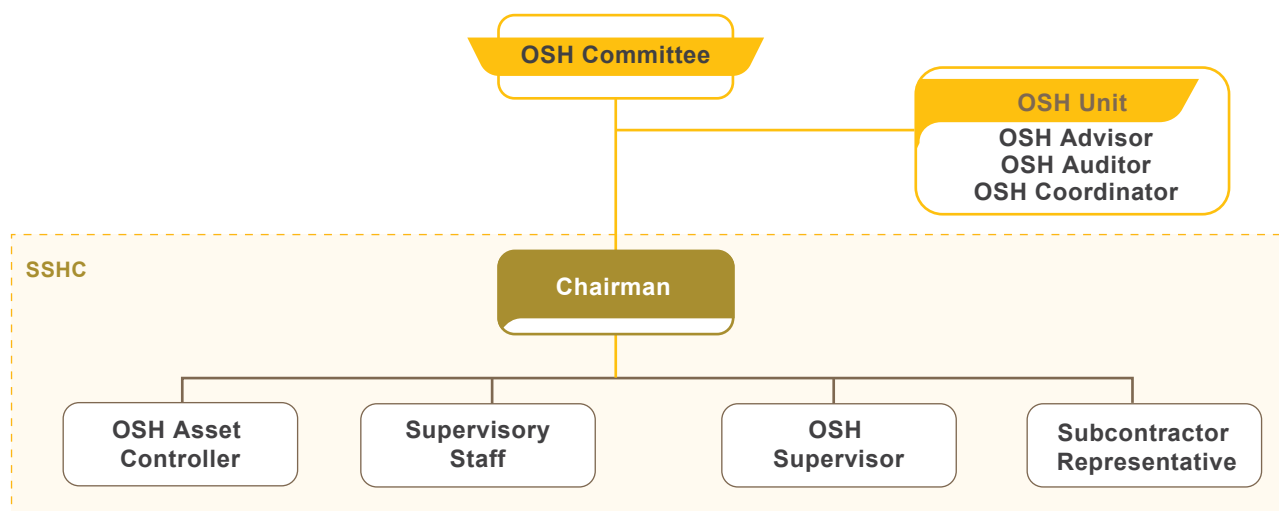
As a construction company, OSH is at the core of our operations. Given the high-risk nature of our daily activities, we are committed to providing a safe and healthy work environment for all employees. Aligned with UNSDG Target 8.8, we have implemented a comprehensive Health and Safety Policy, which provides a structured framework covering our OSH management system, site safety and health rules, protective clothing and safety equipment, conducive site environments as well as accident prevention and reporting measures.

Our OSH governance is spearheaded by a dedicated OSH Committee, who is supported by the OSH Unit and the SSHC, as illustrated below:

TARGET 8-8



PROTECT LABOUR RIGHTS AND PROMOTE SAFE WORKING ENVIRONMENTS



To ensure an effective enforcement of the Group's OSH guidelines, our OSH Unit operates independently. Meanwhile, the SSHC, comprising representatives from both the Group and subcontractors, is tasked to enhance the effectiveness of our OSH management at project sites. In addition, our OSH Committee is also supported by the QESH Department who oversees our compliance with the relevant quality, OSH and environmental laws and regulations.

Our OSH management system has been accredited with ISO 45001:2018 since 2020, reflecting our adherence to an internationally recognised OSH standards as well as our dedication to protecting employees' health and wellbeing. Under our stringent OSH management, we are pleased to report that we continued to maintain an injury-free workplace in FYE 2024.

As part of our ongoing commitment to OSH improvement, our employees participated in a series of OSH briefing and training sessions during FYE 2024 to enhance their understanding and awareness of OSH matters, detailed as follows:

OSH Trainings in FYE 2024

- | | |
|---|---|
| <ul style="list-style-type: none"> Basic Rigging and Signalling Course Basic Working at Height MBAM Annual Safety & Health Conference 2024 OSH Water Splash OSHCOF Road Traffic Safety Management Penyelua Penginapan & Kemudahan Pekerja | <ul style="list-style-type: none"> Seminar in OSH Seminar Keselamatan dan Kesihatan Pekerjaan Kebangsaan 2024 Tenaga Safety Leader Passport Tenaga Safety Passport The Future of OSH Working at Height Level 1 & Level 2 Course |
|---|---|

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

ENVIRONMENT

SOCIAL

GOVERNANCE



EMPLOYEE WELFARE

To nourish employees' wellbeing

To cultivate a high-performing workforce and ensure the Group's long-term resilience and success, we offer a range of benefits and welfare programmes that safeguard our employees' rights, interests and wellbeing, empowering them to bring their best to work every day.





Guided by our Employee Handbook, we provide a comprehensive benefits package, structured according to respective job grade and tenure. One of the key highlights of our employee benefits is the health insurance coverage and personal accident insurance scheme. In line with UNSDG Target 3.8, we ensure that our workforce is protected against unforeseen medical emergencies and workplace risks.

TARGET 3.8



ACHIEVE UNIVERSAL
HEALTH COVERAGE

A summary of our employee benefits is tabled below:

 Leave Entitlements	<ul style="list-style-type: none"> • Annual leave • Medical leave • Marriage leave • Maternity leave and entitlement 	<ul style="list-style-type: none"> • Paternity leave • Compassionate leave • Study/Exam leave • Leave for seminar/conference/training • Replacement leave
 Health Benefit	<ul style="list-style-type: none"> • Medical benefits • Executive health screening • Group hospitalisation and surgical insurance scheme • Group term life insurance scheme • Group personal accident insurance scheme 	
 Allowances	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Sports and social club (Nestcon Recreational Club) • Gifts and condolence • Long service award • Retirement award 	

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

ENVIRONMENT

SOCIAL

GOVERNANCE

**EMPLOYEE WELFARE (CONT'D)***To nourish employees' wellbeing*

While providing benefits to motivate our employees, we also prioritise open communication and actively listen to their views and concerns. To this end, we have established a formal grievance system, offering our employees a structured channel for dialogue and resolution to uphold a fair and transparent workplace:

**STAGE
1**

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.

**STAGE
2**

In the event 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.

**STAGE
3**

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.

**STAGE
4**

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.

For FYE 2024, we are pleased to report that we have not received any grievance reports from our employees. Meanwhile, we have not been subjected to any fines or penalties related to human rights violations or non-compliance with labour laws.

Furthermore, we strive to foster a positive and engaging workplace culture. To achieve this, we organise company events and activities that bring employees together, strengthen team cohesion and cultivate a sense of belonging within the Group. During FYE 2024, we engaged our employees through the following events and activities:

Raya Get-Together Dinner

As part of our commitment to celebrating cultural diversity, we hosted a Raya Get-Together Dinner on 19 April 2024 in conjunction with Hari Raya Aidilfitri. This festive occasion brought together employees from various backgrounds to honour the spirit of togetherness and mutual respect. The celebration served as a reminder of the strength of our diverse workforce and the inclusive values that bind us as an organisation.



SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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EMPLOYEE WELFARE (CONT'D)
To nourish employees' wellbeing



Company Trip

To show appreciation for our employees' continuous efforts and to promote cross-functional bonding, we organised a three-days two-nights company trip at Club-Med Cherating, Malaysia from 18 to 20 October 2024. This company trip offered a refreshing change of pace, allowing employees to unwind, interact beyond the office environment and build meaningful relationships across departments. Team activities, leisure time and shared experiences throughout the company trip strengthen the sense of unity and foster a more connected and motivated workforce across the Group.



Badminton Tournament

On 26 October 2024, our employees participated in a badminton tournament organised by the Master Builders Association Malaysia. This inter-company sports event served as a platform to promote physical health, team spirit and friendly competition within the industry. It was also an excellent opportunity for our team to connect with peers from other organisations, building networks and strengthening professional camaraderie in a casual and dynamic setting.



SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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EMPLOYEE TRAINING*To empower employees towards excellence*

We recognise that employee training is essential for both individual growth and the overall organisational success. Training not only enhances employees' skills and knowledge but also provides them with opportunities for professional growth while staying aligned with industry standards and best practices. Our investment in training reflects our dedication to nurturing a culture of continuous learning and improvement.

In FYE 2024, we invested a total of RM60,584 in various training programmes, recording a total of 1,200 training hours, attended by 78 employees throughout the financial year. An overview of the training programmes attended by our employees are tabled below:

Training Programmes in FYE 2024	
January 2024	<ul style="list-style-type: none"> Basic Rigging and Signalling Course ESG & Sustainability Management Seminar
February 2024	<ul style="list-style-type: none"> AutoCAD 2D Basic from Zero Pengurusan Risiko Dalam Projek Pembinaan Penyediaan Tapak Dari Titik Mula Tenaga Safety Passport Tenaga Safety Leader Passport
March 2024	<ul style="list-style-type: none"> Financial Literacy for Non-Finance Executive: Empowering Top Management 101 OSHCOF Road Traffic Safety Management Pengurusan Tender & Sebut Harga YANG Sistematis Working at Height Level 1 & Level 2 Course
April 2024	<ul style="list-style-type: none"> Penyelia Penginapan & Kemudahan Pekerja SMGCPV Tenaga Safety Passport Tenaga Safety Leader Passport
May 2024	<ul style="list-style-type: none"> MBAM Annual Safety & Health Conference 2024 Microsoft Excel Intermediate SMGCPV Webinar Key Changes to Labour Laws in Malaysia
June 2024	<ul style="list-style-type: none"> Basic Working at Height
July 2024	<ul style="list-style-type: none"> Integrated Solar PV System OSH Water Splash
August 2024	<ul style="list-style-type: none"> Tenaga Safety Leader Passport
September 2024	<ul style="list-style-type: none"> Tenaga Safety Leader Passport The Future of OSH
October 2024	<ul style="list-style-type: none"> Erosion & Sedimentation Control at Construction Site Seminar in OSH Seminar Keselamatan dan Kesihatan Pekerjaan Kebangsaan 2024
December 2024	<ul style="list-style-type: none"> Financial Literacy for Non-Finance Executive: Empowering Top Management 101 Year End Seminar Times Pay System

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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COMMUNITY ENGAGEMENT
To enrich the community



Our responsibility goes beyond building structures and involves fostering a more inclusive and empowered society. As part of our commitment to social welfare, we donated RM20,000 to the Women's Aid Organisation in collaboration with Tractors Malaysia, a dealership under Sime Darby Industrial Sdn Bhd.

This contribution will aid the Women's Aid Organisation in its mission to provide shelter and support for women and children affected by domestic violence while advocating for women's rights in Malaysia. By supporting this cause, we reaffirm our commitment to UNSDG 5.2, ensuring that those in need receive the necessary care and protection they deserve.

TARGET5:2

END ALL VIOLENCE
AGAINST AND
EXPLOITATION OF
WOMEN AND GIRLS



Furthermore, we donated RM10,000 at the Fundraising Dinner for Children's Education, organised by Kademy Sdn Bhd, a pioneering e-learning provider who is dedicated to making education accessible to all children, regardless of socioeconomic background. In addition, we contributed RM10,000 to the building fund of Tsun Jin High School. These contributions reflect our belief that no child should be left behind in the pursuit of knowledge and personal growth. Through our support of education-focused initiatives, we aim to uplift underserved communities and help to build a more inclusive and resilient society.

Apart from the financial contributions, we are committed to shaping the next generation of industry professionals by offering internship opportunities. Through internship, we aim to bridge the gap between academic knowledge and real-world application, equipping young talents with practical skills and industry exposure.

In FYE 2024, we welcomed three (3) interns across project department, providing them with hands-on training and mentorship to support their professional growth. By investing in education and community welfare, we aim to create meaningful and long-term change that benefits both individuals and society as a whole.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

ENVIRONMENT

SOCIAL

GOVERNANCE

REGULATORY COMPLIANCE*To fully comply with all applicable laws and regulations*

Regulatory compliance is fundamental to our operations, particularly in the highly regulated construction industry. Adhering to legal and industry requirements ensures the safety, quality, and sustainability of our projects while upholding ethical business practices.

In this aspect, we strictly comply with all applicable laws, regulations and guidelines relevant to our operations. The key laws and regulations which are applicable to our business operation includes:

- CIDB Act;
- Town and Country Planning Act 1976;
- Street, Drainage and Building Act, 1974;
- Occupational Safety and Health Act 1994;
- Factories and Machinery Act 1976;
- Environmental Quality Act 1974; and
- Employment Act 1955 (Amendment 2022).

To facilitate an effective regulatory compliance across the Group, we have also put in place our internal SOPs which serve as the guidelines for all employees to perform their duties diligently and appropriately. We are pleased to report that there were no violations of any applicable laws or regulations for FYE 2024, and hence no fines or penalties were imposed by regulatory authorities.

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

Strong corporate governance is essential in maintaining transparency, integrity, and accountability in our operations. Therefore, we are dedicated to upholding the highest standards of corporate governance through robust governance policies and procedures. Our Code of Conduct serves as a guiding principle for ethical decision-making, ensuring that all employees and stakeholders operate with integrity, accountability and professionalism.

In line with UNSDG Target 16.5, our ABC Policy sets out our zero-tolerance stance against all forms of bribery and corruption, ensuring that any potential issues are proactively addressed. This ABC Policy delineates corruption risk assessment, adequate control measures in addressing various potential bribery and/or corruption situation while indicating the consequences for violation of the said policy.

To facilitate the effective implementation of our ABC Policy, we have also adopted the AFWB Policy, which provides an avenue for our employees and stakeholders to report concerns regarding any suspected or known improper conduct or malpractice across the Group. According to the AFWB Policy, all whistleblowers who report in good faith will be protected, and any information received will be handled confidentially with the utmost discretion. Upon receiving the whistleblowing report, an independent investigation will be conducted and appropriate actions will be taken thereafter.



We are proud to highlight that our commitments towards a stringent corporate governance have been proven by the accreditation of ISO 37001:2016 "Anti-Bribery Management Systems" since December 2020.

In FYE 2024, we are proud to report that there were no complaints or incidents of bribery, corruption, fraud or money laundering. As a result, no fines or penalties were imposed on the Group during the financial year.

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 2024 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 2024 of the Company which is available on the Company's website. The CG Report for FYE 2024 provides the details on how the Company has applied each Practice as set out in the MCCG during FYE 2024. The CG Report for FYE 2024 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 is collectively responsible and accountable for guiding the strategic, direction, leadership, governance and performance of the Group. Additionally, the Board oversees the development and approval of Nestcon's vision, mission and core value, policies and goals related to economic, environmental and social impacts to ensure long-term success of the Company and sustainable value for its stakeholders. The Board is led by Encik Mohd Noor Bin Setapa, the Independent Non-Executive Chairman. The management of the Company is led by the GMD with the support of EDs of the Company. The GMD provides reports to the Board on the overall business operations and strategic aims of the Company, ensuring that the Directors are informed of current operations, challenges and strategic plans of the Group. During AC meetings and Board meetings, the GMD briefs the Directors on operations, issues encountered and the Group's strategy plans in order for the Board to be kept abreast on the conduct, business activities and developments. The Chairman of the SRMC provides insights on risk management, while GMD is responsible for reporting on sustainability strategies, business plans and key initiatives. The Board offers valuable guidance and counsel regarding the Company's business strategies, while the Finance Director delivers financial updates to the Board, always aligning with the Company's values and standards. Overall, the Board's discussions and advice guide the Company in making well-informed decisions for its sustainable growth.

In the discharge of the Board's duties and responsibilities, the Board has delegated specific tasks and authorities to four (4) Board Committees namely, the AC, NC, RC and SRMC. These Committees support the Board in carrying out its responsibilities, overseeing the Company's affairs, and addressing issues within their respective functions and TOR, which clearly outline their objectives, duties and powers. The Chairman of each Committee is responsible for reporting to the Board on the outcome of the Committee's meetings and resolutions, which includes the key issues deliberated during the Committee's meetings.

- 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 an opportunity and sufficient time to contribute to discussions, encourage active participation and that all matters on the agenda are addressed.
- 1.3 The positions of the Chairman and GMD are held by two (2) different individuals and each has a clear accepted division of responsibilities to ensure a balance of power and authority, such that none of the individual has unfettered powers in decision making. The Chairman is primarily responsible for instilling good corporate governance practices, leadership and effectiveness of the Board as a whole, while the GMD has overall responsibilities over the business operations, day-to-day management of the Group and the implementation of the Board's policies and decisions. These divisions of responsibilities are set out in the Company's Board Charter. In any situation where the GMD has an interest and/or an actual or potential COI, he will declare this to the Board and will abstain from deliberation and voting on matters related to him.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

- 1.4 The Chairman is not a member of the AC, NC, RC and SRMC. He did not attend any of the Board Committees' meeting during the year.
- 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 2024, 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 2024. The Board is satisfied with the performance and support provided by the Company Secretaries in fulfilling their functions and duties.
- 1.6 The agenda for the Board/Board Committees' meetings together with relevant reports and information on the Company's business operations, as well as the proposal papers for the Board/Board Committees' consideration, are circulated to all Directors at least five (5) business days in advance to enable the Directors to have ample time to review the materials and to obtain additional information or clarification as needed prior to the meeting. The minutes of the Board/Board Committees' meetings are circulated to the respective Chairman of the meetings on a timely manner for review before they are confirmed and adopted by members of the Board/Board Committees at their respective meetings.

During FYE 2024, the Board had convened a total of five (5) Board meetings for the purpose of deliberating on the Company's quarterly financial results, the audited financial statements, the change of the external auditors, the internal auditors report, the report from the Chairman of SRMC, the annual report and CG Report, discussing the gap analysis in relation to the internal practice against the best practice advocated under the MCCG, annual evaluation of performance of the Board, the Board Committees and the individual Director, review policies and procedures of the Board and other strategic and important matters. During the Board meetings, the Board reviewed the operations, budget and performance of the Group and other strategic issues that may affect the Group's business. The Board had reviewed the proposed joint development between a subsidiary of the Company and a landowner to undertake, in a joint manner, the development of 2 adjoining parcels of leasehold vacant development lands located in Bandar Petaling Jaya Selatan, Daerah Petaling, Selangor ("**Proposed Joint Development**"); the proposed diversification of the existing business operations of the Group to include property development ("**Proposed Diversification**") and the proposed acquisition of 3 units of office space with accessorised car parking bays within a high-rise mixed commercial development ("**Proposed Acquisition**") as well as the COI concerning the GMD in other property development business activities outside the Group and the steps to mitigate the potential COI were duly presented to the Board. Relevant senior management members and advisors were invited to attend some of the Board meetings to provide the Board with their views and clarifications on issues raised by the Directors. The NC was satisfied that the Directors, to the best of their ability, have devoted sufficient time and effort to attend Board and/or Board Committees' meetings for FYE 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

The attendance of Directors during FYE 2024 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

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 Company has adopted a Board Charter that has included a formal schedule of matters reserved for the Board, which is periodically reviewed. The Board Charter has become a tool of the Board to assist the Board in establishing operating procedures for the Board. It is also a policy that the Board has decided upon to meet its statutory and other responsibilities and serves as a reminder for the Board of the statutory framework within which it operates. The Board Charter details the responsibilities of the Board and Board-Management relationship, including management limitations. With this, the respective functions, roles and responsibilities of the Directors and Management are clearly set out in the Board Charter as guidance and clarity to enable them to effectively discharge their duties. The Board Charter also includes an outline on what is expected from Directors in terms of their commitment, roles and responsibilities of the Board Members, the Chairman and the GMD, and also embedded the Board composition, diversity policy, Directors' appointment process, the code of conduct for directors and employees as well as the Directors' training requirements. The Board Charter is published and available on the Company's website at <http://www.nestcon.my/>.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

3.1 The Company has established the Code of Conduct that applies to all Directors, officers and employees of the Company, with the same principles outlined in Paragraph 23 of the Board Charter. The Code of Conduct lays out the general principles and standards of business conduct and ethical behaviour expected from Directors and employees in the performance and exercise of their responsibilities or when representing the Group. It includes the professionalism and trustworthiness from Directors and employees. 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.

In compliance with the MACC, the Company has also established and implemented an ABC Policy which governs the prevention of corruption and unethical practices within the Company. The Group's contractors, sub-contractors, consultants, agents, representatives and any other parties performing work or services for or on behalf of the Group shall observe and comply with the ABC Policy when performing such work or services. The Code of Conduct, the Board Charter and ABC Policy are available on the Company's website at <http://www.nestcon.my/>.

3.2 The Board has adopted an AFWB Policy to facilitate the whistleblower to report or disclose through established channels on any violations or wrongdoings they may observe in the Group without fear of retaliation should they act in good faith when reporting such concerns. Only genuine concerns should be reported under the whistleblowing procedures. The report should be made in good faith with a reasonable belief that the information and any allegations made are substantially true and the report is not made for personal gain. Malicious and false allegations will be viewed seriously and treated as a gross misconduct and may lead to dismissal if proven. The AFWB Policy fosters an environment in which integrity and ethical behaviour are maintained through. The Board shall be apprised of any report which are serious in nature or of grave repercussions. During FYE 2024, the Group has not received any report made by any whistle-blower.

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 together with Management, acknowledge, their responsibilities for governing sustainability within the Group, covering areas such as health, safety, environment, social and governance. They ensure that sustainability is integrated into the strategic direction of the Group and its operations, including settling the Company's strategies, priorities, and targets. The Board ensures that sustainability considerations are factored into their duties, which include developing and implementing company strategies, business plans, major action plans, and risk management.

Senior Management drives the strategic management of material sustainability matters. The Company has implemented the following steps to address sustainability risks and opportunities in an integrated and strategic manner, the Company has established a clear sustainability governance framework and collaborative strategies for sustainability initiatives. This includes setting measurable sustainability targets aligned with long-term goals, integrating sustainability considerations into business plans, and managing sustainability risks as part of the overall risk management framework. Engaging stakeholders for input and building trust through regular communication are crucial. Leadership from Senior Management is essential in championing sustainability efforts and aligning organisational practices with sustainability goals. By following these steps, the Company can effectively govern sustainability, enhance resilience, and promote its long-term success while positively impacting society and the environment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

To address sustainability risks and opportunities, the SRMC and the Board conduct an annual material matters assessment. This process helps to prioritise risks and opportunities within the economic, environmental, social and governance context leading to sustainable strategy formulation aligned with the UNSDG.

In FYE 2024, the Board has identified fourteen (14) key material sustainability matters mapped with eight (8) relevant UNSDGs when developing the Group's sustainability strategies. Each material sustainability matters were set with a respective target towards achieving sustainability goals. While the Group has performed assessments on sustainability issues, the Board believes that current integration, practices and disclosures can be further improved.

The Group's sustainability strategies and efforts in addressing the material risks and opportunities are detailed in the Sustainability Statement within the Annual Report 2024.

- 4.2 The Company addresses sustainability risks and opportunities through a strategic and integrated approach by developing clear sustainability strategies that align with its long-term vision and mission. This includes establishing KPIs to track progress on various sustainability aspects, such as greenhouse gas emissions and workforce diversity. Regular performance monitoring and reporting mechanisms are in place to evaluate achievements and areas for improvement, detailed in a sustainability report. To ensure organisational alignment, internal communication strategies engage employees through updates and training, while external stakeholder engagement is fostered through meetings and consultations to gather feedback. Transparency is emphasised through communication of sustainability initiatives and performance in reports, including the Sustainability Statement in the Annual Report 2024. Feedback loops further support continuous improvement by integrating stakeholder insights into future sustainability planning. The GMD leads the management of the Company to review the business operation of the Group to further strengthen the sustainability framework within the organisation. The Company has identified and mapped eight (8) UNSDGs for the formulation of our Group's sustainability strategies.
- 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 Programs
17 January 2024	ESG and Sustainability Conference for Top Management
29 to 30 April 2024	ESG: Mandatory Accreditation Programme Part II
15 May 2024	Conservation by Community: Biosecurity in Antarctica
20 to 21 August 2024	International Sustainable Energy Summit 2024

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 the Board and Management. By actively engaging in such initiatives, the Board ensures that its members are well-prepared to address and provide guidance on sustainability matters within the Group.

- 4.4 To promote the Board's accountability towards the Group's sustainability management, NC has included the governance of sustainability as an additional performance evaluation criterion for the Board in FYE 2024 by setting sustainability-related questionnaire in the annual peer and self-assessment form. Such criteria encompass several considerations surrounding sustainability management, including the performance of the Board and Senior Management to oversee and support the implementation of sustainability strategies within ESG context, development of sustainability programme, monitoring of UNSDG progress, as well as knowledge in relation to the sustainability risks and opportunities that the Group exposes to. The Board is satisfied that the Directors and Senior Management possess the necessary knowledge, skills and expertise and have sufficiently discharged their duties and responsibilities efficiently in addressing the Group's material sustainability risks and opportunities during FYE 2024.
- 4.5 The Board does not appoint any Chief ESG Officer, however, the GMD led the management of sustainability during FYE 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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 2024, 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 2025 AGM of the Company pursuant to Clause 82 of the Company's Constitution:
 - (i) Encik Mohd Noor Bin Setapa;
 - (ii) Puan Roslinda Binti Awang @ Mat Yazid; and
 - (iii) Datuk Ir. Dr. Lim Jee Gin.

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.

Based on the outcome of the assessment reviewed by the NC, it was resolved that the Retiring Directors including the GMD, 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 2025 AGM of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

All Directors appointed to the Board have attended the Mandatory Accreditation Program Part I 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 2024, the Directors have attended at least one (1) training programme.

The training programmes and seminars attended by the Directors during FYE 2024 were as follows:

Directors	Seminars/ Conferences/ Training Programmes Attended	Date Attended
Mohd Noor Bin Setapa	Board Ethics: Growing Concerns from New Technology, Stakeholder Interest and Conflict of Interest	16 October 2024
Datuk Ir. Dr. Lim Jee Gin	ESG and Sustainability Conference for Top Management	17 January 2024
	Data Centre & Cloud Infra Summit Malaysia 2024	14-15 May 2024
	International Sustainable Energy Summit 2024	20-21 August 2024
	Tax Budget 2025 and Digital Conference	14 November 2024
Lim Joo Seng	ESG and Sustainability Conference for Top Management	17 January 2024
	Navigating e-Invoicing Compliance: Simplify, Streamline and Succeed	29 April 2024
	Data Centre & Cloud Infra Summit Malaysia 2024	14-15 May 2024
	International Sustainable Energy Summit 2024	20-21 August 2024
	Tax Budget 2025 and Digital Conference	14 November 2024
	Audit Oversight Board Conversation with Audit Committee	19 November 2024
Ong Yong Chuan	Seminar OSHA Amendment Act 2022	16 March 2024
	Data Centre & Cloud Infra Summit Malaysia 2024	14-15 May 2024
	Seminar Keselamatan dan Kesihatan Pekerjaan Kebangsaan 2024	23 October 2024
	Lembaga Hasil Dalam Negeri e-Invoice Workshop	21 November 2024
	3 e-Invoice Landmines: Bosses Must Avoid	22 November 2024
Nor Azzam Bin Abdul Jalil	Being Sued as an INED	10 May 2024
	Conservation by Community: Biosecurity in Antarctica	15 May 2024
	ESG: Mandatory Accreditation Programme Part II	5-6 June 2024
Yeoh Sheong Lee	ESG: Mandatory Accreditation Programme Part II	29-30 April 2024
	e-Invoice: Awareness, Compliance and Implementation Strategy	15 November 2024
	Auditing of Construction Contracts and Property Development Activities	12-13 December 2024
Roslinda Binti Awang @ Mat Yazid	Bengkel Pembangunan MS Structural Reinforced Concrete with Glass Fibre-Reinforced Polymer	20-21 August 2024
	Board Ethics: Growing Concerns from New Technology, Stakeholder Interest and Conflict of Interest	16 October 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

- 5.2 During FYE 2024, 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 Company practices a formal and transparent procedure for the appointment and re-election of Directors and the Board diversity. The Board is supported by a diverse Board and Senior Management. The appointment and re-election of Directors, Senior Management and the Board diversity are done in accordance with Paragraphs 6.3 and 15 of the Board Charter and also the NC's TOR of the Company governing the Board, both of which are available on the Company's website. During FYE 2024, the Board has achieved the representation of approximately 29% women Directors in the Board composition having combination of skills, experience and strength in qualities which are relevant to the Company. The detailed of diversity in the age, gender, race/ethnicity and nationality of the existing Board and Key Senior Management as at 31 December 2024 are set out in the CG Report of the Company.
- 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.
- 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 the Company's Constitution at the forthcoming 2025 AGM of the Company:-
- (a) Encik Mohd Noor Bin Setapa pursuant to Clause 82 of the Company's Constitution;
 - (b) Puan Roslinda Binti Awang @ Mat Yazid pursuant to Clause 82 of the Company's Constitution; and
 - (c) Datuk Ir. Dr. Lim Jee Gin pursuant to Clause 82 of the Company's Constitution.
- 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 2025 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 2024.
- 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

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 2025 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 2024. The process was carried out via self and peer assessment forms completed by the Directors pertaining to the following evaluation:

(a) Performance Evaluation for the Board and Board Committees

All Directors had participated the assessment on the performance of the Board and Board Committees of the Company for FYE 2024 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) ESG; 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 the 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.

- (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 2025 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 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 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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 Senior Management that sets out the criteria to be used in recommending remuneration packages for the EDs, Non-Executive Directors and any 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/>.

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 2024.
- 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 2024.
- 8.3 The detailed remuneration of each member of Key Senior Management on a named basis will not be disclosed for confidentiality purposes.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 has in placed procedures to continuously monitor and undertake an annual assessment of the suitability, objectivity and independence of the external auditors as well as to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditors in compliance with its TOR. Annually, the AC shall review the terms of engagement for services provided by the external auditors prior to the Board's approval. The AC is also responsible to review and evaluate the suitability, objectivity, independence, effectiveness, and performance of the external auditors on a yearly basis.
- During FYE 2024, the external auditors have provided assurances to the AC on its independence via the Audit Planning Memorandum and Audit Review Memorandum. According to the annual assessment conducted for FYE 2024, the AC is satisfied with the performance and independence of the external auditors with the fulfilment of criteria based on several factors, including competency, independence, objectivity, adequacy of the expertise and resources and has recommended to the Board to put forth a proposal for the re-appointment of Messrs. Morison LC PLT at the upcoming AGM for shareholders' approval.
- 9.4 The AC comprises solely of INEDs.
- 9.5 The NC conducted the following reviews of the AC for FYE 2024:
- (a) its composition in accordance with AMLR of Bursa Securities;
 - (b) the terms of office of AC members; and
 - (c) the performance of AC and its members.

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 members of AC 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 AC Chairman and all members of AC possess the relevant skills, competencies and also comprehend to effectively perform the assigned responsibilities and duties. The AC has reviewed and provided advice on the financial statements which provide a true and fair view of the Company's financial position and performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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.

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

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 The Board has delegated the responsibility to review the adequacy and integrity of the Group's system of internal control and risk management to the AC and SRMC. The internal audit function of the Group is carried out by an outsourced professional service firm, Eco Asia. The outsourced internal auditors report directly to the AC on the internal audit findings and recommendations. The internal audit function is independent and the internal audit assignments are performed with impartiality, proficiency and due professional care. The internal audit review of the Group's operations encompasses an independent assessment of the Company's compliance with its internal controls and recommendations are made for further improvement. During FYE 2024, the AC had reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced internal auditors and that they have the necessary authority to carry out their work.

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 2024, she was supported by 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 International Professional Practices Framework 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 need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments of the Company. The Board ensures that there is effective, transparent and regular communication with its stakeholders through a variety of communication channels as follows:

(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 any inquiry.

(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 AGM provides an opportunity for the shareholders to seek and clarify any issues pertaining to the Group and to have a better understanding of the Group's activities and performance. Both individuals and institutional shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. The Annual Report, which contains the Notice of Fourth AGM which was scheduled on 30 May 2024 ("**4th AGM**"), together with the explanatory notes on the proposed resolutions as contained in Annual Report 2024 were sent to the shareholders at least twenty-eight (28) days prior to the date of the 4th AGM, so as to give sufficient time and enable the shareholders to make informed decisions in exercising their voting rights at the AGM, and to arrange for proxies to attend the AGM on their behalf, if so required. The Notice of 4th AGM, which sets out the businesses to be transacted at the 4th AGM, was also published in a major local newspaper. The notes to the Notice of 4th AGM also provide the necessary explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.
- 13.2 All the Directors had attended the 4th AGM of the Company which was held on 30 May 2024 on a fully virtual basis to engage with the shareholders proactively. In compliance with the MCCG, all the Directors of the Company will endeavour to attend all future general meetings and the Chair of AC, NC, RC and SRMC will provide meaningful response to questions addressed to them.
- 13.3 Shareholders who wish to attend AGM/general meetings are given at least twenty-eight (28) days, to ensure that shareholders are able to make the necessary arrangement to attend general meeting, review the agenda, and formulate questions, if any. Where they are not able to attend, they may appoint proxies to attend on their behalf to vote and represent them. At its fully virtual 4th AGM, the Company has leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolution. A short video by the poll administrator has been played to demonstrate to the members, corporate representatives or proxies who has presented at the 4th AGM on the process for online voting. The voting session commenced from the time as announced by the Chairman until the close of the voting session as announced by the Chairman later. The scrutineers have verified and announced the poll results for each resolution with the details of votes for in favour and against. The Chairman thereafter declared the poll results and the same has been made available at the Company's website for the benefit of all shareholders.
- 13.4 The Chairman of the Board, all the Directors and Chairperson of the Board Committees have attended the 4th AGM of the Company, which was held as fully virtual meeting through live streaming and online remote participation and voting facilities from the broadcast venue on 30 May 2024 to engage with the shareholders virtually and proactively. The administrative guides for the 4th AGM was circulated to all shareholders of the Company and made available at the Company's website for the procedures to register, participate and vote remotely at the 4th AGM through the remote participating and voting facilities. Shareholders can raise their questions or issues or seek explanation from the Board or Management at the 4th AGM.

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)

- 13.5 The 4th AGM of the Company was held on 30 May 2024 as fully virtual meeting through live streaming and online remote voting from the broadcast venue to ensure safe distancing requirement is observed. The Board has appointed a poll administrator to verify the eligibility of shareholders/corporate representatives/proxies to attend the 4th AGM based on the AGM's record of depositors and upon the cut-off date and time for proxy form submission. The shareholders who are not able to attend the 4th AGM can appoint their proxy or appoint the Chairman as their proxy to attend and vote on his/her behalf provided that the relevant proxy form is lodged at the Company's Share Registrar's office at least forty-eight (48) hours before the 4th AGM. Shareholders who participated at the 4th AGM virtually, were able to speak (including posing questions to the Board via real time submission of typed texts) and vote remotely via the RPV facility.
- 13.6 Upon the conclusion of the 4th AGM, the Company has uploaded the list of questions posed by shareholders via the RPV facilities together with the answers responded by the Board and Management on the Company's website within thirty (30) business days. To uphold the best practice as per MCGG, the Company has published the 4th AGM minutes no later than thirty (30) business days after the 4th AGM on the Company's website.

The CG Statement and CG Report are made in accordance with a resolution of the Board of Directors passed on 16 April 2025.

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 2024.

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 MCGG 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 MCGG 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>.

MEETINGS AND ATTENDANCE

During FYE 2024, 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 2024 for presenting Audit Review Memorandum and Audited Financial Statements of the Company for FYE 2023 as well as Audit Planning Memorandum of the Company for FYE 2024. The Internal Auditors, Eco Asia was present at two (2) of the meetings held during FYE 2024 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 2024 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 Contract Management Review and Project Planning and Management Review to ensure processes adopted are consistent with the documented and authorised policy.

(3) Internal Audit Function

- (i) Appointed the internal auditors to undertake the internal audit function of the Group;
- (ii) Reviewed and assessed the suitability of the internal auditors for appointment, taking into consideration their independence, performance, competence and experience and their resources to ensure the effectiveness of internal audit function. The AC was satisfied with the competence and independence of internal auditors in performing their scope of duties in FYE 2024;
- (iii) Reviewed internal audit plan and ensured that appropriate actions were undertaken to conduct the audit engagements based on the approved plan; and
- (iv) Assisted and ensured that the outsourced internal auditors had full, free and unrestricted access to all activities, records, properties and personnel necessary to perform their duties.

Further details of the internal auditors' activities performed during FYE 2024 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 our 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

The AC undertook a comprehensive review of related party transactions and COI during FYE 2024. 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.

The Company proposed to acquire three (3) units of office space 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 ("**Proposed Acquisition**").

The Proposed Acquisition is deemed a related party transaction pursuant to Rule 10.08 of the AMLR, in view of the interest of Datuk Ir. Dr. Lim Jee Gin as the major shareholder and GMD of the Company, he is also a non-executive director and major shareholder of the vendor, Nestcity Cemerlang Sdn Bhd.

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

AUDIT COMMITTEE REPORT (CONT'D)

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

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

- (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. (Cont'd)

Based on the evaluation conducted by AC, the AC, after having considered all aspects of the Proposed Acquisition, including but not limited to the rationale, basis and justification of arriving at the purchase consideration, effects of the Proposed Acquisition, terms and conditions of the sale and purchase agreement and the views of the independent adviser duly appointed by the Company is of the opinion that the Proposed 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.
- (iv) Framework for COI management: 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 senior management to enhance the management of COIs. Throughout FY2024, the AC diligently reviewed and monitored all COI situations involving Directors and senior management.

The Company proposed to undertake the following:

- (a) joint development between Nestcon PJS (a 70%-owned subsidiary of Nestcon Property, which in turn is a wholly-owned subsidiary of the Company) and Kumpulan Wilayah Sejati Sdn Bhd to undertake, in a joint manner, the development of two (2) adjoining parcels of leasehold vacant development lands located in Bandar Petaling Jaya Selatan, Daerah of Petaling, State of Selangor ("**Proposed Joint Development**"); and
- (b) diversification of the existing business operations of the Group to include property development ("**Proposed Diversification**").

COI Situation

Details of actual or potential COI situations involving specific Director and senior management of the Group (hereinafter referred to as "**Affected Director**"), along with measures taken to address the COIs, are disclosed below:

In light of the Company's intention to explore any potential business opportunities in property development, Datuk Ir. Dr. Lim Jee Gin, being the GMD had updated his COI declaration to the Board on his interests in other companies which are principally involved in property development as follows:

AUDIT COMMITTEE REPORT (CONT'D)

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

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

(iv) COI Situation (Cont'd)

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.
Midasdes Sdn Bhd ⁽¹⁾	Property development	Datuk Ir. Dr. Lim Jee Gin is the GMD and major shareholder of the Company. He is also a shareholder of Midasdes Sdn Bhd.

Note:

⁽¹⁾ As at the date of this AC Report, Datuk Ir. Dr. Lim Jee Gin is in the midst of disposing his entire shareholdings in Midasdes Sdn Bhd to a third-party.

Mitigation Measures Undertaken

Given the interest of Datuk Ir. Dr. Lim Jee Gin in other property development business activities, the following measures have been implemented to mitigate the potential 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.

AUDIT COMMITTEE REPORT (CONT'D)

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

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

(iv) Mitigation Measures Undertaken (Cont'd)

(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.

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 in relation to the Proposed Joint Development and Proposed Diversification at the relevant Board meetings. Datuk Ir. Dr. Lim Jee Gin 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 Proposed Joint Development and Proposed Diversification to be tabled at the Extraordinary General Meeting to be convened.

Further, in accordance with the Group's COI Policy, the AC has assessed the nature of the abovementioned potential COI situations by Datuk Ir. Dr. Lim Jee Gin and is satisfied that the aforementioned safeguarding measures and/ or necessary controls, alongside the COI Policy, are in place to strengthen the approach to managing and mitigating the potential COI situation, thereby enhancing governance at this juncture.

Premised on the above, the Board (save for Datuk Ir. Dr. Lim Jee Gin) is of the view that the abovementioned potential COI situation of the Group is sufficiently mitigated.

(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 under review, 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.

AUDIT COMMITTEE REPORT (CONT'D)

REVIEW OF THE PERFORMANCE OF THE AUDIT COMMITTEE

The performance of the AC for FYE 2024 was reviewed by the NC on 27 February 2025.

AUDIT AND NON-AUDIT FEES

The fees paid/payable for services rendered by the external auditors during FYE 2024 are as below:

Description	Audit Fee (RM)	Non-Audit Fee (RM)*	Total (RM)
The Company	30,000.00	8,000.00	38,000.00
The Group	175,000.00	40,000.00	215,000.00

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

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 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 2024 was RM27,000.00.

This AC Report is made in accordance with a resolution of the Board passed on 16 April 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Rule 15.6(b) of the AMLR of Bursa Securities, the Board is pleased to present the SORMIC to outline the main features and scope of the Group’s risk management and internal control system in place during FYE 2024. This statement is prepared in line with Practice 10.1 and 10.2 of the MCCG and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITIES

Given the complexity of business operations, the Board recognises its overarching responsibility to establish and maintain a robust risk management and internal control system. In this regard, the Board is committed to ensuring the effectiveness and adequacy of the risk management and internal control system in safeguarding shareholders’ investments, stakeholders’ interests and the Group’s assets.

Recognising the inherent limitations of any risk management and internal control system, the Group’s risk management and internal control system is designed to minimise risks and manage them within an acceptable risk appetite, rather than to eliminate all risks that could hinder the achievement of business objectives. As such, the system can only provide reasonable, but not absolute, assurance against any material financial misstatements, losses, fraud or unforeseen circumstances.

RISK MANAGEMENT

The Board recognises that an effective risk management is essential for safeguarding shareholders’ value and ensuring the Group’s continued growth and resilience. Therefore, the Board remains committed to establishing and maintaining a structured risk management system to ensure that risks are identified, assessed and mitigated effectively at all levels of the Group.

Risk Management Structure

While the Board holds the ultimate responsibility for overseeing the Group’s risk management system, the Board has adopted the following risk management structure to facilitate the effective discharge of its duties and responsibilities:

The Board	To approve the Group’s Risk Management Framework and oversee the effectiveness of the framework as a whole
AC & SRMC	To assist in monitoring the Group’s risk management and internal control system and report to the Board on any findings and recommendations
GMD & Finance Director (Management)	To implement and monitor the Risk Management Framework in daily operations and report to the Board, AC and SRMC
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, are published on the Company’s website at <https://www.nestcon.my/>.

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

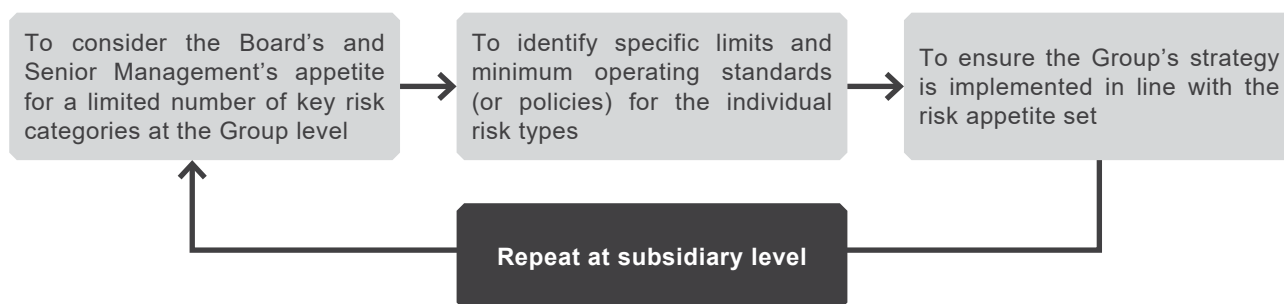
RISK MANAGEMENT (CONT'D)

Umbrella Risk Management Framework

Nestcon has put in place an Umbrella Risk Management Framework that integrates risk management practices into both strategic planning and operational activities across the Group. By embedding a top-down approach, this framework fosters risk awareness and accountability at every level of our organisation.

As guided by the Umbrella Risk Management Framework, one of the key components is the establishment of the Group's risk appetite, which balances the acceptance of reasonable risks with the pursuit of opportunities for growth and expansion. In this regard, the Board, supported by the Management, plays a pivotal role in defining and setting the Group's overall risk appetite. Each subsidiary's risk appetite shall then be reviewed to ensure the alignment with the Group's overall risk appetite, thereby promoting cohesive decision-making and effective risk management.

The process of establishing the Group's risk appetite involves structured steps, as illustrated below:



Following the establishment of the Group's risk appetite, we have then adopted an integrated risk management process to systematically identify, evaluate, communicate and monitor the Group's risks while implementing corresponding 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, where our internal and external stakeholders are engaged to enhance risk awareness and gather insights that support the subsequent decision-making processes. This communication and consultation process is integrated as an ongoing process throughout our risk management process, allowing us to continuously refine our risk management strategies, adapt to emerging challenges and improve decision-making effectiveness.

Building on the feedback and insights gained from stakeholders, the Group defines its risk management context by establishing clear internal and external parameters. This step sets the foundation for subsequent risk management activities by outlining the scope and criteria necessary for assessing and addressing risks.

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

RISK MANAGEMENT (CONT'D)

Umbrella Risk Management Framework (Cont'd)

Upon establishing the context, a comprehensive risk assessment is carried out, starting with risk identification at the entity, subsidiary and Group levels respectively through a systematic 3-step bottom-up approach. All identified risks are then analysed based on their likelihood, potential impact and the effectiveness of existing controls in place.

In FYE 2024, we revisited our risk register and concluded that all the following key risks continue to be relevant to our Group's operations:

- Compliance risk;
- Construction materials supply risk;
- Manpower supply risk;
- Covid-19/virus outbreak risk;
- Competition risk;
- Industry risk; and
- Health and safety risk.

Risk evaluation will then take place to determine the adequacy of existing control measures by comparing the risk analysis results against the Group's established risk criteria. In the event if the Group's existing controls are deemed 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 our risk management process is maintained through regular monitoring in line with the Group's Annual Risk Management Reporting Scheme. This scheme outlines a bottom-up approach to consolidate Risk Management Report, Business Plan and Budget from all subsidiaries into a comprehensive Group Risk Profile. The Group Risk Profile will then be reviewed by our GMD and Finance Director before submitting for AC and SRMC perusal and subsequent reporting to the Board. Additionally, ad-hoc risk reporting may be carried out upon request by the Board, AC, SRMC or the Management to address any emerging concerns. The entire risk management process is properly documented for performance tracking and continuous improvements.

INTERNAL CONTROL SYSTEM

To strengthen the Group's overall governance framework, the Group's risk management system is supported by the adoption of a comprehensive internal control system, covering from our daily operations to corporate governance. This ensures that the identified risks are not only assessed and treated but also effectively monitored through well-defined controls and governance mechanisms. Such internal control system is subjected to regular reviews and updates to ensure its ongoing relevance and effectiveness in adapting to the evolving business and regulatory environments.

Amongst others, the key internal controls implemented across the Group in FYE 2024 include:

- (i) Adoption of the Board Charter and TOR for all Board Committees to ensure the effective execution of their responsibilities while enabling the Board to maintain a robust oversight of control processes;
- (ii) A well-defined organisation structure with clear lines of responsibility to support appropriate segregation and delegation of duties and authorities, thereby promoting accountability and operational control;
- (iii) Formalisation of comprehensive policies and procedures, such as the Code of Conduct, ABC Policy and AFWB Policy, to promote ethical practices and business integrity;
- (iv) Establishment of Directors' Fit and Proper Policy to provide the NC with formal objective criteria for evaluating the appointment and re-appointment of Directors;
- (v) Implementation of internal SOPs to ensure the uniformity and consistency in practices and controls across the Group;

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

INTERNAL CONTROL SYSTEM (CONT'D)

Key internal controls implemented across the Group in FYE 2024 include: (cont'd)

- (vi) Preparation and deliberation on monthly financial reports with comparison and analysis of budgeted data and key performance by all subsidiaries to identify potential risks or issues, enabling timely interventions and corrective measures;
- (vii) Review of annual budgets by the Management before submitting for the Board's approval. The Management shall evaluate potential risk factors associated with their businesses and report the same 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 independent assurance on the effectiveness of the Group's internal control system and advises Management on areas for improvement.

INTERNAL AUDIT FUNCTION

Pursuant to Rule 15.27(1) of the AMLR, the Board, through the AC, appointed Eco Asia to support the Group's internal audit function by providing an independent evaluation on the overall adequacy, efficiency and effectiveness of the Group's risk management and internal control system in accordance with the IPPF.

The internal audit engagement team 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, has extensive experience and exposure in the internal audit field. During FYE 2024, she was supported by an Assistant Manager, two (2) Senior Internal Auditors and two (2) Junior Internal Auditors to carry out internal audit reviews for the Group.

According to the Internal Audit Plan duly approved by the AC, Eco Asia conducted two (2) internal audit reviews during FYE 2024, focusing on Project Planning and Management as well as Contract Management respectively. To ensure an effective audit process, the internal auditors conducted interviews with the Management and were provided with access to relevant internal documents.

Upon conclusion of audit review, the audit findings, root cause analysis and recommendations for improvement were compiled into an Internal Audit Report, which was presented and discussed at the scheduled AC meetings. The Management was then responsible to implement the corrective actions within the stipulated timeframe to address the identified weaknesses. The internal auditors subsequently conducted follow-up reviews to ensure that all corrective actions have been implemented timely and appropriately, and reported the same to the AC.

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

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 2024. Their review was performed in accordance with Audit and Assurance Practice Guide 3: 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 paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor factually inaccurate.

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

MANAGEMENT'S ASSURANCE

The GMD, on behalf of the Management, has provided reasonable assurance to the Board that the Group's risk management and internal control system has been functioning effectively and adequately in all material respects, supported by similar assurances from the respective heads of operations.

CONCLUSION

The Board believes that the Group's risk management and internal control system in place in FYE 2024, and up until the approval of this SORMIC, is satisfactory and adequate to protect shareholders' investments, stakeholder interests and the Group's assets. There were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies that require separate disclosure in this Annual Report.

In addition, the Board recognises the importance of continuous improvements in the Group's risk management and internal control system to support our business growth and adapt to the ever-changing business and regulatory landscapes. Hence, the Board, together with the Board Committees and Management, remains committed to continually enhancing the Group's risk management and internal control system.

This SORMIC was approved by the Board on 16 April 2025.

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 2024 are as follows:

	Group RM	Company RM
Audit		
- Financial audit	175,000	30,000
Non-audit		
- Review of SORMIC	5,000	5,000
- Transfer pricing documentation	35,000	3,000
Total	215,000	38,000

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

(a) Private Placement 2022

On 13 July 2022, the Company had proposed to undertake a private placement of up to 10% of the total number of issued shares of Nestcon to independent third-party investors. On 8 August 2023, the Company announced that a second extension of time was granted for an additional of six (6) months up to 2 February 2024 to complete the implementation of the Private Placement 2022. The Company had completed with the issuance of 64,382,000 new Nestcon shares on the ACE Market of Bursa Securities on 31 January 2024, raised total proceeds of approximately RM23.18 million.

As at 31 December 2024, the status of the utilisation of proceeds arising from the Private Placement 2022 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)
Building, civil engineering and infrastructure segments:				Within 12 months
- rental of machineries and equipment	4,639	(4,639)	-	
- purchase of reinforcement steel	8,161	(8,161)	-	
- payment to subcontractors	7,171	(7,171)	-	
Purchase of solar panels for renewable energy segment	3,000	(3,000)	-	Within 12 months
Estimated expenses for the Private Placement 2022	211	(211)	-	Within 1 month
Total	23,182	(23,182)	-	

The utilisation of proceeds disclosed above should be read in conjunction with the announcement of the Proposed Private Placement 2022 dated 13 July 2022 and 29 July 2022.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE (Cont'd)

(b) Private Placement 2024

On 12 July 2024, the Company had proposed to undertake a second 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 2024, the Company had completed one (1) tranche of the Private Placement 2024 involving issuance of 6,500,000 new shares, at an issue price of RM0.385, raised total proceeds of approximately RM2.50 million. On 5 February 2025, the Company announced that an extension of time was granted for an additional six (6) months up to 30 July 2025 to complete the implementation of the Private Placement 2024.

As at 31 December 2024, the status of the utilisation of proceeds arising from the Private Placement 2024 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	2,482	(2,482)	-	Within 6 months
Working capital	-	-	-	Within 12 months
Estimated expenses for the Private Placement 2024	21	(21)	-	Within 1 month
Total	2,503	(2,503)	-	

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

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.

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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 2024.

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	9,779,903	871,891
Income tax expense	(3,312,739)	(292,370)
Profit for the financial year	6,467,164	579,521
Profit/(Loss) attributable to:		
Owners of the Company	7,859,400	579,521
Non-controlling interests	(1,392,236)	-
	6,467,164	579,521

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:

- 26,132,000 new ordinary shares at issue price of RM0.325 per ordinary shares through fourth tranche of first private placement ("**Private Placement 2022**") and
- 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 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
Darren Solomon Low Jun Kiet (Resigned on 22 January 2024)

* 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 1.1.2024	Bought	Sold	Balance as at 31.12.2024
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	500,000	2,000,000	-	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	2,399,302	-
Defined contribution plans	294,354	-
	2,693,656	-
Non-executive directors:		
Fees	209,950	209,950
Other emoluments	20,000	20,000
	229,950	229,950
	2,923,606	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 RM28,825.

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 2024 are as follows:

	The Group RM	The Company RM
Auditors' remuneration:		
Statutory audit	175,000	30,000
Other services	5,000	5,000
	180,000	35,000

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,
16 April 2025

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

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 2024 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,
16 April 2025

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 16th day of April, 2025.

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 2024 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 93 to 141.

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 2024, 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
<p>Revenue recognition from construction contracts</p> <p>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 disclosure.</p> <p>Revenue from construction contracts during the financial year amounted to RM820,355,507, which represent 98% of the Group's revenue.</p> <p>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:</p> <ul style="list-style-type: none"> • progress of completion of the performance obligations; and • budgeting process in estimating the budgeted contract costs. 	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> (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 <i>Revenue from Contracts with Customers</i>. (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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Key audit matter	How the matter was addressed in our audit
	(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, 19 and 21 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 2024, the Group's trade receivables and contract assets amounted to RM250,595,632 and RM229,667,855, which represent 32% and 30% 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.

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Report on the Audit of the Financial Statements (Cont'd)

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.
- 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Other Matters

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

Petaling Jaya
16 April 2025

LEE HUI ZIEN
03564/03/2027 J
Chartered Accountant

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	The Group 2024 RM	2023 RM	The Company 2024 RM	2023 RM
Revenue	6	838,132,065	775,146,276	-	-
Cost of sales		(799,290,833)	(746,832,090)	-	-
Gross profit		38,841,232	28,314,186	-	-
Other operating income	7	3,324,472	4,258,844	1,764,738	1,364,863
Administrative expenses		(16,777,695)	(14,236,013)	(892,847)	(686,309)
Other operating expenses		(445,000)	(227,002)	-	-
Profit from operations		24,943,009	18,110,015	871,891	678,554
Finance costs	8	(15,163,106)	(12,742,613)	-	-
Profit before tax	9	9,779,903	5,367,402	871,891	678,554
Income tax expense	10	(3,312,739)	(1,466,248)	(292,370)	(247,863)
Profit for the financial year, representing total comprehensive income for the financial year		6,467,164	3,901,154	579,521	430,691
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) attributable to:					
Owners of the Company		7,859,400	3,491,837	579,521	430,691
Non-controlling interests		(1,392,236)	409,317	-	-
		6,467,164	3,901,154	579,521	430,691
Earnings per ordinary share attributable to owners of the Company:					
Basic/Diluted	11	0.01	0.01		

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	The Group 2024 RM	2023 RM	The Company 2024 RM	2023 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	96,447,108	88,922,462	-	-
Investment properties	13	1,709,530	1,748,560	-	-
Investment in subsidiary companies	14	-	-	60,245,000	60,244,000
Goodwill arising from consolidation	15	1,075,347	1,075,347	-	-
Other financial assets	16	-	2,087,297	-	-
Deferred tax assets	17	2,818,269	1,382,958	-	-
Total Non-Current Assets		102,050,254	95,216,624	60,245,000	60,244,000
Current Assets					
Inventories	18	3,470,231	1,273,933	-	-
Trade receivables	19	250,595,632	240,715,356	-	-
Other receivables, deposits and prepayments	20	34,669,196	30,151,308	60,373	105,495
Contract assets	21	229,667,855	214,520,272	-	-
Amount due from subsidiary companies	14	-	-	48,048,446	44,382,534
Tax recoverable		3,237,489	5,028,713	-	-
Other financial assets	16	10,548,374	2,153,989	8,412,373	2,153,989
Fixed deposits with licensed banks	22	58,833,721	46,542,807	-	-
Cash and bank balances	22	82,743,273	70,391,327	7,852,621	6,210,769
Total Current Assets		673,765,771	610,777,705	64,373,813	52,852,787
Total Assets		775,816,025	705,994,329	124,618,813	113,096,787
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	23	126,481,528	115,591,598	126,481,528	115,591,598
Merger reserves	24	(47,543,900)	(47,543,900)	-	-
Retained earnings/(Accumulated losses)		69,569,878	61,710,478	(2,070,113)	(2,649,634)
Equity Attributable to Owners of the Company		148,507,506	129,758,176	124,411,415	112,941,964
Non-controlling interests		1,838,583	3,230,499	-	-
Total Equity		150,346,089	132,988,675	124,411,415	112,941,964

STATEMENTS OF FINANCIAL POSITION (CONT'D)
AS AT 31 DECEMBER 2024

	Note	The Group 2024 RM	2023 RM	The Company 2024 RM	2023 RM
Non-Current Liabilities					
Bank borrowings	25	15,979,500	18,651,422	-	-
Lease liabilities	26	26,779,440	23,925,239	-	-
Deferred tax liabilities	17	1,738,801	647,230	-	-
Total Non-Current Liabilities		44,497,741	43,223,891	-	-
Current Liabilities					
Trade payables	27	346,988,380	317,976,271	-	-
Other payables and accruals	28	17,113,965	9,319,781	101,774	83,445
Contract liabilities	21	14,639,489	8,286,690	-	-
Bank borrowings	25	187,350,635	182,702,131	-	-
Lease liabilities	26	14,464,067	11,304,957	-	-
Tax liabilities		415,659	191,933	105,624	71,378
Total Current Liabilities		580,972,195	529,781,763	207,398	154,823
Total Liabilities		625,469,936	573,005,654	207,398	154,823
Total Equity and Liabilities		775,816,025	705,994,329	124,618,813	113,096,787

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	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 2023		110,952,649	(47,543,900)	58,218,641	121,627,390	395,682	122,023,072
Contributions by and distribution to owners of the Company							
Issuance of shares	23	4,680,000	-	-	4,680,000	-	4,680,000
Share issue expenses	23	(41,051)	-	-	(41,051)	-	(41,051)
		4,638,949	-	-	4,638,949	-	4,638,949
Issuance of shares in subsidiary company to non-controlling interests		-	-	-	-	2,425,500	2,425,500
Profit for the financial year, representing total comprehensive income for the financial year		-	-	3,491,837	3,491,837	409,317	3,901,154
As at 31 December 2023/1 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		126,481,528	(47,543,900)	69,569,878	148,507,506	1,838,583	150,346,089

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Share capital RM	Distributable reserve - Accumulated losses RM	Total equity RM
The Company				
As at 1 January 2023		110,952,649	(3,080,325)	107,872,324
Contributions by and distribution to owners of the Company				
Issuance of shares	23	4,680,000	-	4,680,000
Share issue expenses	23	(41,051)	-	(41,051)
		4,638,949	-	4,638,949
Profit for the financial year, representing total comprehensive income for the financial year		-	430,691	430,691
As at 31 December 2023/1 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		126,481,528	(2,070,113)	124,411,415

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM/(USED IN)				
OPERATING ACTIVITIES				
Profit before tax	9,779,903	5,367,402	871,891	678,554
Adjustments for:				
Accretion of interest on other financial assets	(48,704)	(48,703)	-	-
Depreciation of property, plant and equipment	17,899,377	16,397,411	-	-
Depreciation of investment properties	39,030	45,430	-	-
Dividend income from other financial assets	(46,227)	(26,274)	(46,227)	(26,274)
Fair value gain from other financial assets	(212,157)	(46,870)	(212,157)	(46,870)
Gain on derecognition of lease upon termination	(930)	(2,405)	-	-
Gain on disposal of property, plant and equipment	(38,033)	(1,365,144)	-	-
Inventories written off	1,380	-	-	-
Interest expenses	15,163,106	12,742,613	-	-
Interest income from:				
Fixed deposits with licensed banks	(1,179,645)	(861,176)	-	-
Bank balances	(724,406)	(532,736)	(189,670)	(172,050)
Advances to subsidiary companies	-	-	(1,316,684)	(1,119,669)
Loss on disposal of investment property	-	50,287	-	-
Property, plant and equipment written off	146,951	113,744	-	-
Provision for defect liabilities	4,822,500	3,477,000	-	-
Provision for foreseeable loss	217,037	-	-	-
Operating profit/(loss) before changes in working capital	45,819,182	35,310,579	(892,847)	(686,309)
Changes in working capital:				
(Increase)/Decrease in:				
Inventories	(2,197,678)	(269,253)	-	-
Trade receivables	(9,880,276)	(66,901,902)	-	-
Other receivables, deposits and prepayments	(4,517,888)	(9,951,318)	45,122	810
Contract assets	(15,147,583)	(88,061,318)	-	-
Increase/(Decrease) in:				
Trade payables	29,012,109	113,085,381	-	-
Other payables and accruals	(381,574)	(1,666,553)	18,329	(7,587)
Contract liabilities	6,352,799	2,048,227	-	-
Cash from/(used in) operations	49,059,091	(16,406,157)	(829,396)	(693,086)
Interest received	724,406	523,032	189,670	172,050
Tax paid	(2,825,499)	(2,545,774)	(258,124)	(207,714)
Tax refunded	1,183,970	-	-	-
Net Cash From/(Used In) Operating Activities	48,141,968	(18,428,899)	(897,850)	(728,750)

STATEMENTS OF CASH FLOWS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS USED IN INVESTING ACTIVITIES				
Acquisition of a subsidiary company, net of cash acquired	-	-	(1,000)	-
Dividend income from other financial assets	46,227	26,274	46,227	26,274
Addition of other financial assets	212,157	46,870	212,157	46,870
Advances to subsidiary companies	-	-	(3,665,912)	(13,500,499)
Interest received	-	-	1,316,684	1,119,669
Proceeds from disposal of property, plant and equipment	291,199	2,233,003	-	-
Proceed from disposal of investment property	-	655,000	-	-
Purchase of property, plant and equipment*	(3,280,936)	(4,277,327)	-	-
Net Cash Used In Investing Activities	(2,731,353)	(1,316,180)	(2,091,844)	(12,307,686)
CASH FLOWS (USED IN)/ FROM FINANCING ACTIVITIES				
Subscription of shares by non-controlling interests	320	2,425,500	-	-
Interest paid	(15,163,106)	(12,742,613)	-	-
Proceed from issuance of shares, net of share issuance expenses	10,889,930	4,638,949	10,889,930	4,638,949
Interest received	1,179,645	870,880	-	-
Placement of pledged fixed deposits with licensed banks	(12,290,914)	(14,645,215)	-	-
Movement in restricted cash at licensed banks	(5,483,461)	(5,240,922)	(94,743)	(92,636)
Repayment of lease liabilities	(9,309,829)	(11,869,025)	-	-
Net drawdown of bank borrowings	6,863,276	28,769,797	-	-
Net Cash (Used In)/From Financing Activities	(23,314,139)	(7,792,649)	10,795,187	4,546,313
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	22,096,476	(27,537,728)	7,805,493	(8,490,123)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(495,480)	27,042,248	4,197,226	12,687,349
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	21,600,996	(495,480)	12,002,719	4,197,226

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The details of cash and cash equivalents are as follow:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Investment in short-term funds	8,412,373	2,153,989	8,412,373	2,153,989
Fixed deposits with licensed banks	58,833,721	46,542,807	-	-
Cash and bank balances	82,743,273	70,391,327	7,852,621	6,210,769
Bank overdrafts	(36,943,246)	(45,912,853)	-	-
	113,046,121	73,175,270	16,264,994	8,364,758
Less: Non-cash and cash equivalents				
Pledged fixed deposits with licensed banks	(58,833,721)	(46,542,807)	-	-
Restricted cash at licensed banks	(32,611,404)	(27,127,943)	(4,262,275)	(4,167,532)
	21,600,996	(495,480)	12,002,719	4,197,226

* During the current financial year, the Group acquired property, plant and equipment through the following arrangements:

	The Group	
	2024	2023
	RM	RM
Financed by:		
Cash payments	3,280,936	4,277,327
Lease liabilities	15,373,410	16,049,428
Term loans	4,082,913	4,409,512
Other payables	3,136,221	-
	25,873,480	24,736,267

The notes to the financial statements form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 16 April 2025.

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

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 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of these amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

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 121	Lack of Exchangeability ¹
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards-Volume 11 ²
MFRS 18	Presentation and Disclosure in Financial Statements ³
MFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Deferred to a date to be determined and announced by MASB.

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, and that the adoption of the new MFRSs and amendments to MFRSs may have an impact on the financial statements of the Group and of the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect of the said new MFRSs and Amendments to MFRSs until the Group and Company undertake a detailed review.

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 2024

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 2024

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.

Solar assets under construction are not depreciated until it is completed and ready for intended use.

Property, plant and equipment other than solar 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:

Freehold building	2%
Leasehold buildings	2%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 2024

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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") on trade receivables, other receivables and deposits, contract assets, amount due from subsidiary companies, fixed deposits with licensed bank as well as cash and bank balances. 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 2024

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 flow

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(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 19 and Note 21 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 2024, the Group has tax recoverable and tax liabilities of RM3,237,489 (2023: RM5,028,713) and RM415,659 (2023: RM191,233) respectively. As at 31 December 2024, the Company has tax liability of RM105,624 (2023: RM71,378).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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			
2024			
Revenue	820,867,073	17,264,992	838,132,065
Result			
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
2023			
Revenue	759,205,475	15,940,801	775,146,276
Result			
Depreciation of property, plant and equipment			(16,397,411)
Depreciation of investment properties			(45,430)
Interest income			1,393,912
Finance costs			(12,742,613)
Unallocated income			2,864,932
Unallocated expenses			(744,852,264)
Tax expense			(1,466,248)
Profit after tax			3,901,154
Assets and liabilities			
Segment assets			705,994,329
Segment liabilities			573,005,654

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5. SEGMENT REPORTING (Cont'd)

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 RM555,855,749 (2023: RM537,926,992), which relates to two (2023: three) customers.

6. REVENUE

	The Group	
	2024 RM	2023 RM
Revenue from contract with customers:		
Construction contracts	820,355,507	759,169,850
EPCC of solar energy solution	16,399,143	15,796,800
Renewable energy	865,849	144,001
Transportation	511,566	-
	838,132,065	775,110,651
Revenue from other source:		
Rental of machineries	-	35,625
	838,132,065	775,146,276
Timing of revenue recognition:		
Over time:		
Construction contracts	820,355,507	759,169,850
EPCC of solar energy solution	16,399,143	15,796,800
	836,754,650	774,966,650
At a point in time:		
Renewable energy	865,849	144,001
Transportation	511,566	-
	838,132,065	775,110,651

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	
	2024 RM	2023 RM
Within one year	1,272,803,374	1,423,404,690
Later than one year but not later than five years	300,767,933	543,509,211
	1,573,571,307	1,966,913,901

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

7. OTHER OPERATING INCOME

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Accretion of interest on other financial assets	48,704	48,703	-	-
Interest income from:				
Fixed deposits with licensed banks	1,179,645	861,176	-	-
Bank balances	724,406	532,736	189,670	172,050
Advances to subsidiary companies	-	-	1,316,684	1,119,669
Dividend income from other financial assets	46,227	26,274	46,227	26,274
Fair value gain from other financial assets	212,157	46,870	212,157	46,870
Gain on derecognition of lease upon termination	930	2,405	-	-
Gain on disposal of property, plant and equipment	38,033	1,365,144	-	-
Gain on foreign exchange:				
Realised	-	11,720	-	-
Insurance claim	545,275	889,021	-	-
Management fee	215,324	377,873	-	-
Renewable energy certificates	66,220	-	-	-
Other miscellaneous income	247,551	96,922	-	-
	3,324,472	4,258,844	1,764,738	1,364,863

8. FINANCE COSTS

	The Group	
	2024 RM	2023 RM
Interest expense on:		
Bank borrowings	13,143,336	10,891,356
Lease liabilities	2,019,770	1,851,257
	15,163,106	12,742,613

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. PROFIT BEFORE TAX

Profit before tax for the financial year is arrived at after charging:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Auditors' remuneration:				
Statutory audits:				
Current financial year	175,000	175,000	30,000	30,500
Other services	5,000	5,000	5,000	5,000
Staff costs	51,518,113	45,400,552	229,950	224,000
Depreciation of property, plant and equipment	17,899,377	16,397,411	-	-
Depreciation of investment properties	39,030	45,430	-	-
Property, plant and equipment written off	146,951	113,744	-	-
Provision for defect liabilities	4,822,500	3,477,000	-	-
Provision for foreseeable losses	217,037	-	-	-
Inventories written off	1,380	-	-	-
Loss on disposal of investment property	-	50,287	-	-
Realised loss on foreign exchange	36,815	-	-	-
Expenses relating to short-term leases	43,547,245	47,731,201	-	-
Expenses relating to leases of low value assets	126,309	124,976	-	-

Included in staff costs of the Group and of the Company are directors' remuneration of RM2,923,606 (2023: RM2,684,639) and RM229,950 (2023: RM224,000), 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 RM3,551,133 (2023: RM3,411,586).

10. INCOME TAX EXPENSE

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Estimated tax payable:				
Current financial year	3,767,978	1,131,887	300,384	243,251
(Over)/Under provision in prior financial years	(111,499)	(713,801)	(8,014)	4,612
	3,656,479	418,086	292,370	247,863
Deferred tax (Note 17):				
Current financial year	(747,492)	1,174,717	-	-
Under/(Over) provision in prior financial years	403,752	(126,555)	-	-
	(343,740)	1,048,162	-	-
	3,312,739	1,466,248	292,370	247,863

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10. INCOME TAX EXPENSE (CONT'D)

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	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	9,779,903	5,367,402	871,891	678,554
Taxation at statutory rate of 24% (2023: 24%)	2,347,177	1,288,176	209,254	162,853
Tax effects of:				
Non-taxable income	(11,689)	(29,243)	-	-
Expenses not deductible	684,998	1,047,671	91,130	80,398
(Over)/Under provision in prior financial years:				
Estimated tax payable	(111,499)	(713,801)	(8,014)	4,612
Deferred tax	403,752	(126,555)	-	-
	3,312,739	1,466,248	292,370	247,863

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.

Basis earnings per ordinary share

	The Group	
	2024	2023
Profit attributable to owners of the Company (RM)	7,859,400	3,491,837
Weighted average number of ordinary shares (units)	708,858,288	678,902,137
Basic and diluted earnings per ordinary share (RM)	0.01	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 2024

12. PROPERTY, PLANT AND EQUIPMENT

The Group	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	Solar assets under construction RM	Total RM
Cost												
As at 1 January 2023	1,122,749	26,008,413	1,393,439	754,543	75,118,258	28,816,767	475,064	558,076	2,937,587	-	1,679,357	138,864,253
Additions	1,220,394	8,138,109	245,153	41,290	9,548,527	3,263,156	47,155	109,274	171,906	-	1,951,303	24,736,267
Disposals	-	-	-	-	(1,590,000)	(70,000)	-	-	(971,314)	-	-	(2,631,314)
Written offs	-	-	-	-	(175,000)	(3,800)	-	-	(275,695)	-	-	(454,495)
Transfer	-	-	-	-	-	-	-	-	-	3,520,495	(3,520,495)	-
Derecognition arising from lease termination	(776,586)	-	-	-	-	-	-	-	-	-	-	(776,586)
As at 31 December 2023/1 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	1,343,327	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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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	Solar assets under construction RM	Total RM
Accumulated depreciation												
As at 1 January 2023	734,159	10,593,515	442,017	452,142	25,766,680	16,209,883	330,190	494,353	2,063,729	-	-	57,086,668
Charge for the financial year	718,667	2,903,444	171,552	72,241	8,094,345	3,886,232	57,474	39,075	406,128	48,253	-	16,397,411
Disposals	-	-	-	-	(877,918)	(54,833)	-	-	(830,704)	-	-	(1,763,455)
Written offs	-	-	-	-	(119,583)	(1,203)	-	-	(219,965)	-	-	(340,751)
Derecognition arising from lease termination	(564,210)	-	-	-	-	-	-	-	-	-	-	(564,210)
As at 31 December 2023/1 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	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	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
Carrying amount												
As at 31 December 2023	677,941	20,649,563	1,025,023	271,450	50,038,261	11,966,044	134,555	133,922	443,296	3,472,242	110,165	88,922,462
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Included in property, plant and equipment of the Group are building equipment, machinery, motor vehicles and solar panel under finance lease arrangements with net book value RM14,979,278 (2023: RM8,496,326), RM26,346,604 (2023: RM27,274,337), RM5,920,547 (2023: RM6,192,138) and RM1,944,858 (2023: Nil) respectively. These building equipment, machinery, motor vehicles and solar panel 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 Panel RM	Total RM
The Group						
Cost						
As at 1						
January 2023	1,122,749	7,443,504	32,373,393	11,948,088	-	52,887,734
Additions	1,220,394	2,655,745	8,582,858	3,213,805	-	15,672,802
Reclassifications	-	-	(8,055,584)	(4,791,521)	-	(12,847,105)
Derecognition arising from lease termination	(776,586)	-	-	-	-	(776,586)
As at 31						
December 2023/ 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
Reclassifications	-	-	(2,435,193)	(1,364,418)	-	(3,799,611)
Derecognition arising from lease termination	(672,479)	-	-	(226,080)	-	(898,559)
As at 31						
December 2024	1,343,327	17,779,082	34,707,700	10,735,271	2,040,061	66,605,441
Accumulated amortisation						
As at 1						
January 2023	734,159	615,129	6,013,189	6,118,870	-	13,481,347
Charge for the financial year	718,667	987,794	3,392,667	2,190,501	-	7,289,629
Reclassifications	-	-	(4,217,721)	(4,131,137)	-	(8,348,858)
Derecognition arising from lease termination	(564,210)	-	-	-	-	(564,210)
As at 31						
December 2023	888,616	1,602,923	5,188,135	4,178,234	-	11,857,908

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Land and buildings RM	Building equipment RM	Machinery RM	Motor vehicles RM	Solar Panel RM	Total RM
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
Reclassifications	-	-	(815,440)	(1,345,668)	-	(2,161,108)
Derecognition arising from lease termination	(623,139)	-	-	(79,129)	-	(702,268)
As at 31 December 2024	872,415	2,799,804	8,361,096	4,814,724	95,203	16,943,242
Carrying amount						
As at 31 December 2023	677,941	8,496,326	27,712,532	6,192,138	-	43,078,937
As at 31 December 2024	470,912	14,979,278	26,346,604	5,920,547	1,944,858	49,662,119

The Group's right-of-use assets consist of land and buildings, building equipment, machinery and motor vehicles. The lease term for right-of-use assets ranges from 1 to 7 years (2023: 1 to 7 years). The Group has options to extend the lease term for 1 year (2023: 1 year) at the end of the lease term.

13. INVESTMENT PROPERTIES

	Freehold land and buildings RM	Leasehold buildings RM	Total RM
The Group Cost			
As at 1 January 2023	768,000	1,951,503	2,719,503
Disposal	(768,000)	-	(768,000)
As at 31 December 2023/1 January 2024/31 December 2024	-	1,951,503	1,951,503
Accumulated depreciation			
As at 1 January 2023	56,313	163,913	220,226
Charge for the financial year	6,400	39,030	45,430
Disposal	(62,713)	-	(62,713)
As at 31 December 2023/1 January 2024	-	202,943	202,943
Charge for the financial year (Note 9)	-	39,030	39,030
As at 31 December 2024	-	241,973	241,973
Carrying amount			
As at 31 December 2023	-	1,748,560	1,748,560
As at 31 December 2024	-	1,709,530	1,709,530

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. INVESTMENT PROPERTIES (Cont'd)

- (a) 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.
- (b) The fair value of investment properties are as follows:

	The Group	
	2024 RM	2023 RM
Leasehold buildings	1,745,656	1,700,705

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	
	2024 RM	2023 RM
Unquoted shares - at cost:		
As at 1 January	60,244,000	60,244,000
Addition	1,000	-
At at 31 December	60,245,000	60,244,000

Details of the subsidiary companies are as follows:

Name of subsidiary	Place of incorporation	Effective equity interest		Principal activities
		2024	2023	
		%	%	
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. (formerly known as Nestcon Development Sdn. Bhd.) ("Nestcon Property") [#]	Malaysia	100	-	Dormant

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

Name of subsidiary	Place of incorporation	Effective equity interest		Principal activities
		2024	2023	
		%	%	
Indirect subsidiary companies held through Nestcon Infra				
Nestcon KSJ Ventures Sdn. Bhd. (" Nestcon KSJ ")	Malaysia	51	51	Engaged in construction works
Nestcon Floatovoltaics Sdn. Bhd. (" Nestcon Floatovoltaics ")@	Malaysia	80	80	Dormant
Indirect subsidiary companies held through Nestcon Sustainable Solutions				
N1 Solar Sdn. Bhd.	Malaysia	100	100	Dormant
N2 Solar Sdn. Bhd.	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	70	Dormant
Indirect subsidiary companies held through Nestcon Property				
Nestcon PJS Sdn. Bhd. (" Nestcon PJS ")#	Malaysia	70	-	Dormant

@ The subsidiary company is consolidated based on its unaudited management account as at 31 December 2023.

The subsidiary company is consolidated based on its unaudited management account as at 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

Subscription of new ordinary shares issued by a subsidiary company

- (i) On 30 June 2023, a wholly owned subsidiary company, Nestcon Infra subscribed 2,524,500 ordinary shares allotted by Nestcon KSJ through disposal of 6 units of Articulated Trucks to Nestcon KSJ for a disposal consideration of RM2,524,500.

Nestcon Infra's effective equity interest in Nestcon KSJ remain 51% after the subscription of additional ordinary shares.

Incorporation of subsidiary companies

- (i) 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.
- (ii) 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.
- (iii) On 13 July 2023, a subsidiary company, Nestcon Sustainable Solutions subscribed for 7 ordinary shares which represents 70% of the total issued ordinary shares from the newly incorporated subsidiary company, N3 Solar for a total cash consideration of RM7.
- (iv) On 13 October 2023, a wholly-owned subsidiary company, Nestcon Infra subscribed 80 ordinary shares, which represents 80% of the total issued ordinary shares from the newly incorporated subsidiary company, Nestcon Floatovoltaics for a total cash consideration of RM80.

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%.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. GOODWILL ARISING FROM CONSOLIDATION

	The Group 2024 RM	2023 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.

The recoverable amount is determined based on “value-in-use” where management made an estimate of the expected future cash flows covering five-years (2023: five-years) period. The key assumptions for the value-in-use calculation are as below:

	2024 %	2023 %
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. OTHER FINANCIAL ASSETS

	The Group 2024 RM	2023 RM	The Company 2024 RM	2023 RM
Non-Current				
Financial asset at amortised cost (Note (a))	-	2,087,297	-	-
Current				
Financial asset at amortised cost (Note (a))	2,136,001	-	-	-
Financial asset at fair value through profit or loss (Note (b))	8,412,373	2,153,989	8,412,373	2,153,989
	10,548,374	2,153,989	8,412,373	2,153,989
	10,548,374	4,241,286	8,412,373	2,153,989

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16. OTHER FINANCIAL ASSETS (Cont'd)

(a) Financial asset at amortised cost

The financial asset represents the certain assets paid as a security to the term loan as disclosed in Note 25. This financial asset carries at effective interest rates ranges 2.39% to 2.43% (2023: 2.39% to 2.43%) per annum and to be received in 2025.

	The Group	
	2024 RM	2023 RM
Nominal		
As at 1 January/31 December	2,145,727	2,145,727
Less: Discount		
As at 1 January	58,430	107,133
Unwinding of discount (Note 7)	(48,704)	(48,703)
As at 31 December	9,726	58,430
Carrying amount		
As at 31 December	2,136,001	2,087,297

(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.

17. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2024 RM	2023 RM
Deferred tax assets	2,818,269	1,382,958
Deferred tax liabilities	(1,738,801)	(647,230)
	1,079,468	735,728

The movements in deferred tax during the financial year are as follows:

	The Group	
	2024 RM	2023 RM
As at 1 January	735,728	1,783,890
(Charged)/Credited to profit or loss (Note 10):		
Property, plant and equipment	(883,594)	(2,522,802)
Right-of-use assets and lease liabilities	(755)	5,640
Provisions	1,744,403	241,967
Unutilised tax losses	361,455	(15,425)
Unabsorbed capital allowances	(877,769)	1,242,458
	343,740	(1,048,162)
As at 31 December	1,079,468	735,728

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17. 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 2024 RM	2023 RM
Deferred tax assets (before offsetting):		
Temporary differences arising from:		
Property, plant and equipment	-	9,009
Right-of-use assets and lease liabilities	4,885	5,640
Provisions	2,940,430	1,196,027
Unutilised tax losses	1,413,990	1,052,535
Unabsorbed capital allowances	364,689	1,242,458
	4,723,994	3,505,669
Offsetting	(3,644,526)	(2,769,941)
Deferred tax assets (after offsetting)	1,079,468	735,728
Deferred tax liabilities (before offsetting):		
Temporary differences arising from property, plant and equipment	3,644,526	2,769,941
Offsetting	(3,644,526)	(2,769,941)
Deferred tax liabilities (after offsetting)	-	-

At the end of the reporting period, the Group has unabsorbed capital allowances and unused 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 2024 RM	2023 RM
Unabsorbed capital allowances	1,519,539	5,176,910
Unutilised tax losses	5,891,625	4,385,563

The unabsorbed capital allowances do not expire under current tax legislation.

Expiry date of the unutilised tax losses is summarised below:

	The Group 2024 RM	2023 RM
Year of assessment:		
2032	-	4,385,563
2034	5,891,625	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. INVENTORIES

	The Group	
	2024 RM	2023 RM
At cost:		
Purchased materials	3,470,231	1,273,933

The cost of inventories recognised by the Group as an expense during the financial year is RM7,341,449 (2023: RM9,271,308).

19. TRADE RECEIVABLES

	The Group	
	2024 RM	2023 RM
Receivables	122,918,567	136,577,264
Retention sum receivables:		
Third parties	127,677,065	103,844,568
Related parties	-	293,524
	127,677,065	104,138,092
	250,595,632	240,715,356

The credit period granted to customers ranges from 14 to 60 days (2023: 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 (2023: 1 to 2.5 years).

The Group applies a simplified approach in calculating loss allowances for trade receivable at an amount equal to lifetime ECL.

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	
	2024 RM	2023 RM
Neither past due nor impair	176,040,739	179,078,471
Past due but not impair:		
1 to 30 days	44,802,881	31,147,626
31 days to 60 days	20,385,020	11,005,866
61 days to 90 days	939,739	6,040,601
More than 90 days	8,427,253	13,442,792
	74,554,893	61,636,885
	250,595,632	240,715,356

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

19. 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.

20. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables	3,974,325	2,666,053	-	-
Deposits	8,503,129	10,248,943	1,000	1,000
Prepayment	5,143,433	3,892,032	59,373	104,495
Advance payment	16,909,557	13,303,360	-	-
Accrued revenue	138,752	40,920	-	-
	34,669,196	30,151,308	60,373	105,495

Included in deposits of the Group is an amount of RM37,350 (2023: RM29,100) paid to a director of the Company.

21. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2024 RM	2023 RM
Contract assets	229,667,855	214,520,272
Contract liabilities	(14,639,489)	(8,286,690)
	215,028,366	206,233,582

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21. CONTRACT ASSETS/(LIABILITIES) (Cont'd)

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.

The movements in contract assets/(liabilities) during the financial year are as follows:

	The Group	
	2024 RM	2023 RM
As at 1 January	206,233,582	120,220,491
Revenue recognised during the financial year	836,754,650	774,966,650
Progress billings issued during the financial year	(827,959,866)	(688,953,559)
As at 31 December	215,028,366	206,233,582

Revenue recognised during the financial year which was included in contract liabilities balances at the beginning for the financial year is RM8,286,690 (2023: RM6,238,463).

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 2.0% to 3.10% (2023: 2.0% to 3.05%) per annum. Fixed deposits with licensed banks of the Group have maturity terms of 1 month to 12 months (2023: 1 month to 12 months).

Included in cash and bank balances of RM32,611,404 (2023: RM27,127,943) 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	
	2024	2023	2024 RM	2023 RM
Issued and fully paid:				
<u>Ordinary shares</u>				
At beginning of the financial year	682,072,000	669,072,000	115,591,598	110,952,649
Issuance of shares pursuant to private placements	32,632,000	13,000,000	10,995,400	4,680,000
Share issuance expenses	-	-	(105,470)	(41,051)
At end of the financial year	714,704,000	682,072,000	126,481,528	115,591,598

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23. SHARE CAPITAL (Cont'd)

During the financial year, the Company increased its issued and fully paid-up ordinary shares from RM115,591,598, comprising 682,072,000 ordinary shares, to RM126,481,528, comprising 714,704,000 ordinary shares through:

- (a) 26,132,000 new ordinary shares at issue price of RM0.325 per ordinary shares 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**").

In previous financial year, the Company increased its issued and fully paid-up ordinary shares from RM110,952,649 to RM115,591,598 by issuing 13,000,000 new ordinary shares through third tranche of Private Placement 2022 at issue price of RM0.36 per ordinary share.

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 entitled to one vote per ordinary share at meeting of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

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	
	2024 RM	2023 RM
Secured		
Term loans	25,309,812	31,055,253
Bank overdrafts	36,943,246	45,912,853
Factoring payable	49,309,175	33,884,836
Invoice financing	59,959,099	60,343,808
Bankers' acceptance	1,499,000	2,247,000
Revolving credits	30,309,803	27,909,803
	203,330,135	201,353,553
Current		
Term loans	9,330,312	12,403,831
Bank overdrafts	36,943,246	45,912,853
Factoring payable	49,309,175	33,884,836
Invoice financing	59,959,099	60,343,808
Bankers' acceptance	1,499,000	2,247,000
Revolving credits	30,309,803	27,909,803
	187,350,635	182,702,131
Non-Current		
Term loans	15,979,500	18,651,422
	203,330,135	201,353,553

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25. BANK BORROWINGS (Cont'd)

The weighted average effective interest rates for bank borrowings (per annum) as at reporting date are as follows:

	The Group	
	2024 %	2023 %
Term loans	3.88 to 6.82	3.50 to 6.82
Bankers' acceptance	4.76	4.87 to 4.95
Above the Cost of Funds		
Bank overdrafts	1.00 to 1.50	1.00 to 1.50
Factoring payable	1.00	1.00
Invoice financing	1.25 to 2.00	1.00 to 2.00
Revolving credits	0.75 to 1.25	0.75 to 1.50

The bank borrowings are secured by way of:

- Fixed charged over designated collections account, sinking fund account and other accounts;
- Charged over goods as defined in Master Security Agreement;
- All Monies Legal Charge or all Monies Deed of Assignment and Power of Attorney over investment properties;
- Insurance policy is taken up under the name of directors of the Company and assigned to the Bank; and
- Corporate guarantee by the Company and third parties.

26. LEASE LIABILITIES

The maturity analysis of the lease liabilities are as follows:

	The Group	
	2024 RM	2023 RM
Minimum lease payments:		
Less than one year	16,309,541	12,879,801
Later than one year but not later than five years	28,458,696	25,443,999
Later than five years	567,454	152,159
Total minimum lease payments	45,335,691	38,475,959
Less: Unearned interest	(4,092,184)	(3,245,763)
Present value of lease liabilities	41,243,507	35,230,196

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26. LEASE LIABILITIES (Cont'd)

The lease liabilities component is analysed as follows:

	The Group 2024 RM	2023 RM
Current	14,464,067	11,304,957
Non-current	26,779,440	23,925,239
	41,243,507	35,230,196

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 and motor vehicles.

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% (2023: 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 6.66% (2023: 3.91% to 7.77%) 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 2024 RM	2023 RM
Payables:		
Third parties	285,964,870	268,784,986
Retention sum payables:		
Third parties	61,023,510	48,897,762
Related party	-	293,523
	61,023,510	49,191,285
	346,988,380	317,976,271

The normal credit terms granted to the Group ranges from 30 to 90 days (2023: 30 to 90 days).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

28. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	4,341,866	2,209,419	62,182	45,595
Provision for defect liabilities	5,538,703	3,729,505	-	-
Provision of foreseeable losses	217,037	-	-	-
Accruals	5,238,525	3,378,007	39,592	37,850
Deposits received	1,777,834	2,850	-	-
	17,113,965	9,319,781	101,774	83,445

Included in other payables of the Group is an amount of RMNil (2023: RM3,600) payable to a director of the Company as at 31 December 2024.

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

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	
	2024 RM	2023 RM	2024 RM	2023 RM
Subsidiary companies:				
Interest income	-	-	1,316,684	1,119,669
Related party:				
Director				
Rental expenses	(116,400)	(116,400)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. RELATED PARTY TRANSACTIONS (Cont'd)

(c) Compensation of key management personnel

The remuneration of key management personnel during the financial year are as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive directors:				
Salaries and other emoluments	2,399,302	2,191,818	-	-
Defined contribution plans	294,354	268,821	-	-
	2,693,656	2,460,639	-	-
Non-executive directors:				
Fees	209,950	204,000	209,950	204,000
Other emoluments	20,000	20,000	20,000	20,000
	229,950	224,000	229,950	224,000
	2,923,606	2,684,639	229,950	224,000

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group amounted to RM 28,825 (2023: RM39,450).

30. CAPITAL COMMITMENTS

	The Group	
	2024 RM	2023 RM
Approved and contracted for:		
Building equipment	2,515,294	3,984,469
Machineries	1,300,000	691,813
	3,815,294	4,676,282

31. FINANCIAL GUARANTEE CONTRACTS

	The Company	
	2024 RM	2023 RM
Corporate guarantee given to licensed banks to secure credit facilities granted to subsidiary companies	236,870,826	231,172,963
Corporate guarantee for suppliers	21,686,521	25,143,353
Corporate guarantee for contract customers	78,008,881	64,327,634

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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	
	2024 RM	2023 RM
As at 1 January	155,440,700	122,261,391
Purchase of property, plant and equipment	4,082,913	4,409,512
Net drawdown of bank borrowings	6,863,276	28,769,797
Interest expense incurred (Note 8)	13,143,336	10,891,356
Interest expense paid	(13,143,336)	(10,891,356)
As at 31 December	166,386,889	155,440,700

	Lease liabilities (Note 26) The Group	
	2024 RM	2023 RM
As at 1 January	35,230,196	31,264,574
Additions to right-of-use assets	15,373,410	16,049,428
Derecognition of right-of-use assets	(50,270)	(214,781)
Payments of lease liabilities - principal	(9,309,829)	(11,869,025)
Interest expense incurred (Note 8)	2,019,770	1,851,257
Interest expense paid	(2,019,770)	(1,851,257)
As at 31 December	41,243,507	35,230,196

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial assets				
<i><u>Fair value through profit or loss</u></i>				
Other financial assets	8,412,373	2,153,989	8,412,373	2,153,989
<i><u>At amortised cost</u></i>				
Trade receivables	250,595,632	240,715,356	-	-
Other receivables and refundable deposits	12,477,454	12,914,996	1,000	1,000
Amount due from subsidiary companies	-	-	48,048,446	44,382,534
Other financial assets	2,136,001	2,087,297	-	-
Fixed deposits with licensed banks	58,833,721	46,542,807	-	-
Cash and bank balances	82,743,273	70,391,327	7,852,621	6,210,769
Financial liabilities				
<i><u>At amortised cost</u></i>				
Trade payables	346,988,380	317,976,271	-	-
Other payables and accruals	9,580,391	5,587,426	101,774	83,445
Bank borrowings	203,330,135	201,353,553	-	-
Lease liabilities	41,243,507	35,230,196	-	-

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

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 three (2023: three) receivables which constituted 48% (2023: 47%) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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:

	Weighted average 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						
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	191,279,286	15,723,457	1,710,845	208,713,588
Lease liabilities	3.91 to 6.66	41,243,507	16,309,541	28,458,696	567,454	45,335,691
		601,142,413	503,134,088	105,205,663	2,278,299	610,618,050

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 (cont'd)

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: (cont'd)

	Weighted average 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						
2023						
Non-interest bearing:						
Trade payables		317,976,271	268,784,986	49,191,285	-	317,976,271
Other payables and accruals		5,587,426	5,587,426	-	-	5,587,426
Interest bearing:						
Bank borrowings	3.50 to 6.82	201,353,553	183,850,242	18,465,448	1,894,616	204,210,306
Lease liabilities	3.91 to 7.77	35,230,196	12,879,801	25,443,999	152,159	38,475,959
		560,147,446	471,102,455	93,100,732	2,046,775	566,249,962

At the end of the reporting period, the Company only inclusive of current liabilities, therefore no maturity profile.

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 2024

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (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 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 variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages 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 manages its interest rate risk exposure from interest-bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts at the end of the reporting period was:

	2024 RM	2023 RM
Fixed rate instruments		
<u>Financial assets</u>		
Fixed deposits with licensed banks	58,833,721	46,542,807
 <u>Financial liabilities</u>		
Bank borrowings	252,681	458,831
Lease liabilities	41,243,507	35,230,196
 Floating rate instruments		
<u>Financial liabilities</u>		
Bank borrowings	203,077,454	200,894,722

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 profit before tax for the financial year would have been approximately RM1,015,387 (2023: RM1,004,474) 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 2024

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	
	2024 RM	2023 RM
Debt	244,573,642	236,583,749
Equity	150,346,089	132,988,675
Debt to equity ratio (%)	1.63	1.78

Debt consists of bank borrowings and lease liabilities.

Debt to equity ratio is not applicable to the Company as the Company has no debt at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

35. SUBSEQUENT EVENTS

- (a) On 7 January 2025, a wholly-owned subsidiary company, Nestcon Property subscribed 700 ordinary shares, which represents 70% of the total issued ordinary shares from the newly incorporated subsidiary company, Nestcon Iskandar Puteri Sdn. Bhd. for a total cash consideration of RM700.
- (b) 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 Sdn. Bhd. for a total cash consideration of RM1,000.
- (c) On 14 March 2025, a wholly-owned subsidiary company, Nestcon Infra subscribed 600 ordinary shares, which represents 60% of the total issued ordinary shares from the newly incorporated subsidiary company, Nestcon Ecology Sdn. Bhd. for a total cash consideration of RM600.
- (d) On 14 March 2025, a wholly-owned subsidiary company, Nestcon Infra subscribed 100 ordinary shares, which represents 10% of the total issued ordinary shares from the newly incorporated subsidiary company, Nestcon Frontier Sdn. Bhd. for a total cash consideration of RM100.
- (e) On 14 March 2025, a wholly-owned subsidiary company, Nestcon Property subscribed 700 ordinary shares, which represents 70% of the total issued ordinary shares from the newly incorporated subsidiary company, Nestcon Idaman Sdn. Bhd. for a total cash consideration of RM700.

36. MATERIAL LITIGATION

- (a) On 30 June 2023, Nestcon Builders, a subsidiary company of the Group ("**Defendant**") received a writ of summon in relation to a claim by Rainbow Option Sdn. Bhd. ("**Plaintiff**"), that during the development and construction of a building project, the Defendant had, amongst others, breached their duties and/or obligations in the following manner:
 - the construction works and/or activities carried out at project site has caused unreasonable noise disturbance after the permitted working hours, which in turn, has caused disruption to Plaintiff's restaurant business; and
 - inadequate measures to manage, regulate and/or control the traffic flow to prevent unreasonable disruption and/or interference in the surrounding vicinity, which in turn, has on various occasions prevented access to Plaintiff's restaurant.

The trial for this case has concluded. The court has scheduled the filing of written submissions by 28 March 2025. Written submissions in reply are to be filed by 3 May 2025, and oral submissions are set to take place on 28 May 2025.

No provision was made at the end of the reporting period. Based on legal advice obtained, the directors believe that it has reasonable grounds to resist the claim.

- (b) Nestcon Infra ("**Defendant**"), a wholly-owned subsidiary company of the Group, was served on 2 August 2024 with a writ and statement of claim both dated 25 July 2024 filed by Ong Nai Loo ("**Plaintiff**"), as one of the defendants.

According to the statement of claim, the Plaintiff's complaint was that around 1 October 2018, Nestcon Infra, in the course of completing its project, allegedly trespassed on the Plaintiff's land with machineries to carry out earthworks, thereby depriving the Plaintiff of the use and enjoyment of his land. The Plaintiff seeks against Nestcon Infra and other defendant for injunction, general damages, exemplary or aggravated damages, indemnity and special damages of RM1,825,288.20.

The pre-trial case management took place on 26 March 2025, during which the parties updated the Court on the status of their pre-trial preparations. The trial has been scheduled to take place over the following dates in 1 December 2025, 8 December 2025 and 12 December 2025.

No provision was made at the end of the reporting period as the outcome for this case is presently undetermined.

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 2024 (RM'000)
1.	B-11-07, Block B Astoria Ampang Jalan Ampang 50450 Kuala Lumpur	Serviced apartment on 11 th floor/ Investment property/ Leasehold of 99 years expiring on 25 January 2094/ Building	6	Not applicable/ 1,505	11 July 2019	1,053
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	10	2,343/ 2,305	22 October 2012	657

ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

Total Number of Issued Shares	:	714,704,000
Issued and Fully Paid-up	:	RM126,481,528
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	8	0.513	100	0.000
100 - 1,000	265	16.988	118,600	0.017
1,001 - 10,000	619	39.679	3,503,700	0.490
10,001 - 100,000	454	29.102	17,049,200	2.385
100,001 – 5% (*)	212	13.590	419,107,800	58.641
5% and above (**)	2	0.128	274,924,600	38.467
	1,560	100.000	714,704,000	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)

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Mohd Noor Bin Setapa	-	-	-	-
Datuk Ir. Dr. Lim Jee Gin	363,243,758	50.824	-	-
Ong Yong Chuan	64,680,842	9.050	165,000 ⁽¹⁾	0.023
Lim Joo Seng	2,000,000	0.280	-	-
Nor Azzam Bin Abdul Jalil	-	-	-	-
Yeoh Sheong Lee	2,500,000	0.350	-	-
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)

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Datuk Ir. Dr. Lim Jee Gin	363,243,758	50.824	-	-
Ong Yong Chuan	64,680,842	9.050	165,000 ⁽¹⁾	0.023
Hii Pick Hung	165,000	0.023	64,680,842 ⁽¹⁾	9.050

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 28 MARCH 2025

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	210,243,758	29.417
2.	ONG YONG CHUAN	64,680,842	9.050
3.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	27,000,000	3.778
4.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	25,000,000	3.498
5.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN (7012027)	25,000,000	3.498
6.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	23,000,000	3.218
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	22,000,000	3.078
8.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AIK FU	21,500,000	3.078
9.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH POH SENG (100430)	21,232,000	2.971
10.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	18,000,000	2.519
11.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AIK HOE	16,870,200	2.360
12.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DATO' ONG CHOO MENG (MY3273)	14,300,000	2.000
13.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN (MY4470)	13,000,000	1.819
14.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AIK KIAT	9,632,700	1.348
15.	LIONG LISA	9,550,000	1.336
16.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GUNUNG RESOURCES SDN BHD	8,171,800	1.143
17.	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR EAC FUND	7,200,000	1.007
18.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MBUILD VENTURE SDN BHD	7,000,000	0.979
19.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AIK FU	6,750,000	0.944
20.	BIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANDREW TAN JUN SUAN (MGNM88133)	5,572,800	0.780
21.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TAN CHYI BOON (SMART)	5,000,000	0.700
22.	BIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HIQ MEDIA (MALAYSIA) SDN. BHD. (MGNM43005)	5,000,000	0.700
23.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH POH SENG	4,900,000	0.686
24.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHARLIE CHING WEE CHUN (MY3732)	4,180,000	0.585
25.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG SOON LIM (MY4640)	4,051,900	0.567
26.	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE (MARGIN)	3,800,000	0.532
27.	SIA HUI MING	3,239,200	0.453
28.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AIK HOE (7006131)	3,000,000	0.420
29.	TAN SHIRLEY	2,944,000	0.412
30.	LIM JIA WOEI	2,720,000	0.381

NOTICE OF FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting ("**5th AGM**") of the Company will be held at DoubleTree by Hilton Shah Alam i-City, Finance Avenue, 40000 Shah Alam, Selangor ("**Main Venue**") on Monday, 23 June 2025 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 2024 together with the Reports of the Directors and Auditors thereon. *[Please refer to Explanatory Note 1]*
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 24 June 2025 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 1]

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 RM20,000.00 payable to Non-Executive Directors for the period from 24 June 2025 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	5,000.00
2.	Independent Non-Executive Directors	15,000.00
	Total	20,000.00

3. 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) Encik Mohd Noor Bin Setapa; *[Ordinary Resolution 2]*
 - (ii) Puan Roslinda Binti Awang @ Mat Yazid; and *[Ordinary Resolution 3]*
 - (iii) Datuk Ir. Dr. Lim Jee Gin. *[Ordinary Resolution 4]*
4. 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. *[Ordinary Resolution 5]*

NOTICE OF FIFTH ANNUAL GENERAL MEETING (CONT'D)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolution:

5. ORDINARY RESOLUTION

- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

*[Please refer to
Explanatory Note 4]
[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.”*

- 6. 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 FIFTH 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 2025

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 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 Fourth (4th) AGM held on 30 May 2024, obtained approval from the shareholders in respect of the Non-Executive Directors' fees and benefits for the period from 31 May 2024 until the next AGM of the Company to be held in 2025:

	The Company	
	Approved limit granted by the shareholders at the 4th AGM	
	Directors' Fees (RM)	Meeting Allowance and Claimable Benefits (RM)
Chairman of the Board	68,250.00	5,000.00
Independent Non-Executive Directors	163,800.00	15,000.00
Total ("Column 1")	232,050.00	20,000.00

The Directors' Fees and 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 2024 had not exceeded the amount as set out in Column I that were approved by the shareholders at the 4th AGM of the Company in 2024. Details of the Directors' Remuneration for the financial year ended 31 December 2024 are enumerated in the 2024 Corporate Governance Report of the Company.

The Company is seeking shareholders' approval for the payment of Non-Executive Directors' fees (inclusive of Board Committees' fees) for an amount up to RM214,200.00 and Non-Executive Directors' benefits for an amount up to RM20,000.00 payable on a monthly basis for the period from 24 June 2025 until the next AGM of the Company under Ordinary Resolution 1.

The estimated Non-Executive Directors' fees proposed for the financial period from 24 June 2025 until the next AGM of the Company are derived based on the current Board size.

The benefits payable to the Non-Executive Directors comprising of meetings allowances based on actual attendance of meetings by the Non-Executive Directors and other claimable benefits including reimbursable expenses incurred in the course of carrying out their duties as Non-Executive Directors. The payment of benefits to the Non-Executive Directors will be made by the Company on a monthly basis and/or as and when incurred.

Ordinary Resolution 1 is to facilitate payment of Non-Executive Directors' fees and benefits for the financial year 2025/2026.

In the event that the proposed Non-Executive Directors' fees and benefits payable are insufficient due to the enlarged Board size, the Company will seek shareholders' approval at the next AGM of the Company for the additional Non-Executive Directors' fees and benefits payable to meet the shortfall.

NOTICE OF FIFTH ANNUAL GENERAL MEETING (CONT'D)

3. Item 3 of the Agenda

Encik Mohd Noor Bin Setapa, Puan Roslinda Binti Awang @ Mat Yazid and Datuk Ir. Dr. Lim Jee Gin (**"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 5th 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; and
- (iv) Factors outlined in the Company's Fit and Proper Policy.

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, Encik Mohd Noor Bin Setapa, Puan Roslinda Binti Awang @ Mat Yazid and Datuk Ir. Dr. Lim Jee Gin 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 20, 21 and 26 of the Company's Annual Report 2024.

4. Item 5 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"**).

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.

NOTICE OF FIFTH ANNUAL GENERAL MEETING (CONT'D)

4. Item 5 of the Agenda (cont'd)

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. As at the date of this Notice, the Company had issued 6,500,000 new ordinary shares at an issue price of RM0.385 per ordinary share pursuant to the Private Placement of up to 10% of the issued ordinary shares in the Company ("**Private Placement**") based on the previous mandate granted to the Directors at the 4th AGM of the Company held on 30 May 2024. Subsequently, Bursa Securities had vide its letter dated 5 February 2025 approved the extension of time up to 30 July 2025 for the Company to complete the Private Placement. Details of the total proceeds raised from the Private Placement and its utilisation of proceeds are disclosed in the Company's Annual Report 2024.

Notes:

- (1) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 16 June 2025 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 5th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.*
- (2) *A member who is entitled to attend and vote at the 5th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 5th 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 5th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (3) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (4) *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.*
- (5) *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.*

NOTICE OF FIFTH ANNUAL GENERAL MEETING (CONT'D)

- (6) *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 5th 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).

- (7) *Pursuant to Rule 8.31A(1) of the AMLR of Bursa Securities, all the resolutions set out in this Notice of 5th AGM will be put to vote by poll.*
- (8) *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.*

Personal Data Privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 5th 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 5th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 5th 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 FIFTH 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 5th AGM.

2. Directors standing for re-election.

Encik Mohd Noor Bin Setapa, Puan Roslinda Binti Awang @ Mat Yazid and Datuk Ir. Dr. Lim Jee Gin (**“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 5th AGM. For the purpose of determining the eligibility of the each of the Retiring Directors to stand for re-election at the 5th 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; and
- (v) Factors outlined in the Company's Fit and Proper Policy.

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, Encik Mohd Noor Bin Setapa, Puan Roslinda Binti Awang @ Mat Yazid and Datuk Ir. Dr. Lim Jee Gin 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 20, 21 and 26 of the Company's Annual Report 2024.

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.

Please refer to the Explanatory Note 4 of the Notice of the 5th AGM set out on Page 148.

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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 Fifth Annual General Meeting ("5th AGM") of the Company to be held at DoubleTree by Hilton Shah Alam i-City, Finance Avenue, 40000 Shah Alam, Selangor ("Main Venue") on Monday, 23 June 2025 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 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 24 June 2025 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 RM20,000.00 payable to Non-Executive Directors for the period from 24 June 2025 until the next AGM of the Company, in such manner as the Directors may determine.		
2.	Re-election of Encik Mohd Noor Bin Setapa as Director pursuant to Clause 82 of the Company's Constitution.		
3.	Re-election of Puan Roslinda Binti Awang @ Mat Yazid as Director pursuant to Clause 82 of the Company's Constitution.		
4.	Re-election of Datuk Ir. Dr. Lim Jee Gin 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 _____ 2025

Signature of Member/Common Seal

*Strike out whichever is not desired.

Notes:

- (1) The 5th AGM of the Company will be held at Main Venue. Members and proxies will have to attend physically in person at the Main Venue.
- (2) In respect of deposited securities, only members whose names appear in the Record of Depositors on 16 June 2025 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 5th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.
- (3) A member who is entitled to attend and vote at the 5th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 5th 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 5th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- (4) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- (5) 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.
- (6) 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.
- (7) 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.
- (8) 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 5th 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, Kota Kemuning, 40460 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).
- (9) You may refer to the Administrative Guide of the 5th AGM for guidance and further details.
- (9) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of 5th AGM will be put to vote by poll.
- (10) 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 initialled.

Personal Data Privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 5th 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 5th AGM dated 30 April 2025.

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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,
40460 Kota Kemuning,
Shah Alam, Selangor.

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NESTCON BERHAD

[Registration No. 202001008684 (1365004-W)]

No. 2-10, Jalan Kenari 13B,
Bandar Puchong Jaya,
47170 Puchong,
Selangor Darul Ehsan,
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E : enquiries@nestcon.my