BUILDING **FOUNDATIONS**

DRIVING **TRANSFORMATION**

20
25
ANNUAL REPORT

ADVANCECON

BUILDING FOUNDATIONS
DRIVING TRANSFORMATION

We believe that transformation is built on strong foundations. Whether in the infrastructure we construct or the principles that guide our organisation—purpose, vision, values and execution discipline—getting the fundamentals right enables sustainable progress and long-term impact.

29th ANNUAL GENERAL MEETING

VENUE : Greens III (Sports Wing), Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan.

DATE & TIME : 18 June 2026 (Thursday), 10.00 a.m.

SCAN ME

For more information on Advancecon Holdings Berhad Directory, please scan the QR code or visit our website **www.advancecon.com.my**

WHAT'S **INSIDE**

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OTHERS INFORMATION

ABOUT ADVANCECON

PURPOSE

Transforming nations by building strong foundations for a better future.

VISION

To be a global leader in infrastructure, earthworks and renewable energy.

MISSION

Nurture industry leaders to build the foundations that connect people and transform nations.

CORE VALUES

A – Always take Ownership

D – Deliver WOW

V – Value and Driven by Professionalism

A – Appreciate and Recognize

N – Nurture for Growth

C – Commitment, Competency & Consistency

E – Engineer Innovation

ADVANCECON

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI RAZARUDIN BIN HUSAIN @ ABD RASID
Independent
Non-Executive Chairman

DATO' PHUM ANG KIA
Deputy Executive Chairman

PHUM BOON ENG
Managing Director

TUNG KAI HUNG
Executive Director

WEE CHUEN LII
Independent
Non-Executive Director

DATUK LOO TOOK GEE
Independent
Non-Executive Director

JANANEE PRIYA A/P GOPAL
Independent
Non-Executive Director

AUDIT COMMITTEE
Wee Chuen Lii *(Chairman)*
Jananee Priya A/P Gopal
Datuk Loo Took Gee

REMUNERATION COMMITTEE
Jananee Priya A/P Gopal *(Chairperson)*
Wee Chuen Lii
Datuk Loo Took Gee

NOMINATION COMMITTEE
Datuk Loo Took Gee *(Chairperson)*
Jananee Priya A/P Gopal
Wee Chuen Lii

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE
Jananee Priya A/P Gopal *(Chairperson)*
Tung Kai Hung
Lim Kok Tiong
Yap Teck Hock
Alicia Chin Mei Yoke

COMPANY SECRETARIES
Tan Tong Lang *(SSM PC No. 202208000250/ MAICSA 7045482)*
Low Ven Sin *(SSM PC No. 202208000340/ MAICSA 7076080)*

REGISTERED OFFICE
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
W.P. Kuala Lumpur
Telephone no.: 03-9770 2200
Facsimile no.: 03-2201 7774
Email: boardroom@boardroom.com.my

HEAD OFFICE
No. 16, 18 & 20, Jalan Pekaka 8/3
Seksyen 8, Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Telephone no.: 03-6157 9563
Facsimile no.: 03-6157 0469

AUDITORS
Messrs. UHY Malaysia PLT
(LLP 0041391-LCA & AF 1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City Lingkaran Syed Putra
59200 Kuala Lumpur
W.P. Kuala Lumpur
Telephone no.: 03-2279 3088
Facsimile no.: 03-2279 3099

PRINCIPAL BANKERS
Alliance Bank Malaysia Berhad
Ambank (M) Berhad
Bank of China (Malaysia) Berhad
CIMB Bank Malaysia Bhd
Hong Leong Bank Berhad
HSBC Bank Malaysia Bhd
Public Bank Berhad
United Overseas Bank (Malaysia) Berhad

SHARE REGISTRAR
Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Telephone no.: 03-7890 4700
Facsimile no.: 03-7890 4670
Email: BSR.Helpdesk@boardroomlimited.com

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad
Construction
Stock Code.: ADVCON
Stock No.: 5281

DATE & PLACE OF INCORPORATION
9 April 1997, Malaysia

WEBSITE
www.advancecon.com.my

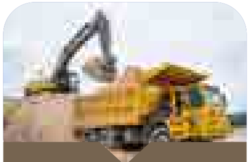
LISTING DATE
10 July 2017

REGISTRATION NO.
199701011469 (426965-M)

CORPORATE **STRUCTURE**

ADVANCECON

ADVANCECON HOLDINGS BERHAD
(Registration No. 199701011469 (426965-M))

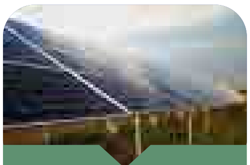


CONSTRUCTION AND SUPPORT SERVICES

- **ADVANCECON INFRA SDN BHD**
  100%
- **ADVANCECON MACHINERY SDN BHD**
  100%
- **ADVANCECON (SARAWAK) SDN BHD**
  30%

QUARRY OPERATIONS

- **SPRING ENERGY RESOURCES BERHAD**
  51%
  - **SPRING ENERGY SDN BHD**
    100%
    - **SE SATU SDN BHD**
      100%
      - **SE SINARAN SDN BHD**
        80%
    - **SEMENYIH QUARRY SDN BHD**
      100%
    - **SE PREMIX SDN BHD**
      100%
    - **SPRING ENERGY CONSTRUCTION SDN BHD**
      100%
    - **SPRING ENERGY MINING SDN BHD**
      100%
      - **SE ENDAU SDN BHD**
        50%
    - **SE QUARRY SDN BHD**
      55%
    - **SEMENYIH ROCK SDN BHD**
      60%
    - **BUKIT TINGGI INFRA SDN BHD**
      51%



RENEWABLE ENERGY

- **ADVANCECON SOLAR SDN BHD**
  100%
  - **LSS TPG SDN BHD**
    100%
  - **BUMI HEBAT SDN BHD**
    49%

PROPERTY INVESTMENT

- **ADVANCECON PROPERTIES SDN BHD**
  100%

DEVELOPMENT

- **ADVANCECON VENTURES SDN BHD**
  100%
  - **CLQ SILVERVALLEY SDN BHD**
    70%
  - **ADVANCECON DEVELOPMENT SDN BHD**
    100%

DIRECTORS' **PROFILE**

Board Composition

Tenure (Length of Service) | **Age Profile (%)** | **Gender Diversity**

DIRECTORS' PROFILE

Tan Sri Razarudin Bin Husain @ Abd Rasid

Independent Non-Executive Chairman

Gender	Age	Nationality
Male	63	Malaysian

Date of Appointment

16 March 2026

Academic / Professional Qualifications:
- Diploma in Investigation Science from Universiti Kebangsaan Malaysia
- Master's Degree in Social Science (Policing Studies) from Universiti Kebangsaan Malaysia

Members of Committee:
Nil

Directorships of other Public Listed Companies:
Nil

Working Experience:

Tan Sri Razarudin Bin Husain @ Abd Rasid ("Tan Sri Razarudin") brings over four decades of distinguished service in national security and law enforcement, having most recently served as the 14th Inspector-General of Police of Malaysia. Widely respected for his firm leadership and operational acumen, he led the Royal Malaysia Police (PDRM) until his retirement in June 2025, driving key institutional reforms and strengthening national enforcement capabilities.

He began his career as a Cadet Inspector in 1982 and rose through the ranks, holding numerous senior leadership positions including District Police Chief, Director of the Narcotics Criminal Investigation Department (NCID), and Deputy Inspector-General of Police, before assuming the nation's top policing role in June 2023.

During his tenure, Tan Sri Razarudin championed initiatives to modernise the force and elevate professional standards, including the introduction of diploma qualifications for police personnel and the proposed establishment of a dedicated police university in collaboration with Universiti Kebangsaan Malaysia. He also strengthened international cooperation with global enforcement agencies and led several major national operations targeting organised crime, environmental offences and cross-border syndicates.

His extensive experience in leadership, governance, and strategic oversight brings valuable perspective to the Board, particularly in strengthening corporate governance, risk management, and institutional discipline.

Tan Sri Razarudin did not attend any Board meetings during the financial year ended 31 December 2025 as he was only appointed on 16 March 2026.

Declaration:
- *Does not have any family relationship with any Directors and/or major shareholders.*
- *No conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Advancecon Holdings Berhad or its subsidiaries.*
- *No conviction for offences within the past five (5) years and has had no public sanction or penalties imposed by any relevant regulatory bodies during the financial year.*

DIRECTORS' PROFILE

DATO' PHUM ANG KIA

Deputy Executive Chairman

Gender	Age	Nationality
Male	68	Malaysian

Date of Appointment

09 April 1997

Members of Committee:
Nil

Directorships of other Public Listed Companies:
Nil

Academic / Professional Qualification & Working Experience:

Dato' Phum Ang Kia ("Dato' Phum") is the co-founder and Deputy Executive Chairman of Advancecon. He was appointed to the Board on 09 April 1997 and served as Group Chief Executive Officer until his redesignation as Deputy Executive Chairman on 22 December 2025. In his capacity as Deputy Executive Chairman, he plays a key role in providing strategic leadership and oversight of the Group's overall business direction, including the formulation of corporate development plans and long-term growth strategies. He continues to be actively involved in guiding senior management, as well as overseeing key operational and contractual matters of the Group.

Dato' Phum started his family business in Soon Kim Trading & Engineering which was subsequently incorporated as a private limited company in 1990 under the name of Pembinaan Sin Soon Kim Sdn. Bhd. Subsequently, it changed name to Advancecon Infra in 2010. During the early stage, the Company was mainly involved in civil engineering services, construction of main drains, road works, sewerage systems and hiring services of heavy machinery and equipment.

Advancecon Sdn Bhd was incorporated in 1993 to expand the construction business afterwhich, Advancecon Group was established in 2010 pursuant to an internal reorganisation exercise undertaken. With Dato' Phum's wealth of experience in the construction industry of more than forty years, he was the driving force in raising the Company's profile from a small contractor to a public listed company on the Main Market of Bursa Malaysia.

Dato' Phum has attended all eight (8) Board meetings held during the financial year ended 31 December 2025.

Declaration:

- *He is a major shareholder of the Company.*
- *He is the father of Phum Boon Eng, who is the Managing Director of the Company.*
- *No conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Advancecon Holdings Berhad or its subsidiaries except by virtue of being the father of Phum Boon Lim, who is the shareholder of a company in the solar business.*
- *No conviction for offences within the past five (5) years and has had no public sanction or penalties imposed by any relevant regulatory bodies during the financial year.*

DIRECTORS' **PROFILE**

Phum Boon Eng

Managing Director

Gender	Age	Nationality
Female	38	Malaysian

Date of Appointment
22 December 2025

Academic / Professional Qualifications:
- Bachelor of Arts (Hons) in Interior Architecture and Design from Nottingham Trent University (via First City University College)

Members of Committee:
Nil

Directorships of other Public Listed Companies:
Nil

Working Experience:

Phum Boon Eng ("Madam Phum") was appointed to the Board as Managing Director of the Company on 22 December 2025, marking an important milestone in Advancecon's leadership journey.

With over 15 years of experience spanning design, project development, and business leadership, Madam Phum brings a distinctive blend of creative thinking, execution discipline, and people-centred leadership. In her role as Managing Director, she is focused on modernising the organisation and strengthening its culture, driving operational excellence and customer experience, deepening stakeholder engagement, and advancing sustainable growth initiatives aligned with the Board's long-term strategic vision.

Prior to her appointment, Madam Phum served as Head of Advancecon's Solar Division, where she played a pivotal role in building the Group's renewable energy capabilities and supporting its strategic diversification into sustainable infrastructure. Her leadership during this phase helped lay the foundation for Advancecon's expansion into future-ready businesses.

Her appointment reflects the Board's confidence in next-generation leadership, and reinforces Advancecon's commitment to organisational renewal, strong internal culture, and cross-functional collaboration. As the Group continues to evolve alongside Malaysia's growing infrastructure and urban development landscape, Madam Phum's leadership is expected to play a key role in shaping the next chapter of Advancecon's growth journey.

Madam Phum did not attend any Board meetings during the financial year ended 31 December 2025 as she was only appointed on 22 December 2025.

Declaration:
- *Phum Boon Eng is the daughter of Dato' Phum Ang Kia, the Deputy Executive Chairman and major shareholder of the Company.*
- *No conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Advancecon Holdings Berhad or its subsidiaries except by virtue of being the sister of Phum Boon Lim, who is the shareholder of a company in the solar business.*
- *No conviction for offences within the past five (5) years and has had no public sanction or penalties imposed by any relevant regulatory bodies during the financial year.*

DIRECTORS' PROFILE

TUNG KAI HUNG

Executive Director

Gender	Age	Nationality
Male	63	Malaysian

Date of Appointment

01 August 2016

Academic / Professional Qualifications:

- Diploma in Technology (Building) from Tunku Abdul Rahman College, Malaysia

Members of Committee:

- Member of Risk Management and Sustainability Committee

Directorships of other Public Listed Companies:

Nil

Working Experience:

In 1999, Tung Kai Hung ("Mr. Tung") joined Advancecon Sdn Bhd as Senior Contracts Executive where he was responsible for the overall contract management functions including overseeing the operations of submission of tenders and cost estimates preparation. His roles include selection of our subcontractors and suppliers for all our construction projects.

In 2010, Advancecon Group was established pursuant to an internal reorganisation exercise undertaken whereby Mr. Tung assumed the role of General Manager of Contracts since then. He is now the Director-Commercial of Advancecon Infra Sdn Bhd.

He has more than thirty years of working experience in the construction industry and has been instrumental in the Initial Public Offering of Advancecon Holdings Berhad.

Mr Tung has attended seven (7) out of eight (8) Board meetings held during the financial year ended 31 December 2025.

Declaration:

- *Does not have any family relationship with any Directors and/or major shareholders.*
- *No conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Advancecon Holdings Berhad or its subsidiaries.*
- *No conviction for offences within the past five (5) years and has had no public sanction or penalties imposed by any relevant regulatory bodies during the financial year.*

DIRECTORS' PROFILE

WEE CHUEN LII

Independent Non-Executive Director

Gender	Age	Nationality
Male	54	Malaysian

Date of Appointment

16 March 2026

Academic / Professional Qualifications:
- Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman University of Management and Technology, Malaysia
- Chartered Accountant of the Malaysian Institute of Accountants (MIA)
- Fellow Member of the Association of Chartered Certified Accountants (ACCA)

Members of Committee:
- Chairman of Audit Committee
- Member of Nomination Committee
- Member of Remuneration Committee

Directorships of other Public Listed Companies:
- Vestland Berhad

Working Experience:

Wee Chuen Lii is an experienced finance professional with strong expertise in corporate finance, financial management and governance across listed companies and multinational organisations. He is a Fellow Member of ACCA and a member of the Malaysian Institute of Accountants.

He has held senior finance roles including Chief Financial Officer of LKL Advance Metaltech Sdn. Bhd., a wholly owned subsidiary of LKL International Berhad, as well as positions at Huawei Technologies (Malaysia) and DGB Asia Berhad, where he oversaw financial reporting, internal controls and risk management.

He currently provides financial advisory services to companies across various industries. His strong background in financial governance, internal controls and capital discipline strengthens the Group's financial oversight and supports its continued focus on prudent sustainable growth and long-term value creation.

Wee Chuen Lii did not attend any Board meetings during the financial year ended 31 December 2025 as he was only appointed on 16 March 2026.

Declaration:
- *Does not have any family relationship with any Directors and/or major shareholders.*
- *No conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Advancecon Holdings Berhad or its subsidiaries.*
- *No conviction for offences within the past five (5) years and has had no public sanction or penalties imposed by any relevant regulatory bodies during the financial year.*

DIRECTORS' PROFILE

DATUK LOO TOOK GEE

Independent Non-Executive Director

Gender	Age	Nationality
Female	70	Malaysian

Date of Appointment
16 March 2026

Academic / Professional Qualifications:
- Bachelor of Arts (Honours) from University of Malaya, Malaysia
- Master's Degree in Policy Science from Saitama University, Japan

Members of Committee:
- Chairperson of Nomination Committee
- Member of Audit Committee
- Member of Remuneration Committee

Directorships of other Public Listed Companies:
- YTL Power International Berhad
- Hartalega Holdings Berhad

Working Experience:

Datuk Loo Took Gee ("Datuk Loo") served in various capacities during her 38 years of service with the Federal Government of Malaysia. She has extensive experience in policy formulation and implementation, human resource management, financial management and infrastructure privatisation while serving in the Public Services Department, Ministry of Works and Ministry of Energy, Green Technology and Water.

Datuk Loo was appointed as the Secretary-General of the Ministry of Energy, Green Technology and Water in August 2010 and served in that capacity until her retirement in August 2016. Her notable contributions included her leadership in the formulation and implementation of the National Renewable Energy Policy and Action Plan, Green Technology Policy, Gas Subsidy Rationalisation and Tariff Design for the Power Sector, as well as the restructuring of the water industry in Selangor and Wilayah Persekutuan Kuala Lumpur.

During her tenure as Secretary-General of the Ministry of Energy, Green Technology and Water, she also served as Chairman of MyPower Corporation and as a board member of various government agencies and corporations including Sarawak Hidro Sdn. Bhd., Energy Commission, Malaysia Nuclear Power Corporation, Sustainable Energy Development Authority (SEDA), Malaysia-Thailand Joint Development Authority (MTJDA) and Pengurusan Aset Air Berhad.

Datuk Loo did not attend any Board meetings during the financial year ended 31 December 2025 as she was only appointed on 16 March 2026.

Declaration:
- *Does not have any family relationship with any Directors and/or major shareholders.*
- *No conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Advancecon Holdings Berhad or its subsidiaries.*
- *No conviction for offences within the past five (5) years and has had no public sanction or penalties imposed by any relevant regulatory bodies during the financial year.*

DIRECTORS' PROFILE

JANANEE PRIYA A/P GOPAL

Independent Non-Executive Director

Gender	Age	Nationality
Female	46	Malaysian

Date of Appointment

01 October 2023

Academic / Professional Qualifications:
- LL.B (Hons.) Northumbria University, United Kingdom
- Barrister-at-Law (Lincoln's Inn), United Kingdom

Members of Committee:
- Chairperson of Risk Management and Sustainability Committee
- Chairperson of Remuneration Committee
- Member of Audit Committee
- Member of Nomination Committee

Directorships of other Public Listed Companies:
Nil

Working Experience:

Jananee Priya A/P Gopal ("Madam Jananee") was admitted as an Advocate & Solicitor of the High Court of Malaya in 2008.

She started her career in legal practice primarily focusing on civil and corporate litigation. Madam Jananee established her private practice in 2018 and is now the Managing Partner of Messrs. Salleh Gopal. She has been an active litigator for 18 years and her core practice lies in civil and corporate litigation, with extensive experience in navigating complex disputes and advising corporate clients. Over the years, she has built a reputation for thorough legal analysis, delivering commercially pragmatic solutions and possessing strong and persuasive advocacy skills.

Madam Jananee has attended all eight (8) Board meetings held during the financial year ended 31 December 2025.

Declaration:
- *Does not have any family relationship with any Directors and/or major shareholders.*
- *No conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Advancecon Holdings Berhad or its subsidiaries.*
- *No conviction for offences within the past five (5) years and has had no public sanction or penalties imposed by any relevant regulatory bodies during the financial year.*

PROFILE OF KEY
SENIOR MANAGEMENT

Alicia Chin Mei Yoke

Group Chief Financial Officer

Gender	Age	Nationality
Female	46	Malaysian

Date of Appointment

17 April 2025

Members of Committee:

- Member of Risk Management and Sustainability Committee

Alicia Chin Mei Yoke ("Madam Alicia"), is our Group Chief Financial Officer. Madam Alicia is an accomplished finance leader with over 25 years of experience in financial management, strategic planning, and transformation leadership, primarily within the oil and gas industry.

She has held various senior leadership positions across Asia Pacific with renowned multinational corporations, including Baker Hughes and General Electric.

Her most recent role was as Assistant Controller & Transformation Leader at Baker Hughes' Global Finance Organization, where she led organizational design strategies and spearheaded initiatives to enhance profitability, operational efficiency, and compliance.

Her strategic acumen and collaborative leadership significantly improved financial performance and operational outcomes. Madam Alicia is a graduate of General Electric's GE Financial Management Program, certified GE's Six Sigma Black Belt and is also a Certified Performance coach.

Presently, she does not hold any directorship in any public listed companies. She does not have any family relationship with any Directors and/or major shareholders of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the Company. She has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years nor has been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF KEY SENIOR MANAGEMENT

Lim Kok Tiong

Director - Infrastructure and Highway

Gender	Age	Nationality
Male	53	Malaysian

Date of Appointment

01 December 2017

Members of Committee:

- Member of Risk Management and Sustainability Committee

Lim Kok Tiong, is our Director - Infrastructure and Highway. He is responsible for overseeing the execution of all Infrastructure and Highway construction projects undertaken by our Group. He is a visionary and strategic leader with more than twenty years of working experience in project management within the construction industry. Throughout his career, he has a proven track record of driving growth, improving operational efficiency, and delivering exceptional results that contributed to the achievements and successes of the Group.

With a deep understanding of market trends and customer needs, he has well leveraged his talent for identifying and capitalizing on growth opportunities. He has successfully led cross-functional teams to develop and implement effective strategies that have resulted in significant revenue growth and market share expansion. Within the organization, he is known to be a collaborative and inspiring leader, with a talent for building high-performing teams.

He holds first-class honours degree in Civil and Structural Engineering from University Kebangsaan Malaysia which he was conferred in 1998. Subsequently, he continued to obtain a Master of Business Administration from University of Lincoln, United Kingdom in 2002.

He began his career as an Engineer where he was involved in the design of building structure specifically on steel works projects. Subsequently, he joined Gabungan Cekapbina Sdn Bhd to build his career honed towards project management. Thereafter, he joined Advancecon Sdn Bhd in 2006 as a project manager and continue his career path development as a Director of Infrastructure and Highway in 2022. He also serves as a member of the Risk Management and Sustainability Committee, contributing to the Group’s strategic oversight in these critical areas.

Presently, he does not hold any directorship in any public listed companies. He does not have any family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years nor has been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF KEY SENIOR MANAGEMENT

Puah Kian Yiew

Director – Earthworks

Gender	Age	Nationality
Male	50	Malaysian

Date of Appointment
01 December 2017

Members of Committee:
Nil

Puah Kian Yiew, is our Director – Earthworks. He is responsible for the planning, coordination and the operations of all the heavy machinery and equipment of our Group. He has more than twenty years of working experience in various operational management in the construction industry. He graduated with a Bachelor of Science Degree in Building Construction Management from Sheffield Hallam University, United Kingdom in 2000.

He began his career as Supervisor with Gabungan Cekapbina Sdn Bhd in 2000 where he was responsible for supervising on-site construction activities. In 2006, he left Gabungan Cekap Sdn Bhd and joined Advancecon Sdn Bhd as Assistant Project Manager where he was responsible for assisting the execution of project management of construction projects.

In 2010, Advancecon Group was established pursuant to an internal reorganization exercise undertaken whereby he assumed the role of Project Manager and continue his career path development as a Director of Earthworks in 2022.

Presently, he does not hold any directorship in any public listed companies. He does not have any family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years nor has been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF KEY SENIOR MANAGEMENT

Camillia Soong

Chief of Staff

Gender	Age	Nationality
Female	46	Malaysian

Date of Appointment

17 April 2025

Members of Committee:
Nil

Camillia Soong ("Madam Camillia"), is our Chief of Staff. Madam Camillia has over 20 years of experience in strategy, operations and transformation across financial services, technology and real estate. She has a strong track record in driving operational improvements and organisational effectiveness, leading large-scale transformation programmes and delivering complex system implementations across multiple markets.

Madam Camillia holds a Bachelor of Computing (Software Development) and a Bachelor of Business (Accounting) from Monash University, and is ITIL-certified. She is recognised for her strengths in programme leadership, stakeholder management and operational design, and her ability to translate strategy into execution.

She began her career with IBM Global Services Australia, and later specialised in financial services transformation at a boutique consultancy, where she led and supported key programmes for Malaysian banks, including operating model redesign, wealth management initiatives, GST implementation, as well as core banking and credit system implementations.

She has also served as Chief Operating Officer of Tune Box Sdn Bhd (now Rokki Sdn Bhd), part of the AirAsia Group, where she played a pivotal role in building the business from inception and scaling inflight connectivity and entertainment solutions for regional airline operations.

Presently, she does not hold any directorship in any public listed companies. She does not have any family relationship with any Directors and/or major shareholders of the Company. She has no conflict of interest with the Company and has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years nor has been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF KEY SENIOR MANAGEMENT

Chew Kim Sun

General Manager of Property Development

Gender	Age	Nationality
Male	48	Malaysian

Date of Appointment

14 August 2025

Members of Committee:
Nil

Chew Kim Sun ("Mr. Chew") brings over two decades of experience in the property development industry, with deep expertise spanning marketing, sales strategy and project execution.

He has held senior leadership roles with established property developers such as Sunrise, BRDB and Symphony Life, where he was instrumental in the strategic positioning, market launch and delivery of premium residential and commercial developments. Over the course of his career, he has contributed to cumulative project sales exceeding RM7.0 billion, reflecting his strong commercial acumen and keen understanding of market dynamics.

Mr. Chew has led a diverse portfolio of developments, including projects in the East Coast region of Peninsular Malaysia, delivering over 160 residential units with 100% sales uptake. He brings extensive hands-on experience in development planning and execution, complemented by a results-oriented approach to delivering value across the project lifecycle.

Presently, he does not hold any directorship in any public listed companies. He does not have any family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years nor has been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 31 December 2025.

CHAIRMAN'S **STATEMENT**

Tan Sri Razarudin
Bin Husain @ Abd Rasid
Independent Non-Executive Chairman

Dear Shareholders,

It is a privilege to address you for the first time as Chairman of Advancecon Holdings Berhad.

Advancecon stands at an important point in its journey. Built on strong execution capabilities and a proven track record in earthworks and civil engineering, the Group is well-positioned to play a meaningful role in Malaysia's next phase of infrastructure and industrial development.

As a Board, our focus is clear—to guide Advancecon towards sustainable, disciplined growth, anchored on operational excellence, financial prudence and strong governance. In an environment marked by cost pressures and evolving market dynamics, resilience and clarity of direction will be critical.

Our ambition goes beyond growth. We intend to grow with purpose. This means strengthening our core, enhancing the productivity and efficiency of our fleet, and building a high-quality order book that supports long-term value creation.

Our refreshed Board brings together a compelling mix of diverse expertise and fresh perspectives. Working in close partnership with management, we are united in our commitment to propel Advancecon into its next chapter — one defined by strategic focus, disciplined execution and consistent progress.

On behalf of the Board, I extend my appreciation to our management team, employees and stakeholders for their continued dedication and trust.

We move forward with confidence, guided by a clear vision and a commitment to deliver sustainable value for all.

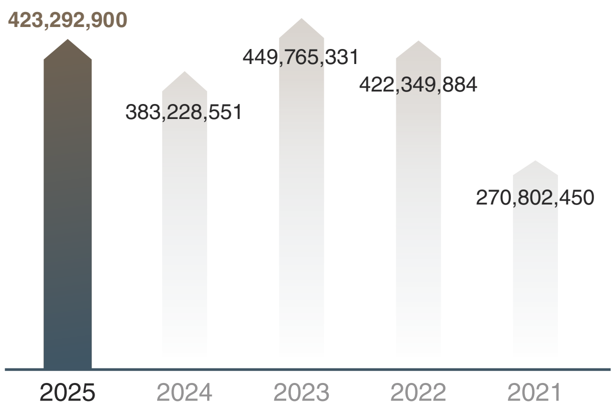
Thank you.

Tan Sri Razarudin Bin Husain @ Abd Rasid
Independent Non-Executive Chairman

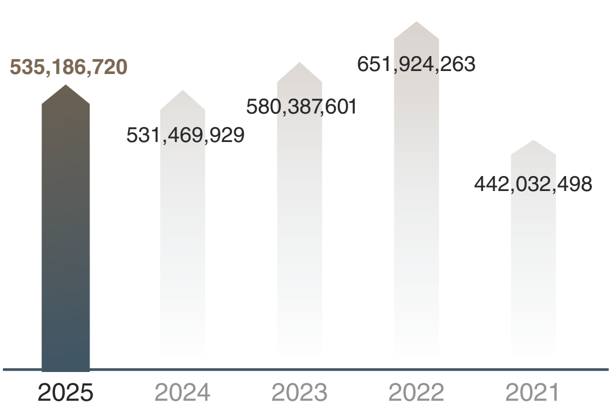
FINANCIAL HIGHLIGHTS

Financial year ended 31 December	2025 RM	2024 RM	2023 RM	2022 RM	2021 RM
Profitability					
Revenue	423,292,900	383,228,551	449,765,331	422,349,884	270,802,450
Profit/(Loss) before taxation	9,051,876	(20,748,663)	(42,938,782)	(19,183,688)	3,976,529
Profit/(Loss) attributable to :					
Owner of the Company	6,621,874	(22,737,059)	(34,292,692)	(23,358,610)	2,049,957
Key Balance Sheet Data					
Total assets	535,186,720	531,469,929	580,387,601	651,924,263	442,032,498
Total equity	162,024,200	157,945,974	176,155,766	207,237,066	215,575,390
Shareholders' equity	164,734,070	159,957,363	179,146,042	192,216,780	215,575,390
Total Borrowings	227,572,704	230,888,508	216,136,019	255,501,142	126,119,548
Issued share capital (unit)	584,731,900	584,731,900	584,731,900	492,756,000	492,756,000
Share information					
Net gain/(loss) earnings per share (sen)	1.16	(3.95)	(6.20)	(4.83)	0.50
Net assets per share attributable to owners of the Company (RM)	0.28	0.27	0.31	0.39	0.44
Gearing ratio (times)	1.38	1.44	1.21	1.33	0.59
Return on equity (%)	4%	-14%	-19%	-12%	1%

Revenue (RM)

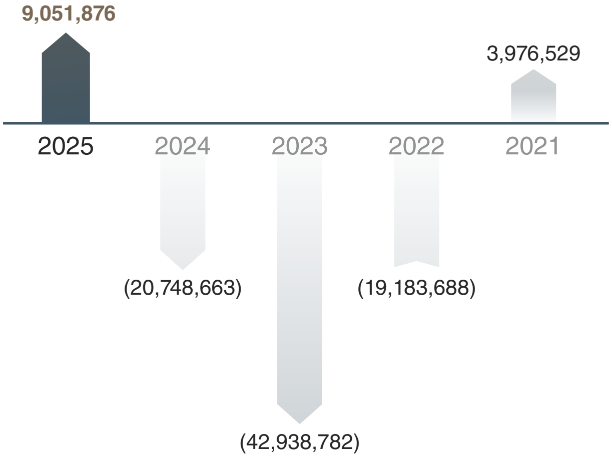


Total assets (RM)

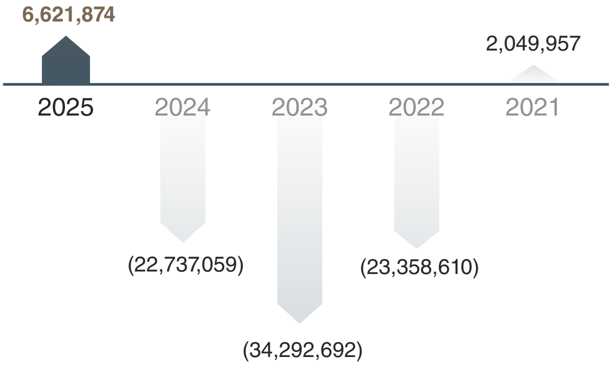


FINANCIAL **HIGHLIGHTS**

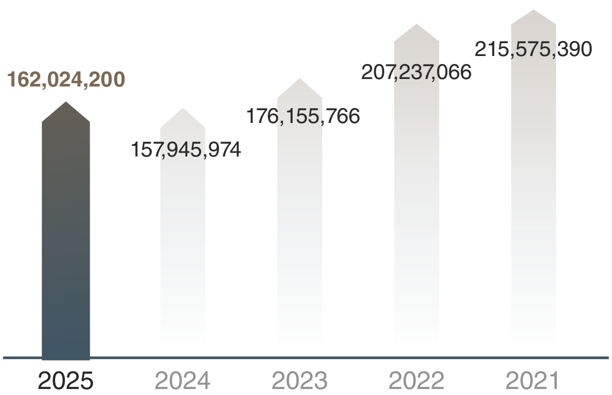
Profit/(Loss) before taxation (RM)



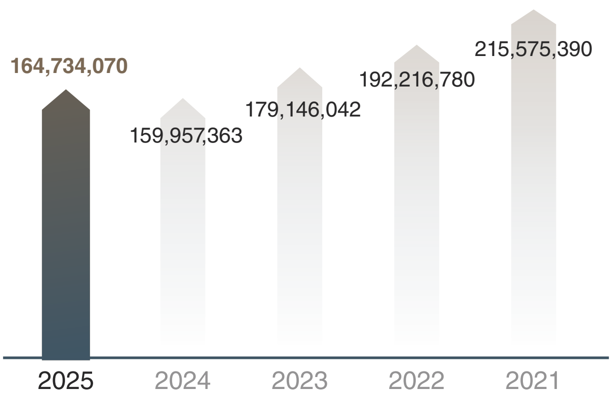
Profit/(Loss) attributable to : Owner of the Company (RM)

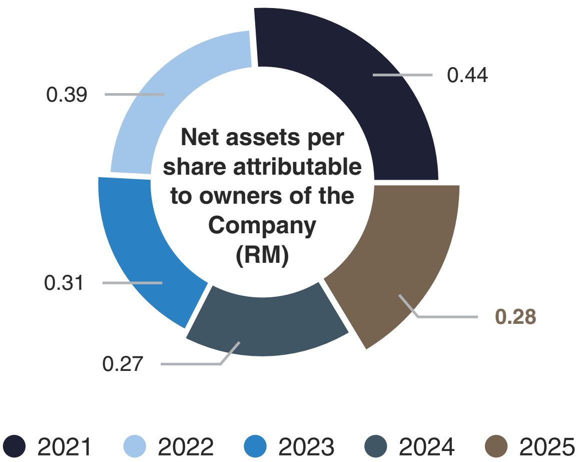


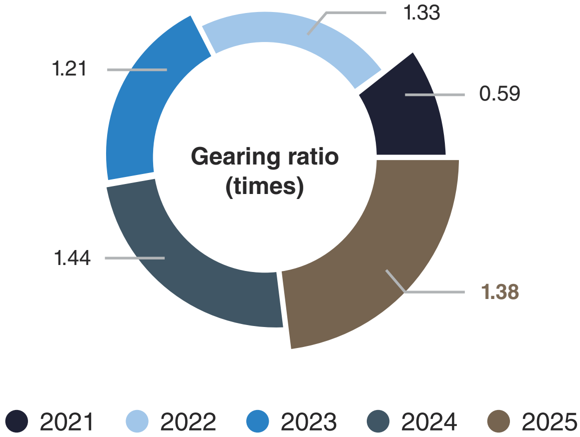
Total equity (RM)



Shareholders' equity (RM)







MANAGEMENT DISCUSSION & ANALYSIS

ADVANCECON IS A LEADING CIVIL ENGINEERING AND INFRASTRUCTURE SPECIALIST IN MALAYSIA WITH A STRONG PRESENCE IN THE INDUSTRYFOR OVER THREE DECADES.

DURING THE PERIOD UNDER REVIEW, THE GROUP RECORDED REVENUE OF RM423.3 MILLION, REPRESENTING AN INCREASE FROM RM383.2 MILLION IN THE PREVIOUS YEAR.

DEAR SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS, IT IS MY PLEASURE TO PRESENT TO YOU THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR THE "GROUP") FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025.

THE MALAYSIAN ECONOMY REMAINED RESILIENT IN 2025 DESPITE GLOBAL UNCERTAINTIES, GEOPOLITICAL TENSIONS AND MODERATING INFLATIONARY PRESSURES. DOMESTIC DEMAND CONTINUED TO UNDERPIN GROWTH, SUPPORTED BY SUSTAINED PUBLIC INFRASTRUCTURE SPENDING, INDUSTRIAL EXPANSION AND STEADY PRIVATE SECTOR INVESTMENT. THE CONSTRUCTION SECTOR CONTINUED TO DEMONSTRATE ENCOURAGING EXPANSION, DRIVEN BY THE ACCELERATION OF INFRASTRUCTURE PROJECTS, TOWNSHIP DEVELOPMENTS AND INDUSTRIAL PARKS ACROSS KEY GROWTH CORRIDORS SUCH AS SELANGOR AND JOHOR.

AGAINST THIS BACKDROP, ADVANCECON FOCUSED ON DISCIPLINED EXECUTION AND OPERATIONAL OPTIMISATION TO STRENGTHEN OUR EARNINGS VISIBILITY. WHILE COST PRESSURES, FINANCING EXPENSES AND COMPETITIVE PRICING DYNAMICS CONTINUED TO SHAPE THE OPERATING LANDSCAPE, THE GROUP REMAINED STEADFAST IN DELIVERING CORE EARTHWORKS AND CIVIL ENGINEERING WORKS ACROSS TOWNSHIP, INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENTS NATIONWIDE.

BUSINESS OVERVIEW

Advancecon Holdings Berhad ("Advancecon" or the "Group") is a leading civil engineering and infrastructure specialist in Malaysia with a strong presence in the industry for over three decades. The Group is principally involved in earthworks, civil engineering, construction support services, quarry operations, property investment, property development and renewable energy solutions, collectively playing a vital role in Malaysia's infrastructure and industrial development.

Over the years, Advancecon has established a strong reputation as a trusted execution partner for large-scale township, industrial and infrastructure developments nationwide. Its operational expertise, technical capabilities and extensive fleet enable the Group to undertake complex earthworks and civil engineering projects while maintaining high standards of quality, safety and environmental compliance.

The Group operates through five key business segments, each contributing to overall growth and diversification. Construction and support services remain the core revenue driver of the Group. This segment specialises in large-scale earthworks and civil engineering works. Advancecon continues to participate actively in township developments, data centres, industrial parks, and major infrastructure projects across Selangor, Johor and other key growth corridors.

MANAGEMENT
DISCUSSION & ANALYSIS

With strong emphasis on execution excellence and timely delivery, the Group has strengthened its long-standing relationships with reputable property developers and infrastructure stakeholders.

Through its 51%-owned subsidiary, Spring Energy Resources Berhad, the Group undertakes integrated quarry operations that support the supply of key construction materials, for earthworks and infrastructure projects. This vertical integration enhances the Group's position across the construction value chain.

AS PART OF ITS COMMITMENT TO ENHANCING SHAREHOLDER VALUE, THE GROUP CONTINUED ITS SHARE BUYBACK PROGRAMME DURING FY2025. AS DISCLOSED IN THE STATEMENT OF CHANGES IN EQUITY, TREASURY SHARES INCREASED TO RM5,221,445 AS AT 31 DECEMBER 2025.

In line with the global energy transition and Malaysia's sustainability agenda, the Group has diversified into renewable energy, focusing primarily on solar power generation. The Group owns and operates rooftop solar assets as well as a 37.7MWp large-scale solar farm in Kuala Langat, Selangor, which commenced operations in November 2024. This diversification provides the group with recurring income visibility, while supporting the Group's longer-term positioning in sustainable infrastructure.

The Group's property investment segment focuses on the sale and rental of investment properties. Through strategic asset management, the Group aims to generate recurring rental income and long-term value.,

As part of its long-term diversification strategy, the Group has expanded into property development and related activities. This includes the development of industrial parks and centralised labour quarters ("CLQs"), which provide structured and compliant accommodation solutions aligned with regulatory requirements. In addition, the Group is involved in the development of the Silver Valley Technology Park ("SVTP") in Perak under a joint development arrangement, reflecting its participation in larger-scale industrial ecosystem development beyond traditional construction delivery. This strategic expansion allows the Group to participate across a broader value chain, from groundwork and infrastructure to development and asset management.

The Group did not undertake any new equity fundraising exercises during FY2025. Issued share capital remained unchanged at RM133,729,611 throughout the financial year. As part of its commitment to enhancing shareholder value, the Group continued its share buyback programme during FY2025. As disclosed in the Statement of Changes in Equity, treasury shares increased from RM3,376,278 as at 31 December 2024 to RM5,221,445 as at 31 December 2025, representing additional treasury share purchases amounting to RM1,845,167 during the financial year.

In addition, the Employee Share Option Reserve of RM3,483,470 was fully transferred to retained earnings during FY2025 following the termination of the scheme. No new shares were issued pursuant to the Employees' Share Option Scheme during the year.

Through disciplined capital allocation, operational diversification and continued project execution, Advancecon remains focused on strengthening its financial foundation while positioning itself for sustainable long-term growth.

MANAGEMENT **DISCUSSION & ANALYSIS**

OPERATIONS REVIEW

In FY2025, Advancecon prioritised operational stabilisation, disciplined project execution and strengthening the quality of its order book. Following the volatility experienced in the preceding financial year, the Group continued to adopt a margin-conscious approach to tender participation, while reinforcing cost control mechanisms and improving working capital management across active project sites. The year under review marked steady progress in rebuilding operational resilience and restoring earnings stability.

During FY2025, the Group secured approximately RM320 million in new contracts across Selangor, Johor and Negeri Sembilan. These awards reinforced Advancecon's position within key industrial and township growth corridors. A significant milestone during the year was the RM66.9 million contract for earthworks and ancillary works at Southern Ibrahim Technopolis ("IBTEC") in Johor, a flagship development within the Johor-Singapore Special Economic Zone. This project strengthens the Group's presence in large-scale industrial expansion initiatives and positions Advancecon to participate in long-term infrastructure development within the southern economic corridor.

DURING FY2025, THE GROUP SECURED APPROXIMATELY RM320 MILLION IN NEW CONTRACTS ACROSS SELANGOR, JOHOR AND NEGERI SEMBILAN. THESE AWARDS REINFORCED ADVANCECON'S POSITION WITHIN KEY INDUSTRIAL AND TOWNSHIP GROWTH CORRIDORS.

OPERATIONALLY, THE GROUP RECORDED CONSISTENT QUARTERLY REVENUE ABOVE RM100 MILLION THROUGHOUT THE YEAR, REFLECTING SUSTAINED WORK PROGRESS AND IMPROVED EXECUTION.

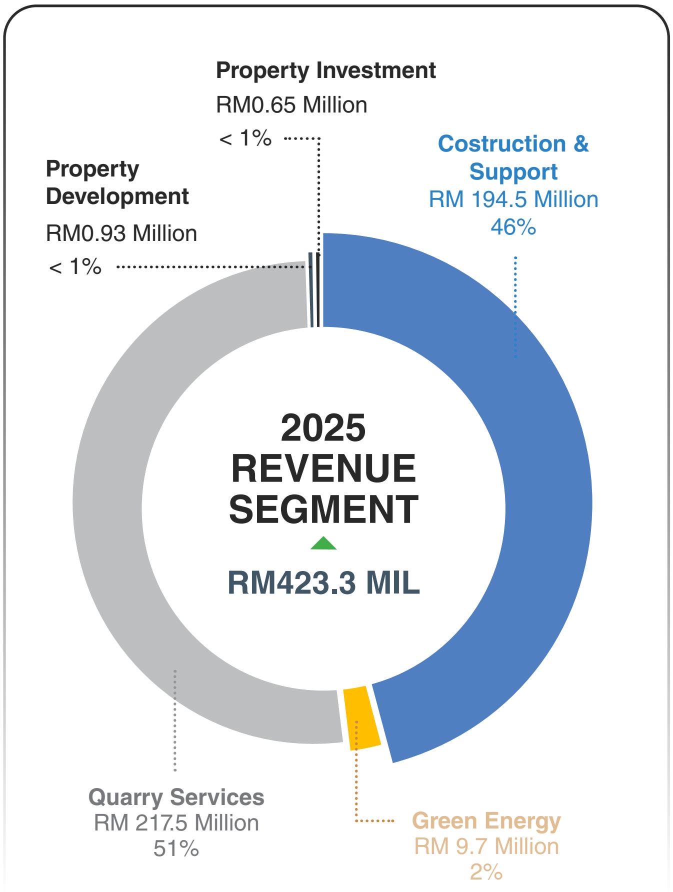
The Group also secured contracts from Sime Darby Property amounting to RM36.1 million for Serenia City in Dengkil and RM25.1 million for Bandar Bukit Raja 2 in Klang, reflecting continued collaboration with established township developers. In addition, Advancecon was awarded a RM19.33 million earthworks and soil treatment contract for an industrial development in Kuala Selangor, as well as a RM56.64 million infrastructure works contract from F&N Agrivalley Sdn. Bhd. in Negeri Sembilan. Collectively, these project wins reflect the Group's sustained ability to secure industrial and infrastructure-related works amid a competitive operating environment, supported by structural demand drivers such as ongoing township expansion in key growth corridors, accelerating industrial capacity build-up (including data centre-led industrial ecosystems), and broader national and regional development initiatives. Against this backdrop, the Group remains focused on disciplined execution and timely delivery, positioning Advancecon as a leading player in the earthworks and civil engineering industry.

Operationally, the Group recorded consistent quarterly revenue above RM100 million throughout the year, reflecting sustained work progress and improved execution. Management placed strong emphasis on fleet optimisation, tighter project cost monitoring and improved receivables collection, all of which contributed to stabilising operating performance.

MANAGEMENT
DISCUSSION & ANALYSIS

The quarry segment, through its 51% owned subsidiary Spring Energy Resources Berhad continued to play a strategic role in the Group's portfolio, while in the renewable energy segment, the Large-Scale Solar 4 ("LSS4") Photovoltaic (PV) Plant in Kuala Langat marked its first full year of operations, contributing recurring income and enhancing earnings visibility.

Meanwhile, progress at Silver Valley Technology Park (SVTP) advanced steadily, where site clearing activities have been completed, and market engagement activities are generating encouraging interest. In parallel, Advancecon remained engaged in Centralised Labour Quarters development initiatives to support compliant worker accommodation solutions in line with regulatory standards. These initiatives broaden the Group's participation across the infrastructure and development value chain, creating additional avenues for long-term growth.



FINANCIAL PERFORMANCE

During the period under review, the Group recorded revenue of RM423.3 million, representing an increase from RM383.2 million in the previous year. The improvement reflects stronger project execution momentum across active sites and progressive revenue recognition from newly secured contracts during the year.

Gross profit for the year increased significantly to RM45.4 million, compared to RM12.0 million in the prior year. This substantial improvement was primarily attributable to disciplined project cost management, operational improvements and better project mix.

At the operating level, the Group recorded profit before taxation of RM9.0 million, compared to a loss before taxation of RM20.7 million in the previous year.

The construction and support services segment remained the second-largest revenue contributor, generating RM194.5 million or 46% of total revenue. This represents a 6% increase from RM182.4 million in the previous year, supported by ongoing township and industrial projects across Selangor, Negeri Sembilan and Johor. Meanwhile, the quarry segment continued to be the Group's largest revenue contributor, accounting for 51% of total revenue at RM217.5 million. This represents a 10% increase from RM197.7 million in the previous year, driven by stronger demand for construction materials.

The renewable energy segment began contributing recurring revenue of RM9.7 million, following the commercial operation of the LSS4 plant in November 2024. While still representing a smaller proportion of total revenue relative to construction and quarry operations, the segment supports revenue diversification beyond cyclical construction activity.

From a balance sheet perspective, the Group's financial position strengthened where total assets increased to RM535.2 million and total equity improved to RM162.0 million. Net asset per share attributable to owners of the Company stood at RM0.28, compared to RM0.27 in the preceding financial year.

The Group generated positive net cash from operating activities of RM22.3 million, compared to a net cash used from operating activities position of RM8.0 million in the prior year, reflecting stronger profitability and improved working capital management.

Overall, the financial performance reflects a progressive recovery, supported by improved margins, operational discipline and diversification into recurring income streams.

MANAGEMENT DISCUSSION & ANALYSIS

MARKET OUTLOOK AND GROWTH STRATEGIES

As we move into the next financial year, Malaysia's economic and construction outlook remains supportive despite moderating overall growth. Malaysia's advance GDP estimates rose by 5.7% in the fourth quarter of 2025, compared to 5.2% in the preceding quarter, supported by expansion across all major sectors, particularly Services, Manufacturing and Construction. On a full-year basis, the economy expanded by 4.9% in 2025, slightly easing from 5.1% recorded previously. Notably, the Construction sector remained one of the strongest performing sectors, registering double-digit growth of 12.4% for the year.

Malaysia's construction sector recorded a 12.5% increase in work done value in 2025 to RM178.6 billion, and sustained its growth momentum into the fourth quarter with a 10.3% rise to RM46.4 billion. Within the quarter, civil engineering remained the largest contributor at RM16.2 billion (34.9% of total work done), supported mainly by utility projects as well as roads and railways, while non-residential buildings contributed RM14.0 billion, indicating continued activity in areas aligned with the Group's core strengths.

Looking ahead, the 13th Malaysia Plan (2026–2030) allocates RM430 billion for development expenditure, with significant emphasis on sustainable infrastructure, flood mitigation, rural road upgrades, industrial parks and affordable housing. The RM20 billion allocation for flood mitigation projects, together with the upgrading of 2,800 kilometres of rural roads and expansion of ports and industrial hubs, is expected to generate sustained demand for earthworks and infrastructure preparation works.

In addition, continued investment in public transport systems and logistics upgrades supports long-term infrastructure expansion nationwide. The International Monetary Fund's upward revision of Malaysia's GDP growth forecast to 4.3% for both 2026 and 2027 further reinforces a stable medium-term environment for infrastructure development.

Within this evolving landscape, Advancecon remains focused on strengthening its core construction and civil engineering segment through selective tender participation. While industry opportunities remain abundant, the Group will continue to prioritise projects that align with its margin discipline and operational risk management framework. Emphasis will be placed on industrial developments, township infrastructure and government-linked civil engineering packages where technical expertise and execution capabilities provide competitive advantage.

The quarry segment will continue to serve as a strategic support pillar to the construction division. By enhancing operational efficiency, optimising output from larger and more productive sites, and maintaining supply reliability, the Group aims to improve cost control and margin resilience across projects.

MANAGEMENT
DISCUSSION & ANALYSIS

In the renewable energy segment, the Group intends to explore further expansion of its renewable energy portfolio, and potential diversification into other green energy solutions where commercially viable. The renewable energy business complements the cyclical nature of construction by providing stable long-term revenue streams.

For the development segment, progress at Silver Valley Technology Park continues to enhance the Group's exposure to industrial expansion. Visible site progress supports long-term value creation and positions the Group to benefit from industrial growth initiatives under the national development agenda. In parallel, the Group will continue evaluating opportunities within the Centralised Labour Quarters sector, where regulatory emphasis under Act 446 is expected to sustain demand for compliant worker accommodation facilities.

Overall, while competitive pressures and cost fluctuations remain industry realities, the macroeconomic environment and national development priorities provide a constructive backdrop for infrastructure-focused players. Advancecon enters the coming financial year with strengthened operational discipline, diversified revenue streams and a clear strategic focus across its construction, quarry, renewable energy and development segments. The Group remains committed to sustainable growth, prudent capital management and long-term value creation for its stakeholders.

APPRECIATION

On behalf of the Board, I would like to extend my sincere appreciation to our shareholders, customers, business partners and associates for their continued trust and confidence in Advancecon Holdings Berhad throughout FY2025. Your unwavering support has been instrumental as we strengthened our operational foundation and progressed along our recovery path.

I would also like to record my deepest gratitude to our management team and employees for their dedication, resilience and professionalism. Their commitment to operational excellence, cost discipline and project delivery has enabled the Group to navigate industry challenges and restore stability to our performance.

My heartfelt thanks also go to my fellow Board members for their guidance, stewardship and steadfast commitment to sound governance and long-term value creation. Their leadership continues to provide strategic clarity as we pursue sustainable growth across our construction, quarry, renewable energy and development segments.

As we look ahead, we remain focused on enhancing our capabilities, strengthening financial resilience and embracing innovation to position Advancecon for the next phase of growth. We are confident that, with continued discipline and collective effort, the Group will be well placed to deliver sustainable value to all stakeholders.

Thank you for your continued support.

Sincerely,

Phum Boon Eng
Managing Director

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

PURSUANT TO THE DISCLOSURE REQUIREMENTS, THE BOARD OF DIRECTORS ("THE BOARD") OF ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR "THE COMPANY") IS PLEASED TO PRESENT THE CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENT ("STATEMENT") WHICH PROVIDES KEY HIGHLIGHTS ON HOW THE COMPANY COMPLIES WITH THE PRINCIPLES AND PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 ("MCCG") DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 ("FY2025"). THIS STATEMENT IS COMPLEMENTED BY A CG REPORT BASED ON A PRESCRIBED FORMAT PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS ("MMLR") OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES"). THE CG REPORT IS AVAILABLE ON THE COMPANY'S WEBSITE WWW.ADVANCECON.COM.MY UNDER THE INVESTOR RELATIONS SECTION. THIS STATEMENT SHOULD ALSO BE READ IN CONJUNCTION WITH THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL ("SORMIC") AND THE RESPECTIVE BOARD COMMITTEE REPORTS IN THE ENSUING PAGES.

THE BOARD CONSTANTLY STRIVES TO ENSURE THAT GOOD CORPORATE PRACTICES ARE CARRIED OUT THROUGHOUT THE COMPANY AND ITS SUBSIDIARIES ("THE GROUP") AS FUNDAMENTAL TO FULFILLING ITS RESPONSIBILITIES, WHICH INCLUDE PROTECTING AND ENHANCING SHAREHOLDERS' VALUE AS WELL AS THE FINANCIAL PERFORMANCE OF THE GROUP.

THE BOARD OVERSEES THE OVERALL STRATEGIC AND OPERATIONAL BUSINESS PERFORMANCE AND IS SUPPORTED BY VARIOUS BOARD COMMITTEES IN DISCHARGING OTHER SPECIFIC FUNCTIONS.

THE BOARD WILL ENDEAVOUR TO IMPROVE AND ENHANCE THE CORPORATE GOVERNANCE PRACTICES FROM TIME TO TIME. DETAILS OF HOW THE COMPANY HAS APPLIED THE CG CODE PRINCIPLES AND COMPLIED WITH ITS PRACTICES, ARE SET OUT IN THE CG REPORT. THE EXPLANATION FOR DEPARTURE IS FURTHER DISCLOSED IN THE CG REPORT.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

a. Roles and Responsibilities

The Board is primarily responsible for the Group's overall strategic plans for business performance, overseeing the proper conduct of business, succession planning of key management, risk management, shareholders' communication, internal control, and statutory matters; whilst the Management is accountable for the execution of the adopted policies and attainment of the Group's corporate objectives. The Board is always guided by the Board Charter which outlines the duties and responsibilities and matters reserved for the Board in discharging its duties. The Board Charter also acts as a source of reference and primary induction literature in providing insights to Board members and Senior Management.

The Board assumes, amongst others, leadership, due care and fiduciary duties under Companies Act 2016 and applicable laws, the following duties and responsibilities:

i. together with Senior Management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
ii. review, challenge and decide on Management's proposals for the Company, and monitor its implementation by Management;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

1. Board Responsibilities (Cont'd)

a. Roles and Responsibilities (Cont'd)

iii. ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
iv. supervise and assess Management performance to determine whether the business is being properly managed;
v. ensure there is a sound framework for internal controls, risk management and sustainability;
vi. understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;
vii. set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
viii. ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
ix. ensure that the Company has in place procedures to enable effective communication with stakeholders;
x. ensure the integrity of the Company's financial and non-financial reporting;
xi. oversee the establishment, maintenance and review of the Company's Anti-Bribery and Corruption Framework;
xii. oversee all sustainability matters of the Company as part of its corporate governance and risk management functions; and
xiii. review and approve the Company's disclosures and strategic direction in relation to sustainability matters.

The Chairman is responsible for the leadership of the Board in ensuring the effectiveness of all aspects of its role, and is primarily responsible for leading the Board in setting the values and standards of the Company, the orderly and effective conduct of the meetings of the Board and shareholders, ensuring the provision of accurate, timely and clear information to Directors as well as facilitating the effective contribution of Non-Executive Directors.

As of the date of this statement, the positions of Chairman and Managing Director are held by different individuals with clear and distinct roles. Tan Sri Razarudin Bin Husain @ Abd Rasid is the Chairman while, Madam Phum Boon Eng is the Managing Director. The distinct and separate roles of the Chairman and Managing Director with clear division of responsibilities have ensured the balance of power and authority, such that no one individual has unfettered powers of decision making.

The Independent Non-Executive Directors ("INEDs") do not engage in the day-to-day management of the Group. They are not involved in any other relationship with the Group that could reasonably be perceived to materially interfere with their exercise of unfettered and independent judgement. This is to enable the INEDs to discharge their duties and responsibilities effectively and to avoid any conflict of interest situations. The INEDs also provide independent and objective views, assessment and suggestions in deliberations of the Board and ensure effective check and balance in the functioning of the Board.

b. Board Committees

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has delegated specific responsibilities to the following Board Committees:

(i) Audit Committee ("AC")
(ii) Remuneration Committee ("RC")
(iii) Nomination Committee ("NC")
(iv) Risk Management and Sustainability Committee ("RMSC")

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

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

1. Board Responsibilities (Cont'd)

b. Board Committees (Cont'd)

Each committee operates under clearly defined roles and responsibilities as set out in its respective Terms of Reference ("TORs"). These Committees are formed in order to enhance business and operational efficiency as well as efficacy. The Chairman of the respective Committees will report to the Board the outcome of their Committee's meetings for the Board's considerations and approvals. The Board retains full responsibility for the direction and control of the Company and the Group.

c. Support Services

The Board is supported by the Company Secretaries, who are qualified under Section 235 (2) of the Companies Act 2016 ("the Act"). The Company Secretaries play an important role in facilitating the overall compliance with the Act, MMLR and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively and in accordance with their TOR and best practices in ensuring adherence to the existing Board policies and procedures. The roles and responsibilities of the Company Secretaries have been formalised in the Board Charter which provides reference for Company Secretaries in the discharge of their roles and responsibilities.

The Company Secretaries have also been continuously attending the necessary training programmes, conferences, seminars and/or forums so as to keep themselves abreast with the current regulatory changes in laws and regulatory requirements that are relevant to their profession and enabling them to provide the necessary advisory role to the Board.

The Board also has access to the advice of both External and Internal Auditors of the Company and any other independent professional advisers.

d. Board Charter

The Board's functions are governed and regulated by the Board Charter, Constitution of the Company and the various applicable legislation, MMLR and other regulations and codes. The Board Charter is published on the Company's website at www.advancecon.com.my. The Board Charter provides the reference for directors in relation to the Board's role, powers, duties and functions. It also outlines processes and procedures for the Board to be effective and efficient. The Board Charter is periodically reviewed and updated as and when deemed necessary and upon any new regulations that may have an impact on the discharge of the Board's duties and responsibilities.

e. Code of Conduct and Ethics ("Code")

The Company's Code is to govern the standards of ethics and good conduct expected from Directors, Management and employees in discharging their duties and responsibilities to the highest standards of personal and corporate integrity. These would help to prevent misconduct, unethical practices and to support the delivery of long-term sustainable success of the Company. The Code is published on the Company's website at www.advancecon.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

1. Board Responsibilities (Cont'd)

f. Whistleblowing Policy

The Group acknowledges the importance of lawful and ethical behaviours in all its business activities and is committed to adhering to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace. The Group has in place a Whistleblowing Policy which serves as an avenue for all employees of Advancecon and members of the public to disclose any improper conduct within Advancecon.

The Policy is designed to facilitate employees and members of the public to disclose any improper conduct (misconduct or criminal offence) through internal channel. Such misconduct or criminal offences include fraud, bribery, abuse of power, conflict of interest, theft or embezzlement, misuse of Advancecon's property, non-compliance with procedures and sexual harassment.

The above list is not exhaustive and includes any acts or omissions, which if proven, will constitute an act of misconduct under Advancecon's Code or any criminal offence under relevant legislations in force.

Employees have free access to the AC Chairman and may raise concerns of non-compliance to him. The Whistleblowing Policy, underlining its protection and reporting channels, is available on the Company's website at www.advancecon.com.my.

g. Anti-Bribery and Corruption Policy ("ABAC Policy")

The Board had approved and adopted the ABAC Policy on anti-corruption as guided by the "Guidelines on Adequate Procedures" issued by the Prime Minister's Department to promote better governance culture and ethical behaviour within our Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption which came into force on 1 June 2020.

The Directors and employees of the Group are expected to observe high standards of integrity and fair dealings in relation to customers, staff and regulators in the communities within which the Group operates and ensure compliance with all applicable laws, rules and regulations to which the Group is bound to observe in the performance of its duties.

The details of the ABAC Policy are available for reference at the Company's website at www.advancecon.com.my.

h. Directors' Fit and Proper Policy

Pursuant to Paragraph 15.01A of the MMLR of Bursa Securities, the Board had approved and adopted the Directors' Fit and Proper Policy which sets out the fit and proper criteria for the appointment and re-election of Directors of the Group. This Policy shall serve as a guide to the NC and the Board in their review and assessment of the fitness and propriety of potential candidates for the appointment or re-election of Directors.

The details of the Directors' Fit and Proper Policy are available for reference at the Company's website at www.advancecon.com.my.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

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

2. Board Composition

The current Board composition is in compliance with the Constitution and exceeds the minimum one-third requirement of INEDs as set out in the MMLR. The Directors with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in business activities, accounting, finance, corporate and legal disciplines. The Directors' profiles are enclosed from pages 7 to 14 of this Annual Report ("AR").

The INEDs on the Board act as a caretaker for the minority shareholders' interest and their views carry significant weight in the Board's decision-making process. The INEDs are considered by the Board to be independent of management and free of any business or other relationship or circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement.

The NC will regularly review the composition of the Board and its Committees, based on their skills, knowledge, qualities and experience to ensure all matters are reviewed with balance and fairness for the best interests of the Company.

a. Balance, Diversity and Skills

The Board acknowledges the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce Gender Diversity Policy in 2017. The Board's aim is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments on merit, and against objective criteria, with due regard given to the benefits of diversity on the Board, including gender, age and ethnicity to ensure that Advancecon retains its competitive advantages.

The Board currently has three (3) female directors out of seven (7) directors, made up of one Independent Non-Executive Chairman, one Deputy Executive Chairman, one Managing Director, one Executive Director and three INEDs. The existing Directors' age distribution falls within the respective age groups and is as follows:

Age Group	30-39	40-49	50-59	60 & above
Number of Directors	1	1	1	4

The current diversity in the race/ethnicity and nationality of the existing Board is as follows:

	Race/Ethnicity				Nationality	
	Malay	Chinese	Indian	Others	Malaysian	Foreign
Number of Directors	1	5	1	0	7	0

b. Re-Election and Re-Appointment of Directors

In compliance with the Company's Constitution, all directors shall submit themselves for re-election at least once every three years. Directors appointed during the year are required to retire at the following Annual General Meeting but are eligible for re-election.

The NC will also review those Directors who are subject to re-election or re-appointment by giving due regard to his/her performance, knowledge, skills, experience and ability to continuously contribute to the Board and submits its recommendation for shareholders' approval at the AGM.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

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

2. Board Composition (Cont'd)

c. Independence Assessment of Independent Directors

Independent Directors bring independence and objective judgement to the Board and this mitigates risks arising from conflicts of interest or undue influence from interested parties. Nevertheless, the existence of Independent Directors on the Board by itself does not assure the exercise of independence and objective judgement as independent judgement can be compromised by, amongst others, familiarity or close relationship with other board members or major shareholders.

The NC undertakes an assessment of the Independent Directors annually. In assessing the independence of Independent Directors, the NC had concluded that all the Independent Directors have met the independence requirements based on the criteria prescribed by Bursa Securities.

d. Tenure of Independent Directors

Under the MCCG, the tenure of an Independent Director should not exceed a cumulative term of nine years. If the Board intends to retain Independent Non-Executive Directors who have served consecutively or cumulatively more than nine years, it should be subjected to annual assessment by the NC and annual shareholders' approval through a two-tier voting process in a general meeting. The Board shall provide justification on the recommendation to the shareholders for their informed decision making.

As at the date of this Statement, none of the INEDs had served the Company exceeding a cumulative term limit of nine years.

e. Criteria for Recruitment and Annual Assessment of Directors

The NC is responsible for screening and conducting an initial selection, which includes an external search, before making a recommendation to the Board, taking into account the mix of skills, competencies, experience and other qualities required to discharge their duties and responsibilities. NC may obtain the services of professional recruitment firms to source for candidates for directorship or seek independent professional advice whenever necessary.

The Board is assisted by the NC to undertake an annual assessment on the effectiveness of the Board as a whole, its Committees, contribution of each individual Director and the Independent Directors in relation to their skills, experience and core competencies. The assessment is conducted through questionnaires circulated to the Board. Outcomes of the evaluations are generated based on the Directors' feedback on the questionnaires. Upon assessment, the NC will consider and recommend measures to improve the effectiveness of the Board and its Committees. All assessments and evaluations carried out by the NC in the discharge of its function are properly documented.

f. Board Meetings and Attendance

The Board meets at least four times a year and has a formal schedule of matters reserved for it. Additional meetings are held as and when necessary. During the FY2025, eight (8) meetings were held in which the Board deliberated upon and considered various issues including the Groups' financial results, performance of the Group's business, policies and strategic issues affecting the Group's business.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

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

2. Board Composition (Cont'd)

f. Board Meetings and Attendance (Cont'd)

The details of the Board members' attendance recorded during FY2025 are set out as below:

Directors	Attendance in FY2025
Yeoh Chong Keat *(Resigned on 16 March 2026)*	8/8
Dato' Phum Ang Kia	8/8
Tung Kai Hung	7/8
Mohd Zaky Bin Othman *(Resigned on 16 March 2026)*	8/8
Jananee Priya A/P Gopal	8/8
Tan Chee Keong *(Resigned on 16 April 2025)*	1/1
Phum Boon Eng *(Appointed on 22 December 2025)*	-
Tan Sri Razarudin Bin Husain @ Abd Rasid *(Appointed on 16 March 2026)*	-
Wee Chuen Lii *(Appointed on 16 March 2026)*	-
Datuk Loo Took Gee *(Appointed on 16 March 2026)*	-

The Directors have full and unrestricted access to all information pertaining to the Group's business and affairs to enable them to discharge their duties. At least seven days prior to each Board meeting, all Directors receive the agenda together with a comprehensive set of Board papers encompassing qualitative and quantitative information relevant to the business of the meeting. This allows the Directors to obtain further explanations or clarifications from the Management or the Company Secretary well ahead of the meeting date, where necessary, in order to be well prepared before each meeting. Urgent papers may be presented for tabling at the Board meetings under supplemental agenda.

g. Directors' Training

The Board acknowledges the importance of continuous education such as attending and participating in conferences, seminars and training programme in order to broaden their perspectives and to keep abreast of developments in the marketplace. The Directors are also regularly updated by the Management and Company Secretary of changes in statutory requirements, accounting standards and other relevant laws and regulations which would enable them to fulfil their responsibilities and discharge their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

2. Board Composition (Cont'd)

g. Directors' Training (Cont'd)

During the year under review, the Directors who have attended relevant conferences, seminars and training programmes are as follows:

Directors	Training attended
Yeoh Chong Keat *(Resigned on 16 March 2026)*	• Malaysian Tax Conference 2025 • 2026 Budget Seminar
Dato' Phum Ang Kia	• Understanding Employment Act 1955 & Its Amendments • Moderation Session KPI Sandmerit • E-Learning Anti - bribery and Corruption in the Workplace: Corruption in the Workplace • E-Learning Anti - bribery and Corruption in the Workplace: Corporate Liability • E-Learning Sexual Harassment in the Workplace
Tung Kai Hung	• Understanding Employment Act 1955 & Its Amendments • Moderation Session KPI Sandmerit • E-Learning Anti - bribery and Corruption in the Workplace: Corruption in the Workplace • E-Learning Anti - bribery and Corruption in the Workplace: Corporate Liability • E-Learning Sexual Harassment in the Workplace
Mohd Zaky Bin Othman *(Resigned on 16 March 2026)*	• Share Buy Back: Beyond Regulatory Perspective • Strategic Oversight in Strategy Implementation - Getting Execution Right at the Board Level • Audit Committee Conference 2025 • IFRS Sustainability Disclosure Standards Awareness: Gearing Up the Board of Directors
Jananee Priya A/P Gopal	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Tan Chee Keong *(Resigned on 16 April 2025)*	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Phum Boon Eng *(Appointed on 22 December 2025)*	-

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

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

2. Board Composition (Cont'd)

g. Directors' Training (Cont'd)

During the year under review, the Directors who have attended relevant conferences, seminars and training programmes are as follows: (Cont'd)

Directors	Training attended
Tan Sri Razarudin Bin Husain @ Abd Rasid *(Appointed on 16 March 2026)*	-
Wee Chuen Lii *(Appointed on 16 March 2026)*	• Impact of Enlarged Scope of SST • Personal Branding and IP Hackathon • Preparation of Sustainability Statement for Bursa ACE Market Listed Companies
Datuk Loo Took Gee *(Appointed on 16 March 2026)*	• Enhanced Conflict of Interest • Trump Tariffs: How Has The World Changed? • Navigating ESG Risk in the Trump Era: Challenges and Opportunities • Climate First…or Last? • YTL LEAD Conference 2025

As at the date of this Statement, Phum Boon Eng and Tan Sri Razarudin Bin Husain @ Abd Rasid, who were appointed to the Board on 22 December 2025 and 16 March 2026 respectively, did not attend any training in 2025, but have registered for the Mandatory Accreditation Programme (Part I), which is scheduled to be held in 2026.

3. Remuneration

a. Directors' Remuneration

The Board has in place a Remuneration Policy for Directors and Senior Management which is designed to support and drive business strategy and long-term objectives of the Group. In this regard, the RC is responsible to formulate and review the remuneration for Directors and Senior Management of the Company to ensure the competitiveness, appropriateness and in alignment with the prevalent market practices.

The remuneration package for Executive Directors is structured to link the rewards to financial performance and long-term objectives of the Group aside from individual performance. The remuneration package comprises of a number of separate elements such as basic salary, allowances, bonuses and other benefits-in-kind.

In the case of the INEDs, the directors' fee shall be linked to their experience and the level of responsibilities undertaken. The directors' fee for INEDs shall be determined by the Board as a whole. The Director concerned shall abstain from deliberation and voting on decisions in respect of his individual remuneration package.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

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

3. Remuneration (Cont'd)

a. Directors' Remuneration (Cont'd)

The detailed breakdown of the Directors' Remuneration and other benefits paid (both the Company and the Group) for the FY2025 are as follows:-

	Company					Subsidiaries			
Directors	**Directors' fees (RM)**	**Salaries (RM)**	**Bonus (RM)**	**Other benefits (RM)**	**Defined contribution plan (RM)**	**Salaries (RM)**	**Bonus (RM)**	**Other benefits (RM)**	**Defined contribution plan (RM)**
Yeoh Chong Keat *(Resigned on 16 March 2026)*	104,635	-	-	16,000	-	-	-	-	-
Dato' Phum Ang Kia	-	1,169,200	100,000	24,962	153,197	-	-	-	-
Tung Kai Hung	-	-	-	-	-	560,453	45,900	23,950	25,148
Mohd Zaky Bin Othman *(Resigned on 16 March 2026)*	75,894	-	-	16,000	-	-	-	-	-
Jananee Priya A/P Gopal	51,658	-	-	16,000	-	-	-	-	-
Tan Chee Keong *(Resigned on 16 April 2025)*	-	240,000	-	5,124	29,264	-	-	-	-
Phum Boon Eng *(Appointed on 22 December 2025)*	-	-	-	-	-	-	-	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

3. Remuneration (Cont'd)

a. Directors' Remuneration (Cont'd)

The detailed breakdown of the Directors' Remuneration and other benefits paid (both the Company and the Group) for the FY2025 are as follows:-

	Company					Subsidiaries			
Directors	Directors' fees (RM)	Salaries (RM)	Bonus (RM)	Other benefits (RM)	Defined contribution plan (RM)	Salaries (RM)	Bonus (RM)	Other benefits (RM)	Defined contribution plan (RM)
Tan Sri Razarudin Bin Husain @ Abd Rasid *(Appointed on 16 March 2026)*	-	-	-	-	-	-	-	-	-
Wee Chuen Lii *(Appointed on 16 March 2026)*	-	-	-	-	-	-	-	-	-
Datuk Loo Took Gee *(Appointed on 16 March 2026)*	-	-	-	-	-	-	-	-	-
Total remuneration	**232,187**	**1,409,200**	**100,000**	**78,086**	**182,461**	**560,453**	**45,900**	**23,950**	**25,148**

b. Remuneration of Senior Management

Senior Management are those primarily responsible for managing the business operations and corporate divisions of the Group. The Board decided not to disclose on a named basis the top five Senior Management's remuneration in bands of RM50,000 in order to allay valid concerns of intrusion on staff confidentiality as well as maintaining the Company's ability to retain talented senior management in view of the competitive employment environment, in particular for the Group's nature of business.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee ("AC")

The AC comprises the following three (3) members, all of whom are Independent Non-Executive Directors:

Designation	Name
Chairman	Wee Chuen Lii *(Appointed on 16 March 2026)* Mohd Zaky Bin Othman *(Resigned on 16 March 2026)*
Member	Jananee Priya A/P Gopal Datuk Loo Took Gee *(Appointed on 16 March 2026)* Yeoh Chong Keat *(Resigned on 16 March 2026)*

The members of the AC possess a mix of skill, knowledge and appropriate level of expertise and experience to enable them to discharge their duties and responsibilities pursuant to the TOR of the AC. In addition, the AC members are financial literate and are able to understand, analyse and challenge matters under purview of the AC including the financial reporting process.

The Board is assisted by the AC to among others, oversee the Group's and Company's financial reporting process and the quality of financial reporting and ensure that the financial statements comply with the provisions of Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia.

Besides overseeing the Group's accounting and financial reporting process, AC is also responsible to assist the Board:

(i) to review the nature, scope and results of the external audit;
(ii) its cost effectiveness and the independence and objectivity of the External Auditors;
(iii) to oversee and monitor the Group internal audit functions; and
(iv) to review any related party transactions, and other activities such as governance matters.

A full AC Report detailing its composition and a summary of activities during the FY2025 is set out in pages 76 to 78 of this Annual Report.

Through the AC, the Group has established a transparent and appropriate relationship with the Group's auditors. The AC had convened one meeting with the External Auditors without the presence of executive directors and officers to discuss the audit process and findings.

The performance of the AC is reviewed annually by the NC. The evaluation covered aspects such as the members' financial literacy levels, its quality and composition, skills and competencies and the conduct and administration of the AC meetings.

Based on the evaluation, the NC concluded that the AC has been effective in its performance and has carried out its duties in accordance with its TORs during FY2025.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

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

1. Audit Committee ("AC") (Cont'd)

a. Assessment of Suitability, Objectivity and Independence of External Auditors

The AC had undertook an annual assessment of the suitability and independence of the External Auditors, Messrs. UHY Malaysia PLT ("UHY"). Being satisfied with UHY's performance, technical competency and audit independence as well as fulfilment of criteria as set out in Paragraph 15.21 of the MMLR, the AC recommended the re-appointment of UHY, who have consented to act, as External Auditors of the Company for FY2026. The AC was also satisfied that the provision of the non-audit services by UHY for FY2025 did not in any way impair their objectivity and independence as External Auditors of the Company. Subsequently, the Board at its meeting concurred with the AC on its recommendation for the shareholders' approval to be sought at the forthcoming AGM on the re-appointment of UHY as External Auditors of the Company for FY2026.

b. Assessment of Internal Auditor

The Group has appointed Sterling Business Alignment Consulting Sdn Bhd ("Sterling") to provide outsourced internal audit function for the Group. Sterling reports directly to the AC and the Internal Audit function is independent from the management. They provide reasonable assurance of the effectiveness of the system of internal controls of the Group.

The Group's Internal Audit functions performed by Sterling during the financial year under review as set out as below:-

(i) Reviewed and approved the Internal Audit Plan for FY2025 proposed by the Internal Auditors to ensure the adequacy of the scope, coverage of works and that it has the necessary authority to carry out its works.

(ii) Reviewed the Internal Audit Reports together with the recommendations from the Internal Auditors. The AC considered the Internal Auditors' recommendations which had taken into account the Management's responses, and upon which approved the Internal Auditors' proposals for rectification and implementation of the agreed remedial actions.

(iii) Undertook assessment of the performance of the Internal Auditors and reviewed its effectiveness of the audit processes.

2. Risk Management and Internal Control Framework

The Board affirms its responsibility for ensuring the maintenance of a sound system of internal controls and risk management. A risk management and internal control framework is in place, which provides the foundations and organisational arrangement on how to manage risks across the Group, safeguard shareholders' interests and the Group's assets.

The Board fulfils its responsibilities in the risk governance and oversight functions through its RMSC in order to manage the overall risk exposure of the Group. The RMSC identifies significant risks and ensures the implementation of appropriate system to manage the overall risk exposure of the Group, whilst the adequacy and effectiveness of the internal controls are reviewed by the AC in relation to internal audit function of the Group.

The SORMIC which provides an overview of the state of the internal control and risk management within the Group, is set out in pages 44 to 47 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

1. Communication with Stakeholders

The Board recognises the importance of maintaining transparency and accountability to their stakeholders. As such, the Board actively engages all its stakeholders through various platforms including the announcements via Bursa LINK, disclosures on Company's website and engagement through the investor relations function. The Company has also established an investor relations function and engage external service providers to enable continuous communication between the Company and its stakeholders.

All corporate disclosures are made after taking into account the prevailing legislative restrictions and requirements as well as investors' need for timely release of price-sensitive information such as the financial performance results and significant corporate proposals.

In all circumstances, the Company is conscious of the timeliness in providing material information about the Group and continuously stress the importance of timely and equal dissemination of information to stakeholders.

2. Conduct of General Meetings

Advancecon's general meetings serve as an important platform for communication with its shareholders. For the 28th AGM held on 18 June 2025, the notice together with the Annual Report and details of the proposed resolutions are issued to shareholders at least twenty-eight (28) days prior to the meeting, which is beyond the requirements of the Act, MMLR and in compliance with MCCG.

For the Extraordinary General Meeting ("EGM") held on 25 November 2025, the notice was issued in compliance with Act, which requires a minimum notice period of fourteen (14) days.

The Board recognises that the presence of all Directors provides shareholders with the opportunity to engage effectively with each Director. In addition, the attendance of the Chairs of the Board Committees facilitates direct engagement, enabling shareholders to raise questions and concerns to those responsible. All Board members were present at the 28th AGM of the Company held on 18 June 2025. At the EGM held on 25 November 2025, all Directors attended except Tung Kai Hung, who was unable to attend.

Barring any unforeseen circumstances, all Directors will endeavour to attend the forthcoming 29th AGM. The Chairs of the AC, NC, RC and RMSC will be present to provide meaningful responses to questions raised, in line with the MCCG.

This Corporate Governance Overview Statement is issued in accordance with a resolution of the Board dated 27 April 2026.

STATEMENT ON RISK MANAGEMENT **AND INTERNAL CONTROL**

THE BOARD OF DIRECTORS ("THE BOARD") ARE PLEASED TO PRESENT HEREWITH THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL ("SORMIC") WHICH OUTLINES THE NATURE AND SCOPE OF INTERNAL CONTROL AND RISK MANAGEMENT OF ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR "THE COMPANY") AND ITS SUBSIDIARIES ("THE GROUP") DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2025. THIS STATEMENT IS PREPARED PURSUANT TO PARAGRAPH 15.26(B) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") ("MMLR") AND PRINCIPLE B OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 ("MCCG"), WITH GUIDANCE FROM THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL: GUIDELINES FOR DIRECTORS OF LISTED ISSUERS.

BOARD RESPONSIBILITY

The Board affirms its responsibility for maintaining a sound and effective system of risk management and internal control frameworks to safeguard the Group's assets, promote operational efficiency and ensure compliance with corporate governance, applicable laws and regulations. The risk management system is designed to manage the Group's risks within an acceptable risk profile, rather than to avoid or eliminate the risks that are inherent to the Group's businesses. The Group has established risk measurement criteria to guide the Management in pursuing the Group's business objectives within acceptable risk. This is to ensure that:-

a. the principal risks of the Group which may impede the Group's business objectives are identified, evaluated, monitored and managed with an appropriate internal control system;
b. the effectiveness, adequacy and integrity of the system is reviewed on a periodic basis and at least annually to suit the changes in the business environment for purposes of safeguarding shareholders' interests and the Group's assets;
c. proper accounting records are maintained;
d. reliable financial information is accessible to the public; and
e. compliance with applicable laws and regulations.

The Board is aware that the risk management and internal control system can only provide a reasonable, and not absolute, assurance against the risks of material errors, misstatement, loss, fraud or occurrence of unforeseeable circumstances.

The Board has delegated authority to the Audit Committee ("AC") as well as the Risk Management and Sustainability Committee ("RMSC") to oversee implemention of the Group's internal control practices and risk management systems. The Board consistently reviews the adequacy and integrity of these systems with the assistance of both the AC and RMSC, and has received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively.

The Management is responsible for implementing the Board's policies and guidelines on risk management and internal controls, identifying and evaluating the risk factors and implementing suitable internal control systems to ensure that the Group's mission and business objectives are achieved.

The Board does not review the risk management and internal control system of its associated company. However, the Group's interest is preserved through the representation on the Board of the associated company and the Board is provided with information on the performance of the Group's investment on an equity basis.

The Board remains responsible for the governance of risk and for all the actions of the Board Committees with regard to the execution of delegated oversight responsibilities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT PROCESS

The Group adopted the COSO-ERM Integrated Framework in managing the Enterprise Risk Management of the Group ("the Framework"). The Framework is recognised worldwide as a comprehensive framework that is widely advocated by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") for purposes of managing risks in an increasingly turbulent and unpredictable business landscape.

The Group's risk management practice is benchmarked against ISO31000:2018 Risk Management – Principles and Guidelines with COSO-ERM embedded into key activities, initiatives and processes of the Group. The risk management framework adopted comprises a wide range of techniques to identify, assess, and prioritise risks and to implement appropriate mitigation measures, so as to ensure that the risk management framework is aligned with the Group's management organisational structure and business objective.

The process of identifying, evaluating, monitoring and managing significant risk is entrenched in the various work processes and procedures for the respective operational functions and management team. All significant issues and controls for implementation are discussed during regular operations and management meetings and escalated to the RMSC and the Board where necessary.

As at the date of this SORMIC, the RMSC is chaired by an Independent Non-Executive Director, and its members comprise one (1) Executive Director and three (3) members of Senior Management. The RMSC oversees the development and maintenance of the Group's risk profile, including the identification of emerging risks, formulation of mitigation plans and monitoring of risk exposures, which are deliberated periodically together with the outsourced Internal Auditor. Operational, financial, strategic and compliance risks have been identified as key risks and have been regularly reviewed to ensure that it remains aligned with the Group's strategic objectives and risk management framework.
During the financial year under review, there were no significant changes in the Risk Management Framework and Risk Assessment Matrix for Operation and Project Execution. The RMSC presented and deliberated on regular updates in line with the Group's ongoing commitment in adapting to emerging risks.

KEY ELEMENTS OF INTERNAL CONTROLS

The key elements of the Group's system of internal controls are as follows:

- **Board Committees**

  The delegation of responsibilities of the various committees comprising the Board is clearly defined under the Terms of Reference. At present, the committees that have been established include the AC, Nomination Committee, Remuneration Committee and RMSC.

- **Organisational Structure**

  The Group has a clear organisational structure which formally defines the line of reporting, as well as setting clear levels of accountability and responsibility of the respective functions within the Group.

- **Limits of Authority**

  The Group has a clear Limits of Authority Policy which defines the approving limits that have been assigned and delegated to each approving authority within the Group. The Limits of Authority Policy is reviewed periodically and updated in line with changes and needs of the organisation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY ELEMENTS OF INTERNAL CONTROLS (CONT'D)

- **Policies and Procedures**

  There are policies and procedures in place to ensure the adequacy of internal controls and compliance with relevant laws and regulations. These policies and procedures are periodically reviewed and updated to reflect changes in business structure and processes. Certain companies within the Group have obtained ISO 14001:2015, Environmental Management Systems ("EMS") accreditation for operational purposes. These certifications demonstrate our ongoing commitment to driving excellence and continuous quality improvement.

- **Internal Audit**

  The Board recognises that the Internal Audit is an integral part of the governance process of the Group. The internal audit function is carried out in accordance with internationally recognised professional standards and adopts a risk-based approach in executing its audit plans. The outsourced Internal Auditors conducts a quarterly review to ascertain the adequacy of and to monitor operational effectiveness, compliance with applicable laws and regulations and the reliability of financial information, with the aim of safeguarding shareholders' interests and the Company's assets. Where weaknesses have been identified as a result of the reviews, remedial and improvement measures were recommended in order to strengthen controls; and follow-up reviews were conducted to assess the status of the implementation of such remedial and improvement measures by the Management.

- **Board Meetings**

  During the AC and Board meetings, quarterly results, annual financial statements, related party transactions and updates on business development are reviewed as part of the Group's ongoing monitoring and review of internal control effectiveness.

- **Training and Development Programmes**

  Training and development programmes are established to ensure that staff are constantly improving and updating their knowledge and skills to match the ever evolving technology so as to ensure they remain relevant in the industry, in line with the Group's business objectives.

- **Good Corporate Governance Policies**

  The Group has implemented Anti-Bribery and Corruption Policy and Whistleblowing Policy to supplement the Group's Code of Conduct and Ethics. One of the Group's subsidiaries also obtained its ISO 37001:2025 certification in February 2026. Collectively, these further strengthen the Group's effort at eliminating risks associated with corporate liability as encouraged by virtue of the provision of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

INTERNAL AUDIT FUNCTION

The AC evaluates the effectiveness of the internal audit function against the defined responsibilities. The internal audit function is outsourced to an independent external service provider, Sterling Business Alignment Consulting Sdn Bhd, that has been entrusted to provide independent assurances to the AC. The internal audit function remains independent of Management and has unrestricted access to the AC.

The role of the Internal Auditors remains independent and has no direct operational responsibility or authority over any of the activities audited. Accordingly, the Internal Auditors do not implement internal controls, develop procedures, install systems, prepare records or engage in any other activities that may impair the Internal Auditor's judgment.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION (CONT'D)

The Internal Auditors adopt the risk-based internal audit approach by reviewing the latest risk register, risk matrix and also considering the Company's business environment and activities, etc. to evaluate and assess the business conditions when preparing the yearly Internal Audit Plan.

On a quarterly basis, the Internal Auditors attend the AC meetings for purposes of presenting the Internal Audit Report which includes an overall audit opinion that identifies significant weaknesses, recommendation of action plans, management responses and pertinent deadlines. Subsequent follow-up reviews are also conducted to assess the status of each recommended action plan upon implementation by the Management. The results of such follow-up reviews are highlighted to the AC during their meetings.

For the financial year ended 31 December 2025, the total cost incurred for the outsourced internal audit function was RM37,000.

ASSURANCE FROM THE MANAGEMENT

In line with the Guidelines, the Managing Director and Group Chief Financial Officer have provided assurance to the Board in writing stating that the Group's risk management and internal control system have operated adequately and effectively in all material aspects to meet the Group's objectives during the period under review.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors have reviewed this SORMIC for inclusion in this Annual Report. Their limited assurance review was performed in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagement Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3") - Guidance for Auditors on Engagements to Report on the this SORMIC included in the Annual Report issued by the Malaysian Institute of Accountants.

AAPG 3 (February 2018) does not require the External Auditors to consider whether this SORMIC covers all risks and controls or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. Based on the External Auditor's reviews, nothing has come to their attention that causes them to believe that this SORMIC is not prepared in all material respects, in accordance with the disclosures required by the SORMIC: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

CONCLUSION

For the financial year under review and up to the date of issuance of the SORMIC in the Annual Report, the AC and RMSC have discussed the contents of this SORMIC and further recommended it for the Board's approval. Hence, the Board is pleased to report that the internal control system and risk management practices are capable of meeting the objectives of the Group and facilitates good corporate governance.

This Statement has been approved by the Board of Directors at its meeting on 27 April 2026.