

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0235  
**COMPANY NAME** : Nestcon Berhad  
**FINANCIAL YEAR** : December 31, 2025

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### Intended Outcome

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

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("<b>Board</b>") of Nestcon Berhad ("<b>Nestcon</b>" or "<b>the Company</b>") assumes overall responsibility for leadership, governance, strategic direction and long-term success of the Company and its subsidiaries (collectively known as "<b>the Group</b>"). The Board is collectively accountable for ensuring that the Group's objectives are achieved in a sustainable manner while safeguarding the interests of shareholders and other stakeholders.</p> <p>In discharging its responsibilities, the Board provides stewardship in setting the Group's strategic direction and overseeing the implementation of business plans by Management. The Board reviews and approves the Group's strategic plans, key corporate initiatives, and annual budgets, while ensuring that the necessary financial, human and operational resources are in place for the Group to achieve its objectives. The Board also monitors the performance of Management and the Group's operational and financial performance through regular reviews and updates.</p> <p>The Board is responsible for establishing and promoting the Group's values, ethical standards and governance framework. In this regard, the Board oversees the development and periodic review of the Group's vision, mission and core values, as well as policies and strategies relating to economic, environmental and social considerations, with the aim of ensuring sustainable business practices and long-term value creation for stakeholders.</p> <p>To facilitate the effective discharge of its duties, the Board operates in accordance with the Board Charter, which outlines the roles, responsibilities and authority of the Board and its members. The Board Charter also sets out matters reserved for the Board's deliberation and decision. The Board has delegated specific responsibilities to the Group Managing Director ("<b>GMD</b>"), Executive Directors ("<b>EDs</b>") and the Management team for day-to-day management of the Group's</p>

operations. The GMD, supported by the EDs and Management team, is responsible for the effective implementation of the Board's policies and strategies, overseeing the day-to-day operations of the Group, ensuring that business objectives are achieved, and that the Group's activities are conducted in a manner consistent with approved plans, applicable laws, regulations, and internal policies.

Details of the roles and principal responsibilities of the Board are specified in Paragraph 4 of the Board Charter which is available on the Company's website at <http://www.nestcon.my>.

In addition, the Board has established several Board Committees to assist in carrying out its oversight responsibilities, namely the Audit Committee ("AC"), the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Sustainability and Risk Management Committee ("SRMC") (collectively, "**Board Committees**"). Each Board Committee operates clearly defined terms of reference and reports to the Board on key deliberations and recommendations.

During Board meetings, Directors engage in the following activities for the financial year ended 31 December 2025 ("**FYE 2025**"):

- (a) Developing the Company's strategy and monitoring its performance and implementation;
- (b) Assessing the Company's performance quarterly;
- (c) Reviewing quarterly financial results and announcements;
- (d) Receiving reports from Board Committees on key matters;
- (e) Providing constructive feedback and guidance on areas for improvement;
- (f) Reviewing the proposed joint development between a subsidiary of the Company and a landowner to undertake, in a joint manner, the development of 2 adjoining parcels of leasehold vacant development lands located in Bandar Petaling Jaya Selatan, Daerah Petaling, Selangor ("**Proposed Joint Development**");
- (g) Reviewing the proposed diversification of the existing business operations of the Group to include property development ("**Proposed Diversification**");
- (h) Reviewing the proposed acquisition of 3 units of office space with accessorised car parking bays within a high-rise mixed commercial development ("**Proposed Acquisition**");
- (i) Reviewing the conflict of interest involves the GMD in relation to the Company's Proposed Joint Development and Proposed Diversification;
- (j) Reviewing litigation cases and their progress; and
- (k) Reviewing and following up on issues raised in each meeting to ensure recommended actions and solutions are implemented.

The Board Committees are tasked with overseeing particular facets of the Company's operations based on established terms of reference and are responsible for reporting their findings and recommendations to

	<p>the Board. Some responsibilities have been delegated to the EDs. Each Board Committees' Chairman presents key discussions from the Board Committee meetings to the Board and makes recommendations for final decision when necessary.</p> <p>However, the Board retains ultimate responsibility for corporate governance and the Company's affairs. The Board is fully accountable for directing and monitoring the Company in fulfilling its responsibilities.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of the Company is led by Encik Mohd Noor Bin Setapa, who is an Independent Non-Executive Chairman. He is primarily responsible for providing leadership to the Board and ensuring its effective functioning in discharging his roles and regulatory responsibilities. As Chairman, he serves as the principal link between the Board and Management, facilitating effective communication and ensuring that Board decisions are appropriately conveyed and implemented. He also presides over meetings of the Board and shareholders, including the Company's annual general meeting ("AGM").</p> <p>The Chairman plays a key role in promoting high standards of corporate governance, providing strategic direction, and fostering a culture of accountability within the Board. His roles and responsibilities are clearly set out in Paragraph 7 of the Board Charter, which is available on the Company's website at <a href="http://www.nestcon.my">http://www.nestcon.my</a>.</p> <p>During the financial year, the Chairman, in consultation with GMD and Company Secretaries, set the agenda for Board meetings to ensure that all relevant matters were properly considered. He also ensured that Directors were provided with sufficient information on a timely basis, encouraged open and constructive deliberations, and facilitated active participation from all Board members. All agenda items were duly addressed during Board meetings, supporting effective and informed decision-making.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of exercising objective oversight and independent oversight over Management in order to safeguard the interests of the Company and its stakeholders. In this regard, the Board is committed to ensuring an appropriate balance of power and authority within the Company, such that no individual has unfettered powers of decision-making or dominates Board deliberations.</p> <p>The Board Charter clearly sets out the respective roles, responsibilities and authorities of the Chairman and the GMD of the Company. The distinct and separate roles and responsibilities of the Chairman and the GMD are detailed in Paragraphs 7 and 8 respectively in the Board Charter, which is available on the Company's website at <a href="http://www.nestcon.my">http://www.nestcon.my</a>.</p> <p>The positions of the Chairman of the Board and the GMD of the Company are held by two different individuals to promote a clear division of responsibilities and a balance of power and authority. The position of Chairman is held by Encik Mohd Noor Bin Setapa whilst the position of GMD is held by Datuk Ir. Dr. Lim Jee Gin.</p> <p>The Chairman is primarily responsible for providing leadership to the Board and ensuring its effective functioning. This includes promoting high standards of corporate governance, facilitating constructive relations between the Board and Management, ensuring that Board meetings are conducted effectively, and that all Directors receive accurate, timely and clear information. The Chairman also ensures that the Board fulfils its leadership and control responsibilities in achieving the Company's strategic objectives.</p> <p>The GMD is responsible for day-to-day management of the Group's operations and the implementation of the Board's decisions, policies and strategies. The GMD plays a key role in driving business performance, fostering a strong corporate culture, and ensuring that the Group has the appropriate capabilities and resources to achieve its objectives. The GMD is also responsible for presenting business plans, sustainability strategies, and key initiatives to the Board, as well as developing and recommending annual budgets aligned with the Group's long-term vision. Additionally, the GMD ensures that appropriate systems, policies and procedures are established, implemented, maintained and periodically reviewed.</p>

	In situations where the GMD has a direct or indirect interest, or where an actual or potential conflict of interest arises, the GMD shall declare such interest to the Board and abstain from participating in the deliberation and decision-making process on the relevant matter.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: <p>The Board is collectively responsible for providing effective leadership, setting the strategic direction of the Company and overseeing the achievement of its objectives and long-term goals.</p> <p>The Company acknowledges that it has not fully complied with Practice 1.4 of the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia on 28 April 2021, which recommends that the Chairman of the Board should not be a member of Board Committees.</p> <p>During the financial year, the Chairman, Encik Mohd Noor Bin Setapa, was not appointed as a member of any Board Committees, namely the AC, NC, RC and SRMC. Nonetheless, he attended the respective committee meetings by invitation to provide insights, facilitate alignment between the Board and Board Committees, and ensure effective communication of strategic priorities.</p> <p>The Board is of the view that this practice does not impair the independence and objectivity of the Board Committees, as all deliberations and decisions are made solely by the respective committee members. The Chairman does not participate in decision-making at the committee level.</p> <p>The Company remains committed to upholding good corporate governance practices and will continue to review its governance framework to ensure alignment with the principles and intended outcomes of the MCCG.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

<b>Measure</b>	<p>: (1) The attendance of the Chairman of the Board at Board Committee meetings during the financial year was strictly by invitation, primarily to facilitate alignment on strategic matters and to provide insights where necessary.</p> <p>(2) The Chairman does not participate in the decision-making process of the Board Committees, and all deliberations and resolutions are made independently by the respective Committee members.</p> <p>(3) Each Board Committee is chaired by an Independent Director, ensuring objective oversight and independent judgement in all matters deliberated.</p> <p>(4) The Board will continue to review its governance practices periodically to ensure alignment with the MCCG and may consider further limiting the Chairman’s attendance at Board Committees where appropriate.</p> <p>The Board is satisfied that these measures collectively ensure that the independence, objectivity and effectiveness of the Board Committees are not compromised, and that the Company continues to uphold a high standard of corporate governance.</p>
<b>Timeframe</b>	<p>: Choose an item.</p>

## Intended Outcome

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

## Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is currently supported by two well-qualified and competent company secretaries, namely Ms. Teo Soon Mei (MAICSA 7018590 and SSM Practising Certificate No. 201908000235) ("<b>Ms. Teo</b>") and Puan Nazirah Binti Nazri (MAICSA 7071328 and SSM Practising Certificate No. 202408000275) ("<b>Puan Nazirah</b>"). They have met the requisite credentials and is qualified under Section 235(2) of the Companies Act 2016 (the "<b>Act</b>"), registered with the Companies Commission of Malaysia under Section 241 of the Act and holds a practicing certificate issued by the Registrar of Companies.</p> <p>Ms. Teo is a Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators ("<b>MAICSA</b>") (Chartered Secretary and Chartered Governance Professional), an Associate member of the Institute of Internal Auditors of Malaysia ("<b>IIA Malaysia</b>") and possessing a Master of Corporate Governance with more than 30 years of corporate secretarial experience. Ms. Teo provides extensive knowledge to support the Board in fulfilling its fiduciary duties and leadership responsibilities in establishing the Group's corporate governance standards.</p> <p>Puan Nazirah is an Associate member of MAICSA and has more than 7 years of corporate secretarial experiences. Both also serve as Company Secretaries for several listed companies in Malaysia.</p> <p>The Company Secretaries play a crucially role in advising the Board on the Company's administrative, governance and meeting procedures. They ensure that both the Company and the Group adhere to all relevant legal and corporate governance standards.</p> <p>Guided by the roles and responsibilities in Paragraph 13.3 of the Company's Board Charter, the Company Secretaries fulfil their duties. The Board Charter is available on the Company's website at <a href="http://www.nestcon.my">http://www.nestcon.my</a>.</p> <p>The Company Secretaries have continuously enhanced their professional knowledge by staying abreast of the latest regulatory and corporate governance developments through ongoing training programmes and industry updates. During FYE 2025, they participated in various relevant continuous professional development activities.</p>

	<p>Throughout FYE 2025, the Company Secretaries attended all Board and Board Committee meetings, ensuring that meeting procedures were properly organised and that complete and accurate materials were circulated in a timely manner. In addition, they provided valuable governance advice, updates, and guidance to the Board and Management, supporting compliance with applicable laws, regulations, and internal procedures, while promoting best practices in corporate governance.</p> <p>The Board is satisfied with the quality of service and support rendered by the Company Secretaries in assisting the Board to effectively discharge their duties during FYE 2025.</p>	
<b>Explanation for departure</b>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>		
<b>Timeframe</b>		

## Intended Outcome

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

## Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has adopted a Board Charter which sets out, among others, the provisions governing Board meeting procedures, agendas, meeting papers, access to information, and the right to seek independent professional advice, as stipulated under Paragraph 16 of the Board Charter. The Board Charter is available on the Company's website at <a href="http://www.nestcon.my">http://www.nestcon.my</a>.</p> <p>Regular Board and Board Committees meetings are scheduled throughout the year to facilitate effective planning and ensure that Directors are able to allocate sufficient time for attendance. In this regard, the Company Secretaries consult with all Directors prior to finalising the meeting dates. An annual tentative calendar is prepared and tabled to the Board, outlining the schedule of Board meetings, Board Committees meetings, and the AGM for the forthcoming year. During FYE 2025, a total of five (5) Board meetings were held, all of which were attended by all Board members.</p> <p>In consultation with the Chairman of the Board and the respective Board Committees, the Company Secretaries coordinate and prepare the annual meeting agendas. Additional agenda items may be included at the request of the Chairman, any Director, or Management, as appropriate.</p> <p>Notices of meetings are circulated at least five (5) business days prior to each meeting, together with the relevant meeting materials, which are disseminated electronically. This enables Directors to review the materials in advance, seek further clarification where necessary, and make informed decisions during the meetings.</p> <p>The Board is provided with full and timely access to all relevant information within the Group, as well as advice and support from the Company Secretaries, to enable the Directors to discharge their duties effectively, both collectively and individually. Directors are entitled to communicate directly with Management and may request additional information or updates on the Group's operations and business matters at any time, whether before or during meetings. Where necessary, Directors may also seek independent professional advice at the Company's expense to support informed decision-making.</p>

	All deliberations, decisions, and conclusions of the Board meetings are duly recorded by the Company Secretaries. The minutes are circulated to the Board in a timely manner for review to ensure accuracy and completeness, and are subsequently confirmed at the following meeting. The minutes and written resolutions are duly signed as a true and accurate record of the proceedings.	
<b>Explanation for departure</b>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>		
<b>Timeframe</b>		

## Intended Outcome

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

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

### Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Board Charter which is periodically reviewed. Paragraphs 7 to 14 of the updated Board Charter articulates the respective roles and responsibilities of the Board, Board Committees, Chairman, GMD, EDs, INEDs and Company Secretaries as well as the matters that are reserved for the Board's deliberation and decision. The updated Board Charter is available on the Company's website at <a href="http://www.nestcon.my">http://www.nestcon.my</a>.</p> <p>The Board Charter serves as a key reference document and primary induction material, providing guidance to both prospective and existing Directors on their fiduciary duties, roles and responsibilities, as well as the functions of the Board Committees of the Company. It also sets out, amongst others, the Group's vision, mission, core values, policies and ethical standards.</p> <p>The Board Charter clearly outlines the roles and responsibilities of the Board, the Chairman and the GMD. It further incorporates provisions relating to Board composition, diversity policy, the appointment process of Directors, the Code of Conduct and Ethics ("<b>Code</b>") applicable to Directors and employees, as well as Directors' training and continuing education requirements.</p> <p>The Board undertakes an annual review of the Board Charter to ensure that it remains up-to-date and aligned with the Board's objectives, responsibilities and prevailing corporate governance practices.</p> <p>The Board Charter will be reviewed and updated periodically, as and when necessary, to ensure its continued relevance and appropriateness to the needs of the Company, as well as its compliance with applicable regulatory and legal requirements governing the discharge of the Board's responsibilities.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Code applicable to all Directors, officers and employees of the Company, incorporating the principles set out in Paragraph 23 of the Board Charter (collectively referred to as the “<b>Code of Conduct</b>”). In addition, all Directors and key senior management are required to submit declarations on conflict of interest (“<b>COI</b>”) and/or potential COI (the “<b>Declaration of COI</b>”).</p> <p>The Code of Conduct sets out the core values, ethical principles and standards of behaviour expected of Directors and employees in the discharge of their duties and in their dealings with stakeholders. It promotes professionalism, integrity and trustworthiness across the Group. Furthermore, contractors, sub-contractors, consultants, agents, representatives and other parties engaged by the Group are required to comply with the Anti-Bribery and Corruption Policy (“<b>ABC Policy</b>”) in the course of their engagements.</p> <p>The Code of Conduct addresses key areas relevant to the Group's operations, including compliance with applicable laws and regulations, integrity and ethical behaviour, environmental responsibility, workplace respect and harmony, avoidance of COI, safeguarding of assets, financial integrity, insider trading, anti-bribery and corruption, and anti-money laundering.</p> <p>Declarations of COI submitted by Directors and key senior management, disclosing any actual or potential conflicts, including interests in competing businesses, are tabled to the AC and the Board for review. For FYE 2025, save as disclosed under this Practice 3.1, all Directors and key senior management have confirmed that they do not have any COI or potential COI, including interests in competing businesses.</p> <p>Directors and key senior management are expected to uphold the highest standards of integrity and accountability, ensuring transparency in decision-making and safeguarding the Group's reputation.</p>

	<p>Employees are similarly expected to understand and adhere to the Code of Conduct in both internal and external business dealings.</p> <p>Directors are also required to disclose their interests in shares of the Company and its related corporations, as well as any interests in contracts or proposed contracts with the Company or its related corporations. In situations where a conflict arises, the affected Director must declare such interest and abstain from deliberation and voting on the relevant matter, which will then be reviewed by the AC prior to consideration by the Board. In relation to the Company’s Proposed Joint Development and Proposed Diversification, the GMD has declared his COI in respect of his personal interests in companies outside the Group which principally involved in property development, and has abstained from all deliberations and decisions relating to these matters.</p> <p>The Code of Conduct is subject to periodic review and revision, where necessary, to ensure its continued relevance and alignment with regulatory requirements and best practices.</p> <p>In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Ministerial Guidelines on Adequate Procedures, and Rule 15.29 of the ACE Market Listing Requirements (“<b>AMLR</b>”) of Bursa Malaysia Securities Berhad (“<b>Bursa Securities</b>”), the Company has established and implemented the ABC Policy to prevent bribery and corruption and to promote ethical conduct throughout the organisation.</p> <p>In addition, the Anti-Money Laundering Policy (“<b>AML Policy</b>”) and the Anti-Fraud and Whistleblowing Policy (“<b>AFWB Policy</b>”) provide formal channels for reporting suspected misconduct, unlawful activities or unethical behaviour, thereby reinforcing a culture of accountability and integrity within the Group.</p> <p>Copies of the Code, AML Policy and AFWB Policy are accessible at <a href="http://www.nestcon.my">http://www.nestcon.my</a>.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

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

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

### Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company is committed to upholding the highest standards of professionalism, honesty, integrity, and ethical conduct in all aspects of its business operations. In line with this commitment, the AFWB Policy has been established to provide a formal and secure avenue for all employees, Directors, and members of the public to raise genuine concerns in a responsible and appropriate manner.</p> <p>The AFWB Policy is designed to:</p> <ul style="list-style-type: none"><li>a) promote and uphold transparency and accountability within the workplace;</li><li>b) reinforce good corporate governance practices;</li><li>c) ensure that employees and other stakeholders can raise concerns without fear of reprisal, while safeguarding their confidentiality;</li><li>d) protect whistle-blowers against any form of retaliation arising from disclosures made in good faith;</li><li>e) provide a structured, transparent, and confidential mechanism for handling reported concerns;</li><li>f) safeguard the long-term reputation and integrity of the Group;</li><li>g) support and reinforce the Company's core values; and</li><li>h) foster a healthy working environment and a well-governed organisation.</li></ul> <p>The AFWB Policy is available on the Company's website at <a href="http://www.nestcon.my">http://www.nestcon.my</a>.</p> <p>The AFWB Policy fosters a culture of integrity and ethical behaviour by encouraging openness, accountability, and responsible reporting of misconduct.</p> <p>The Board is responsible for overseeing the implementation of the AFWB Policy, particularly in relation to matters involving Directors. All whistleblowing reports are to be directed to the Independent Non-Executive Chairman of the Company, who serves as the designated reporting channel under this AFWB Policy. All complaints and reports</p>

	<p>received will be treated with the strictest confidential and handled in a secure and impartial manner.</p> <p>The Board shall review and assess the adequacy, relevance, and effectiveness of the AFWB Policy periodically, and as and when deemed necessary, to ensure that it remains aligned with the Group’s evolving business environment, operational requirements, and applicable laws and regulations. Notwithstanding this, the AFWB Policy shall be reviewed at least once every three (3) years.</p> <p>During FYE 2025, the Group did not receive any whistleblowing reports.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

## Intended Outcome

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

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, together with Management, acknowledges its collective responsibility for governing sustainability across the Group, encompassing economic, environmental and social considerations, including health, safety, environmental stewardship and social impact. The Board ensures that the management of material economic, environmental and social ("EES") risks and opportunities is embedded within the Group's long-term strategy, decision-making processes and day-to-day operations, including the formulation of strategies, priorities, targets and performance measures.</p> <p>The Board Charter (Paragraph 4.7) sets out the Board's key responsibilities, including the adoption of a sustainability governance framework and the establishment of policies to oversee the Group's sustainability strategy. This includes the strategic management of material EES risks and opportunities, as well as the identification and prioritisation of material sustainability matters. Through this framework, the Board ensures that the Group remains resilient, adaptive and capable of delivering sustainable value to stakeholders.</p> <p>Key Senior Management plays a pivotal role in operationalising the Group's sustainability agenda, ensuring that material EES risks and opportunities are effectively managed and aligned with the Group's strategic objectives.</p> <p>To further strengthen the integration of sustainability into business operations, the Company has implemented the following practices:</p> <p>(a) Integration into Strategy and Business Planning The Board integrates sustainability considerations into the development of corporate strategies and business plans. This includes evaluating economic, environmental and social implications in areas such as project development, supply chain management, capital allocation and business expansion, ensuring</p>

	<p>that material EES risks and opportunities are considered alongside financial performance.</p> <p>(b) <b>Risk Management and Material Sustainability Matters</b>  Material EES risks and opportunities are embedded within the Group’s enterprise risk management framework. The Board oversees periodic assessments to identify, evaluate and prioritise material sustainability matters that may impact the Group’s operations, financial performance and reputation. The outcomes of these assessments are incorporated into strategic decision-making, with appropriate mitigation and management measures implemented.</p> <p>(c) <b>Stakeholder Engagement</b>  The Group actively engages with key stakeholders, including employees, customers, suppliers, investors, regulators and local communities, to better understand evolving sustainability expectations, risks and opportunities. Feedback obtained through these engagements is integrated into the Group’s approach to managing material EES risks and opportunities. The Company also ensures transparent and regular communication of its sustainability performance to foster trust and accountability.</p> <p>(d) <b>Implementation and Oversight</b>  The GMD, supported by EDs, is responsible for implementing sustainability initiatives and managing material EES risks and opportunities across the Group’s operations. The GMD establishes implementation plans, key performance indicators (“<b>KPIs</b>”) and targets, which are reviewed by the SRMC and the Board. Progress updates, including performance against targets, are presented regularly to ensure effective oversight and continuous improvement.</p> <p><b><u>Materiality Assessment and Strategic Alignment</u></b></p> <p>The SRMC and the Board conduct an annual materiality assessment to identify, evaluate and prioritise material EES risks and opportunities across EES dimensions. This structured process supports the development of a sustainability strategy aligned with the Group’s business objectives and relevant United Nations Sustainable Development Goals (“<b>UNSDGs</b>”).</p> <p>For FYE 2025, the Group reviews and refines its material sustainability matters, building on the previously identified focus areas, to ensure continued relevance in light of evolving regulatory requirements, stakeholder expectations and industry developments. Each material matter is supported by measurable targets, with progress tracked and monitored to drive accountability and performance.</p> <p>The Board remains committed to strengthening the Group’s sustainability practices through:</p>
--	---

	<p>(a) Ongoing enhancement of governance frameworks and policies relating to the management of material EES risks and opportunities;</p> <p>(b) Regular monitoring of performance against established targets and KPIs;</p> <p>(c) Integration of sustainability considerations into capital allocation and investment decisions; and</p> <p>(d) Continuous improvement through benchmarking against industry best practices and regulatory developments.</p> <p>By embedding the management of material EES risks and opportunities into its governance structure, strategy and operations, the Board believes that the Group is well-positioned to enhance resilience, manage emerging challenges and capture opportunities. This integrated approach supports long-term value creation while contributing positively to the economy, environment and society.</p> <p>Further details on the Group’s sustainability strategies, initiatives and performance are disclosed in the Sustainability Statement of the Annual Report 2025.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

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

### Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has enhanced its approach to ensure sustainability risks and opportunities are managed in a more integrated, strategic, and structured manner, in line with national reporting requirements.</p> <p>(a) Sustainability strategy aligned with business and risks The Company has strengthened its sustainability strategy by aligning it with its overall business strategy and risk management framework. Key sustainability priorities are identified through materiality assessment and include consideration of environmental, social and governance (“ESG”) risks and opportunities, including climate-related risks. The Board and Management are actively involved in overseeing this strategy.</p> <p>(b) Clear and measurable KPIs The Company has established measurable sustainability KPIs that are aligned with its strategic priorities. These include targets related to emissions, resource use, employee well-being, and governance practices. Progress is tracked regularly, with some KPIs linked to management performance.</p> <p>(c) Regular monitoring and improved reporting Sustainability performance is monitored regularly using structured data collection and internal controls. Progress against targets is reviewed by Management and the Board. Disclosures are prepared in line with Bursa Securities requirements and the National Sustainability Reporting Framework, ensuring clear linkage between strategy, risks, and performance.</p> <p>(d) Internal awareness and capability building The Company promotes sustainability awareness across the organisation through training, regular communication, and clear roles and responsibilities. Sustainability considerations are increasingly integrated into daily operations and decision-making.</p> <p>(e) Ongoing stakeholder engagement</p>

	<p>The Company engages regularly with key stakeholders, including employees, investors, customers, suppliers, and communities. Feedback from these engagements is used to refine sustainability priorities, strategies, and risk management approaches.</p> <p>(f) <b>Transparent disclosures</b> The Company ensures transparent communication of its sustainability practices, including governance, material matters, targets, and performance. These are disclosed in the Sustainability Statement and other corporate communication channels.</p> <p>(g) <b>Continuous improvement</b> The Company continuously improves its sustainability approach by reviewing performance, incorporating stakeholder feedback, and keeping up with regulatory and industry developments.</p> <p>These enhancements ensure that sustainability is embedded into the Company’s strategy, operations, and decision-making processes, supporting long-term value creation and compliance with National Sustainability Reporting Framework.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### Intended Outcome

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

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	: Applied																
<b>Explanation on application of the practice</b>	<p>The Board remains committed to staying informed on sustainability matters relevant to the Group’s business and operations. This is achieved through regular updates from Management as well as participation in relevant training programmes. Throughout FYE 2025, the Board received periodic briefings from Management during Board meetings on the Company’s sustainability initiatives, key developments, and overall progress.</p> <p>To ensure that both the Board and Management remain abreast of evolving sustainability trends, regulatory developments, and emerging risks and opportunities, members will continue to attend relevant training programmes to enhance their ESG competencies. During FYE 2025, Directors and Management participated in various training programmes aimed at strengthening their understanding of sustainability-related matters pertinent to the Group’s operations, including climate-related risks and opportunities.</p> <p>Details of the training programmes attended are as follows:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Date Attended</th> <th style="text-align: left;">Seminars / Courses / Training Programmes</th> </tr> </thead> <tbody> <tr> <td>19 March 2025 – 20 March 2025</td> <td>Mandatory Accreditation Programme Part II: Leading for Impact</td> </tr> <tr> <td>24 April 2025</td> <td>AEC Connect Day 2025: The AI-Powered Future</td> </tr> <tr> <td>17 June 2025</td> <td>The Journey into the AI Age: Game Changer for Your Digital Transformation Era Programme</td> </tr> <tr> <td>9 September 2025</td> <td>Board Simulation - Balancing Risks &amp; Opportunity in Sustainability Leadership</td> </tr> <tr> <td>28 October 2025</td> <td>Synergising Foreign Investor &amp; State Climate &amp; Environmental Priorities</td> </tr> <tr> <td>3 November 2025</td> <td>Enhancing Sustainability Readiness for ACE Market</td> </tr> <tr> <td>10 December 2025</td> <td>Anti-Bribery &amp; Corruption (ABC) Awareness Workshop</td> </tr> </tbody> </table> <p>To further strengthen ESG knowledge and expertise, the Board, in collaboration with the NC, will continue to identify and recommend relevant sustainability-related training programmes for both the Board and Management. Through active participation in such initiatives, the Board</p>	Date Attended	Seminars / Courses / Training Programmes	19 March 2025 – 20 March 2025	Mandatory Accreditation Programme Part II: Leading for Impact	24 April 2025	AEC Connect Day 2025: The AI-Powered Future	17 June 2025	The Journey into the AI Age: Game Changer for Your Digital Transformation Era Programme	9 September 2025	Board Simulation - Balancing Risks & Opportunity in Sustainability Leadership	28 October 2025	Synergising Foreign Investor & State Climate & Environmental Priorities	3 November 2025	Enhancing Sustainability Readiness for ACE Market	10 December 2025	Anti-Bribery & Corruption (ABC) Awareness Workshop
Date Attended	Seminars / Courses / Training Programmes																
19 March 2025 – 20 March 2025	Mandatory Accreditation Programme Part II: Leading for Impact																
24 April 2025	AEC Connect Day 2025: The AI-Powered Future																
17 June 2025	The Journey into the AI Age: Game Changer for Your Digital Transformation Era Programme																
9 September 2025	Board Simulation - Balancing Risks & Opportunity in Sustainability Leadership																
28 October 2025	Synergising Foreign Investor & State Climate & Environmental Priorities																
3 November 2025	Enhancing Sustainability Readiness for ACE Market																
10 December 2025	Anti-Bribery & Corruption (ABC) Awareness Workshop																

	ensures that its members are well-equipped to provide effective oversight and strategic guidance on sustainability matters across the Group.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To strengthen the Board’s accountability towards the Group’s sustainability management, the NC has enhanced the sustainability-related evaluation for FYE 2025.</p> <p>In addition to existing criteria, the assessment now includes clear performance indicators and measurable outcomes, such as the integration of sustainability into strategy, achievement of ESG targets aligned with the UNSDGs, and effective oversight of sustainability risks and opportunities.</p> <p>The evaluation also considers the progress of sustainability initiatives and the continuous development of sustainability knowledge among Directors and Key Senior Management (“KSM”).</p> <p>Based on the NC’s assessment, the Board is satisfied that the Directors and KSM have effectively discharged their responsibilities and demonstrated accountability in managing the Group’s material sustainability matters.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.5- Step Up**

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	The Board does not appoint any Chief ESG Officer, however, the GMD led the management of sustainability during FYE 2025.

## Intended Outcome

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

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter provides that the NC of the Company is responsible for assisting the Board in the development and implementation of the policies relating to the nomination and appointment of Directors, with the objective of supporting the long-term sustainability of the Group, in accordance with the NC's terms of reference.</p> <p>In discharging its responsibilities, the NC oversees the overall composition of the Board to ensure that it comprises individuals with an appropriate balance of skills, knowledge, experience, independence and diversity, aligned with the Company's strategic objectives and business direction.</p> <p>The Board Effectiveness Evaluation for FYE 2025 was completed and subsequently tabled to the NC for deliberation on 27 February 2026. Based on the evaluation results, the NC is satisfied that the current Board composition is appropriate and possesses the requisite mix of competencies to support the Group's growth while safeguarding the interests of shareholders and other stakeholders.</p> <p>The NC also reviewed the tenure of each Director and recommended to the Board for re-election of the following Directors who are due to retire at the forthcoming 2026 AGM pursuant to Clause 82 of the Constitution of the Company:</p> <ul style="list-style-type: none"><li>(a) Mr. Ong Yong Chuan</li><li>(b) Ms. Lim Joo Seng</li></ul> <p>(Collectively, referred to as "<b>Retiring Directors</b>")</p> <p>In considering the re-election of the Retiring Directors, the NC adopted the following approach:</p> <ul style="list-style-type: none"><li>(a) Reviewed the size and composition of the Board, including the mix of skills, experience, independence, and diversity. The Board currently has approximately 29% female representation, reflecting its commitment to gender diversity;</li></ul>

	<p>(b) Considered the ongoing need to identify and define selection criteria for new Directors, with a view to addressing any gaps and strengthening Board composition in line with the Company’s evolving strategic direction; and</p> <p>(c) Assessed the performance and contributions of the Retiring Directors based on the Board Effectiveness Evaluation, taking into account, among others, the following criteria:</p> <ul style="list-style-type: none"> <li>(i) Fit and proper assessment;</li> <li>(ii) Quality of participation and interaction;</li> <li>(iii) Knowledge, expertise, and calibre;</li> <li>(iv) Quality and constructiveness of input to Board deliberations;</li> <li>(v) Understanding of roles and responsibilities; and</li> <li>(vi) COI assessment.</li> </ul> <p>During the financial year, the NC also reviewed a potential COI involving the GMD in relation to certain property development activities outside the Group. The mitigating measures undertaken to address the potential COI were presented to and deliberated by the NC.</p> <p>The NC concluded that, in accordance with the Group’s COI Policy, the nature of the disclosed situations had been adequately addressed. Appropriate safeguards and controls have been implemented to manage and mitigate the potential conflicts, thereby reinforcing the Group’s governance framework.</p> <p>Based on the overall assessment, the NC is satisfied that the Retiring Directors, have contributed effectively to Board deliberations and have demonstrated diligence, commitment, and professionalism in the discharge of their duties.</p> <p>Accordingly, upon the recommendation of the NC, the Board has approved the proposal to seek shareholders’ approval for the re-election of the Retiring Directors at the forthcoming 2026 AGM.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### Intended Outcome

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

### Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During FYE 2025, the Board comprises of seven (7) members, of whom four (4) are INEDs, thereby forming a majority of the Board. The INED of the Company, as follows:</p> <ul style="list-style-type: none"><li>(a) Encik Mohd Noor Bin Setapa;</li><li>(b) Encik Nor Azzam Bin Abdul Jalil;</li><li>(c) Mr. Yeoh Sheong Lee; and</li><li>(d) Puan Roslinda Binti Awang @ Mat Yazid.</li></ul> <p>The current Board composition is in line with the recommendations of the MCCG, which advocates that at least half of the Board should comprise INEDs. It also complies with Rule 15.02 of the AMLR of Bursa Securities, which requires at least two (2) or one-third of the Board, whichever is higher, be independent directors.</p> <p>The INEDs, together with the Independent Non-Executive Chairman, who collectively form the majority of the Board, contribute positively to the development of the Company's strategies and policies. They provide independent, objective, and constructive judgement, ensuring that decisions are made in the best interests of the Company.</p> <p>The NC is responsible for assessing the independence of the independent directors on an annual basis. This assessment ensures that the independent directors remain free from any relationships or circumstances that could impair their independence, are able to exercise objective judgement, and act in the best interests of the Company, the Group, its shareholders and other stakeholders.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	: Applied															
<b>Explanation on application of the practice</b>	<p>The tenure of the Company's INEDs is set out below. None of the INEDs has served beyond nine (9) years:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #FFD700;"> <th style="text-align: left;">Name of INEDs</th> <th style="text-align: left;">Date of first appointed to the Board</th> <th style="text-align: left;">Tenure as at 31/12/2025 (years/ months)</th> </tr> </thead> <tbody> <tr> <td>Encik Mohd Noor Bin Setapa</td> <td>15/04/2021</td> <td>4 years and 8 months</td> </tr> <tr> <td>Encik Nor Azzam Bin Abdul Jalil</td> <td>26/08/2020</td> <td>5 years and 4 months</td> </tr> <tr> <td>Mr. Yeoh Sheong Lee</td> <td>26/08/2020</td> <td>5 years and 4 months</td> </tr> <tr> <td>Puan Roslinda Binti Awang @ Mat Yazid</td> <td>28/12/2021</td> <td>4 years</td> </tr> </tbody> </table> <p>The Board Charter stipulates that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years from the date of appointment. In accordance with Paragraph 6.1.6 of the Board Charter, an Independent Director may continue to serve on the Board beyond the nine (9)-year tenure, subject to re-designation as a Non-Independent Director.</p> <p>Where the Board is of the view that an Independent Director should remain as independent beyond the nine (9)-year tenure, it shall provide justification and seek shareholders' approval annually at a general meeting. The Board's assessment and justification shall be disclosed to shareholders to enable an informed decision.</p> <p>In such circumstances, shareholders' approval shall be obtained through a two-tier voting process:</p> <p>Tier 1: Voting by Large Shareholder(s); and</p>	Name of INEDs	Date of first appointed to the Board	Tenure as at 31/12/2025 (years/ months)	Encik Mohd Noor Bin Setapa	15/04/2021	4 years and 8 months	Encik Nor Azzam Bin Abdul Jalil	26/08/2020	5 years and 4 months	Mr. Yeoh Sheong Lee	26/08/2020	5 years and 4 months	Puan Roslinda Binti Awang @ Mat Yazid	28/12/2021	4 years
Name of INEDs	Date of first appointed to the Board	Tenure as at 31/12/2025 (years/ months)														
Encik Mohd Noor Bin Setapa	15/04/2021	4 years and 8 months														
Encik Nor Azzam Bin Abdul Jalil	26/08/2020	5 years and 4 months														
Mr. Yeoh Sheong Lee	26/08/2020	5 years and 4 months														
Puan Roslinda Binti Awang @ Mat Yazid	28/12/2021	4 years														

	<p>Tier 2: Voting by all other shareholders.</p> <p>Approval of the resolution requires a simple majority of votes in both Tier 1 and Tier 2.</p> <p>Notwithstanding the above, the tenure of an Independent Director within the Group shall be limited to a cumulative period of twelve (12) years. Upon exceeding this period, the Director shall be re-designated as a Non-Independent Director.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**Intended Outcome**

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

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

## Intended Outcome

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

## Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of diversity at both Board and KSM levels, encompassing a balanced mix of skills, professional experience, age, gender, cultural background, ethnicity and nationality. A diverse leadership team enhances the quality of decision-making, promotes innovation and supports the Group's long-term sustainable development.</p> <p>The Company adopts a formal and transparent process for the appointment and re-election of Directors and KSM, guided by the Board Charter, the NC's terms of reference and the Director's Fit and Proper Policy, all of which are available on the Company's website at <a href="http://www.nestcon.my">http://www.nestcon.my</a>.</p> <p>In line with Practice 5.5 of MCCG, the Board has formalised its Board Diversity Policy, which outlines the Company's approach towards achieving diversity across multiple dimensions, including:</p> <ul style="list-style-type: none"><li>(a) Gender;</li><li>(b) Age;</li><li>(c) Ethnicity and nationality;</li><li>(d) Skills, experience and professional background; and</li><li>(e) Independence.</li></ul> <p>During FYE 2025, the Board reviewed its composition and diversity against the established targets:</p> <ul style="list-style-type: none"><li>(a) The Board comprises 2 female Directors out of seven (7) members (approximately 29%), which is close to the 30% target;</li><li>(b) The Board maintains a good mix of skills, experience and independence, aligned with the Group's strategic direction; and</li><li>(c) Diversity in terms of ethnicity and age continues to be maintained at a satisfactory level.</li></ul> <p>The Board acknowledges that the gender diversity target has not been fully met and remains committed to achieving this target within a reasonable timeframe by prioritising qualified female candidates in future Board appointments.</p>

**Board Diversity (2025)**

The diversity profile of the Board as at 31 December 2025 is as follows:

	Age Group			Gender	
	49 – 54	55-59	60- 65	Male	Female
<b>Number of Directors</b>	5	0	2	5	2

**Race/Ethnicity & Nationality**

	Race/Ethnicity			Nationality	
	Malay/ Bumiputera	Chinese	Others	Malaysian	Foreigner
<b>Number of Directors</b>	3	4	0	7	0

The Board is satisfied that its current composition provides an appropriate balance of perspectives and expertise to effectively lead the Group.

**Board Appointment and Evaluation**

The NC leads the process for identifying, evaluating and recommending suitable candidates for Board appointment. The selection process is based on fit and proper criteria, taking into account:

- (a) Skills, competencies and industry experience;
- (b) Integrity, professionalism and independence;
- (c) Diversity considerations (including gender, age and ethnicity); and
- (d) Ability to commit sufficient time.

The Board also undertakes an annual evaluation of its effectiveness, including individual Director performance and Board composition, to ensure continued relevance and effectiveness.

**KSM Diversity (2025)**

The Group recognises the importance of diversity within its KSM as part of its talent development and succession planning framework.

The diversity profile of KSM as at 31 December 2025 is as follows:

	Age Group			Gender	
	40 - 45	46-50	51- 55	Male	Female
<b>Number of KSM</b>	2	1	2	4	1

	Race/Ethnicity			Nationality	
	Malay/ Bumiputera	Chinese	Others	Malaysian	Foreigner
<b>Number of KSM</b>	0	5	0	5	0

	<p>The Board, through the NC, will continue to strengthen diversity at KSM level by:</p> <ul style="list-style-type: none"> <li>(a) Promoting inclusive leadership development programmes;</li> <li>(b) Enhancing succession planning with diversity considerations; and</li> <li>(c) Encouraging greater gender and ethnic diversity in leadership pipelines.</li> </ul> <p>The NC has reviewed the time commitment of all Directors for FYE 2025 and is satisfied that all Directors have devoted sufficient time and attention to their duties. All Directors recorded full attendance at Board Meetings and the AGM.</p> <p>In line with Rule 15.06 of the AMLR, none of the Directors hold more than five (5) directorships in listed companies, ensuring that their external commitments do not impair their effectiveness.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### Intended Outcome

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

### Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter sets out the procedures for the identification and selection of candidates for appointment as Directors. The Board Charter is available on the Company's website at <a href="http://www.nestcon.my">http://www.nestcon.my</a>.</p> <p>Pursuant to the provisions of the Board Charter, in identifying candidates for appointment as Directors, the Board does not solely rely on recommendations from existing Board members, Management, or shareholders of the Company. The Board endeavours to utilise independent sources and/or other appropriate channels to identify suitably qualified candidates.</p> <p>The Company discloses in its Corporate Governance Report the manner in which candidates for Board positions are sourced, including whether such candidates are recommended by existing Directors, members of KSM, or major shareholders of the Company.</p> <p>The appointment of a new Director is a matter for consideration and decision by the Board, upon the appropriate recommendation of the NC.</p> <p>During FYE 2025, no new Director was appointed to the Board of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Pursuant to the provisions of the Company's Constitution, the following Directors who are due for retirement and being eligible, have offered themselves for re-election pursuant to Clause 82 at the forthcoming 2026 AGM of the Company:</p> <p>(a) Mr. Ong Yong Chuan (b) Ms. Lim Joo Seng</p> <p>The performance of Retiring Directors who are recommended for re-election at the forthcoming 2026 AGM had been assessed through the Board annual evaluation by NC and tabled for Board's approval on 27 February 2026. A statement by the Board and NC satisfying the performance and effectiveness of the Retiring Directors who offer themselves for re-election at the forthcoming 2026 AGM will be stated in the Notice of 2026 AGM.</p> <p>The profile of the Retiring Directors, which includes the nature of interest with the Company, if any, are set out in the Annual Report 2025 of the Company. This includes the Retiring Directors nominated for re-election through the AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC is chaired by Encik Nor Azzam Bin Abdul Jalil, an INED, in accordance with the membership requirements set out in the NC's terms of reference. He provides effective leadership to the NC, bringing objectivity, sound judgement and valuable insights, underpinned by his strong understanding of the Group's business, culture and values, as well as his extensive cross-industry experience and exemplary leadership.</p> <p>The Board recognises that a robust and transparent process for the recruitment, assessment and development of Directors is fundamental to maintaining a high-performing Board. In this regard, the Board entrusts the Chairman of the NC to lead these processes with professionalism, independence and objectivity, ensuring alignment with the Company's strategic direction and governance standards.</p> <p>In discharging his responsibilities, the Chairman of the NC undertakes to:</p> <ul style="list-style-type: none"><li>(a) lead the annual Board Effectiveness Evaluation, ensuring that the performance of the Board, Board Committees and individual Directors is assessed comprehensively, objectively and in accordance with established criteria and best practices;</li><li>(b) spearhead succession planning for the Board and KSM, taking into account the evolving needs of the Company, including skills, experience, independence and diversity;</li><li>(c) oversee the periodic assessment of Directors' training and development needs, and facilitate the formulation of relevant continuous professional development programmes for recommendation to the Board;</li><li>(d) review and assess the optimal size, structure and composition of the Board and Board Committees, ensuring an appropriate balance of skills, experience, independence and diversity to support effective decision-making; and</li><li>(e) promote diversity to the Board, including actively identifying and considering suitably qualified female candidates for directorships, in line with the Company's commitment to gender diversity.</li></ul>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board has formalised its Gender Diversity Policy, as set out in Paragraph 15 of the Board Charter, and remains committed to promoting diversity and inclusion at the Board level. The Board recognises that diversity, including gender diversity, enhances the quality of decision-making and supports sustainable long-term value creation.</p> <p>In the selection and appointment of Board members, the Board adopts a merit-based approach while taking into consideration diversity in terms of gender, skills, experience, age, cultural background and perspectives. All candidates are evaluated against objective criteria, including competencies, industry experience, character, integrity and the ability to contribute effectively to the Group's current business portfolio and future strategic direction.</p> <p>During FYE 2025, no new Director was appointed to the Board. As at the reporting date, two (2) out of seven (7) Directors are female, representing approximately 29% female representation on the Board.</p> <p>While the Company has not yet achieved the 30% target for female representation as recommended under the MCCG, the Board, through the NC, remains committed to achieving this target and will continue to prioritise suitably qualified female candidates in future Board appointments.</p> <p>The Board acknowledges that its current female representation of approximately 29% is marginally below the 30% target recommended by the MCCG. This is primarily due to the absence of Board vacancies in 2025, as no new appointments or resignations occurred during the financial year.</p> <p>Notwithstanding this, the Board maintains its commitment to gender diversity and will continue to give due consideration to qualified female candidates as part of its ongoing succession planning and Board refreshment process, ensuring that any future appointments are aligned with both diversity objectives and the Company's strategic needs.</p>

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	<p>: The Board has adopted a Gender Diversity Policy, as outlined in Paragraph 15 of the Board Charter, and is committed to achieving at least 30% female representation on the Board in line with the MCCG.</p> <p>As at 31 December 2025, two (2) out of seven (7) Directors are female, representing approximately 29% of the Board. Although the 30% target has not been fully met, the Board considers this to be substantially achieved.</p> <p>The NC continues to actively identify and evaluate suitably qualified female candidates as part of its succession planning efforts.</p>		
<b>Timeframe</b>	<p>: <table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 150px; height: 20px;"></td> <td style="width: 150px; height: 20px;"></td> </tr> </table></p>		

### Intended Outcome

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

### Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established its Gender Diversity Policy in the Board Charter under Paragraph 15 which taking into consideration on the effective blend of competencies, skills, age, gender, ethnicity, backgrounds and experience as selection of Directors, officers and staff. The Board believes that a diverse Board members and employees is crucial in ensuring robust decision-making processes with a diversity of viewpoints and the effective governance of the Group.</p> <p>When appointing a Director or KSM, the NC will always evaluate and match the criteria of the candidate to the Board based on individual merits, experience, skill, competency, knowledge and potential contribution, whilst due consideration for boardroom diversity also be taken into account. Besides, the NC also oversee matters relating to the annual reviews the required mix of skills, experience, assessment of Directors and KSM, reviews succession plans and diversity (<i>including gender diversity</i>); oversees training courses for Directors and other requisite qualities of Directors, as well as the annual assessment of the effectiveness of the Board as a whole, its Board Committees and the contribution of each individual Director.</p> <p>In this regard, the NC is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriate qualified person to occupy the Board positions. The Board through the NC will discuss annually on all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption.</p> <p>During the financial year, two (2) female Directors on the Board, namely Ms. Lim Joo Seng and Puan Roslinda Binti Awang @ Mat Yazid, representing approximately 29% of the Board.</p> <p>The NC will continue to review the demographics of the Group's current state in terms of ethnicity, gender and age to assess the diversity practices.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

## Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Board has, through the NC, assessed and evaluated the performance and effectiveness of the Board and Board Committees, as well as each individual Director for FYE 2025. The evaluation process was conducted via digital assessment forms distributed to all Directors. These assessment forms were reviewed and administered by the Company Secretary, covering the following areas:</p> <p>(a) <b><u>Performance Evaluation for the Board and Board Committees</u></b> All Directors undertook an assessment of the performance of the Board and Board Committees of the Company for FYE 2025, comprising the following six (6) key areas:</p> <ul style="list-style-type: none"><li>(i) Board mix and composition;</li><li>(ii) Board's relationship with Management;</li><li>(iii) Quality of information and decision-making;</li><li>(iv) Boardroom activities;</li><li>(v) ESG considerations; and</li><li>(vi) Evaluation of Board Committees.</li></ul> <p>(b) <b><u>Performance Evaluation for Individual Directors</u></b> The scope of the assessment covered each Director's contribution in terms of interaction, knowledge, quality of input, and understanding of their roles and responsibilities. In addition, the performance of the Board Chairman and the GMD was evaluated by all Directors, taking into account their respective leadership roles and responsibilities.</p> <p>The NC has also reviewed the declarations of COI concerning the GMD in relation to other property development business activities outside the Group. The mitigating measures undertaken were presented to the NC for review. The NC concluded that, in accordance with the Group's COI Policy, the</p>

disclosed COI situations were appropriately addressed. Adequate safeguards and controls remain in place to effectively manage and mitigate such situations, thereby reinforcing governance standards.

(c) **Assessment of the Effectiveness of the AC**

The NC reviewed the terms of office and overall effectiveness of the AC, as well as the performance of each individual AC member. Based on the evaluation conducted for FYE 2025, the NC was satisfied with the performance of the AC.

All Directors and Board Committees provided anonymous peer and self-assessment feedback on performance and contributions. The results were collated by the Company Secretary and tabled to the NC for deliberation.

The outcome of the review supported the Board's decision to endorse the respective Retiring Directors for re-election. The Board remains mindful of the importance of independence and objectivity in its decision-making processes and continues to adopt the criteria of "Independence" as prescribed under the AMLR.

The Board is satisfied with the results of the annual assessment for FYE 2025 and affirms that the current size and composition of the Board remain appropriate and well-balanced. The Board comprises individuals of high calibre, credibility, and with the necessary skills, experience, and qualifications to effectively discharge its duties and responsibilities.

The NC has also reviewed the Company's practices against the best practices advocated by the MCCG. The Board continues to maintain gender diversity, with approximately 29% women Directors, in line with MCCG recommendations.

The Board will continue its efforts to enhance effectiveness, strengthen diversity (including gender diversity), and uphold high standards of corporate governance to further enhance corporate value.

**Board Committees Assessment**

Based on the performance evaluation results for the other Board Committees for FYE 2025 and upon the recommendation of the NC, the Board has concluded that:

- (a) The other Board Committees, namely the NC, RC and SRMC, have discharged their roles and responsibilities effectively, based on the evaluation outcomes. The assessment highlighted several key strengths to be sustained, including:
  - (i) Effective discharge of responsibilities through appropriate utilisation of resources, expertise, and provision of relevant reporting and recommendations to the Board;

	<ul style="list-style-type: none"> <li>(ii) Constructive deliberation and communication between Board Committees and Management, with ratings exceeding 3.0 (out of 5);</li> <li>(iii) Appointments based on appropriate criteria, ensuring a balanced mix of knowledge, experience, and competencies, with active and open discussions led by the Board Chairman; and</li> <li>(iv) Overall quality of communication, with ratings exceeding 3.0 (out of 5).</li> </ul> <p><b><u>Initiatives Going Forward</u></b></p> <p>Moving forward, the Board will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>(a) Enhancing oversight of the performance of the Board and KSM in addressing the Company’s material sustainability risks and opportunities, in line with Practice 4.4 of the MCCG; and</li> <li>(b) Monitoring the commitments provided by the GMD to ensure continued compliance with the Group’s COI Policy, and assessing whether further enhancements, safeguards, or controls are required in light of evolving business conditions and potential conflict.</li> </ul>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

## Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

## Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a formal and transparent Remuneration Policy and Procedures ("<b>Remuneration Policy</b>") to guide the determination of remuneration for Directors and KSM of the Group. The Remuneration Policy takes into account the Company's performance, business complexity, and the skills and experience required.</p> <p>The Board determines the composition of KSM and may extend the Remuneration Policy to other employees where appropriate.</p> <p><b><u>Role of the RC</u></b></p> <p>The RC assists the Board in implementing the Remuneration Policy by reviewing and recommending remuneration packages for Directors and KSM. The RC also ensures that remuneration is aligned with market practices and supports the Group's long-term objectives.</p> <p>The remuneration framework is designed to:</p> <ul style="list-style-type: none"> <li>(a) Be competitive, fair and not excessive;</li> <li>(b) Link remuneration to performance; and</li> <li>(c) Support the attraction, retention and motivation of talent.</li> </ul> <p>Remuneration for EDs, the GMD and KSM includes:</p> <ul style="list-style-type: none"> <li>(a) Fixed remuneration: Base salary and allowances, based on role, experience and market conditions.</li> <li>(b) Variable remuneration: Performance-based bonuses, determined by the Group and individual performance, as well as market and economic conditions.</li> </ul> <p>Non-Executive Directors are paid based on their experience, responsibilities and time commitment. Their remuneration typically includes Directors' fees, meeting allowances and benefits-in-kind. The RC benchmarks these against industry practices.</p>

	<p>Directors abstain from deliberations and decisions on their own remuneration at both RC and Board meetings. Directors' fees are subject to shareholders' approval where required.</p> <p>The Remuneration Policy is available on the Company's website and is reviewed periodically to ensure it remains relevant and aligned with regulatory requirements and best practices</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The RC consists of the following members, all being INEDs:</p> <ul style="list-style-type: none"><li>(a) Encik Nor Azzam Bin Abdul Jalil (Chairman);</li><li>(b) Mr. Yeoh Sheong Lee (Member); and</li><li>(c) Puan Roslinda Binti Awang @ Mat Yazid (Member).</li></ul> <p>The RC is responsible for reviewing and recommending the following matters to the Board for approval:</p> <ul style="list-style-type: none"><li>(a) To recommend a clear and transparent remuneration framework for the GMD, EDs and KSM, including obtaining external advice where necessary;</li><li>(b) To recommend performance-based remuneration schemes and appropriate performance measures;</li><li>(c) To review the terms of service contracts of the GMD and EDs;</li><li>(d) To review and recommend the remuneration packages, fees and benefits of the GMD, EDs, Non-Executive Directors and KSM; and</li><li>(e) To consider the appointment of independent advisers or consultants, where required.</li></ul> <p>During the financial year, the RC:</p> <ul style="list-style-type: none"><li>(a) Reviewed the remuneration packages of the GMD, EDs and KSM;</li><li>(b) Reviewed the fees and benefits of Non-Executive Directors;</li><li>(c) Considered performance and market benchmarks in its assessments.</li></ul> <p>Directors abstain from deliberation and voting on matters relating to their own remuneration at both the Board and AGM. This practice will continue for the 2026 AGM.</p>

	The Remuneration Policy is available on the Company's website and is reviewed periodically to ensure it remains relevant and up to date.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.1**

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the Directors' remuneration of the Company and the Group for FYE 2025, on named basis, with remuneration breakdown is shown in the table below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Ir. Dr. Lim Jee Gin (GMD)	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	930	215.25	15.50	140.22	1300.97
2	Ong Yong Chuan	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	635.62	132.42	18.19	93.56	879.79
3	Lim Joo Seng	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	372	62	0	53.62	487.62
4	Mohd Noor bin Setapa (Independent Non-Executive Chairman)	Independent Director	63	6	Input info here	Input info here	Input info here	Input info here	Input info here	69	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Nor Azzam bin Abdul Jalil	Independent Director	50.4	6	Input info here	Input info here	Input info here	Input info here	Input info here	56.4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
6	Yeoh Sheong Lee	Independent Director	50.4	6	Input info here	Input info here	Input info here	Input info here	Input info here	56.4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
7	Roslinda binti Awang @ Mat Yazid	Independent Director	50.4	6	Input info here	Input info here	Input info here	Input info here	Input info here	56.4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

## Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

## Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure									
<b>Explanation on application of the practice</b>	:	The construction industry in Malaysia remains highly competitive, with ongoing economic uncertainties and increased demand for skilled talent across industries.									
<b>Explanation for departure</b>	:	<p>Given the sensitivity of remuneration information and the risk of talent poaching, the Board has decided not to disclose the remuneration of the top five (5) KSM personnel on a named basis. This is to safeguard the Group's ability to retain key talent.</p> <p>As an alternative, the Group discloses the remuneration of KSM in bands of RM50,000 on an unnamed basis.</p> <table border="1"> <thead> <tr> <th>Range of Remuneration</th> <th>Number of KSM</th> </tr> </thead> <tbody> <tr> <td>RM250,001 to RM300,000</td> <td>1</td> </tr> <tr> <td>RM300,001 to RM350,000</td> <td>1</td> </tr> <tr> <td>RM350,001 to RM400,000</td> <td>3</td> </tr> </tbody> </table> <p>The Group also ensures that remuneration is competitive by benchmarking against industry practices and aligning it with individual responsibilities, performance, and contribution to the Group.</p> <p>The Board believes that this approach provides sufficient transparency while protecting the Group's interests, and complies with the intent of Practice 8.2 of the MCGG.</p>		Range of Remuneration	Number of KSM	RM250,001 to RM300,000	1	RM300,001 to RM350,000	1	RM350,001 to RM400,000	3
Range of Remuneration	Number of KSM										
RM250,001 to RM300,000	1										
RM300,001 to RM350,000	1										
RM350,001 to RM400,000	3										
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>											
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.									
<b>Timeframe</b>	:	Choose an item.									

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations.  
The company’s financial statement is a reliable source of information.

**Practice 9.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the AC is Mr. Yeoh Sheong Lee, while the Chairman of the Board is Encik Mohd Noor Bin Setapa. The AC’s Chairman is not the Chairman of the Board to ensure overall effectiveness and independence of the AC.</p> <p>The duties and responsibilities of the AC’s Chairman are outlined in the AC’s terms of reference, which is also available on the Company’s website.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.2**

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of maintaining the independence of the external auditors from both the Board and Management. As at the date of this statement, none of the AC members is a former key audit partner of the Company's external auditors.</p> <p>In line with the MCCG, the Board has adopted the terms of reference for the AC which stipulate that any former key audit partner must observe a cooling-off period of at least three (3) years prior to being eligible for appointment as a member of the AC. The AC's terms of reference are available on the Company's website at <a href="http://www.nestcon.my">http://www.nestcon.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC has formal policies and procedures to assess the suitability, objectivity and independence of the external auditors, including the review of non-audit services.</p> <p>The AC is authorised by the Board to communicate directly with the external auditors, including without the presence of EDs and Management, to discuss audit matters when necessary.</p> <p>On an annual basis, the AC reviews the terms of engagement, audit scope and fees, and conducts an assessment of the external auditors' independence, performance and effectiveness. This includes evaluating their competency, resources, audit quality and compliance with professional standards, as well as ensuring that non-audit services do not impair their independence.</p> <p>For FYE 2025, Messrs. Morison LC PLT (AF002469) confirmed their independence to the AC. Based on the assessment conducted, the AC is satisfied with their performance and independence and has recommended their re-appointment at the forthcoming 2026 AGM, subject to shareholders' approval.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations.  
The company’s financial statement is a reliable source of information.

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted									
<b>Explanation on adoption of the practice</b>	:	<p>The AC comprises three (3) members, all of whom are INEDs. The composition of the AC is as follows:</p> <table border="1" data-bbox="544 741 1385 896"> <thead> <tr> <th data-bbox="544 741 1050 779"><b>Name</b></th> <th data-bbox="1050 741 1385 779"><b>Designation</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="544 779 1050 817">Mr. Yeoh Sheong Lee</td> <td data-bbox="1050 779 1385 817">Chairman</td> </tr> <tr> <td data-bbox="544 817 1050 855">Encik Nor Azzam Bin Abdul Jalil</td> <td data-bbox="1050 817 1385 855">Member</td> </tr> <tr> <td data-bbox="544 855 1050 893">Puan Roslinda Binti Awang @ Mat Yazid</td> <td data-bbox="1050 855 1385 893">Member</td> </tr> </tbody> </table> <p>The Board firmly believes the AC would be able to provide impartial and unbiased views along with the relevant check and balances on matters relating to audit of the Company and the Group with its current composition.</p>		<b>Name</b>	<b>Designation</b>	Mr. Yeoh Sheong Lee	Chairman	Encik Nor Azzam Bin Abdul Jalil	Member	Puan Roslinda Binti Awang @ Mat Yazid	Member
<b>Name</b>	<b>Designation</b>										
Mr. Yeoh Sheong Lee	Chairman										
Encik Nor Azzam Bin Abdul Jalil	Member										
Puan Roslinda Binti Awang @ Mat Yazid	Member										

## Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

## Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC assists the Board in discharging its duties by overseeing the integrity of the Group's financial reporting, internal control systems and the audit process. In line with the best Practice 9.5 of MCGG, all members of AC are financially literate, possess requisite knowledge, skills and experience to effectively discharge their duties and responsibilities effectively.</p> <p>The AC is chaired by Mr. Yeoh Sheong Lee, who is a member of the Malaysian Institute of Accountants ("MIA") and a member of the Certified Public Accountants of Australia. He holds a valid practicing certificate issued by MIA since 2011 and an audit license since 2012, therefore meets the criteria under AMLR. The profile of Mr. Yeoh Sheong Lee is set out in the Directors' Profile of the Annual Report 2025.</p> <p>All AC members continuously enhance their financial literacy and remain updated on developments in accounting and auditing standards, regulatory requirements and industry practices. During FYE 2025, the AC members received regular briefings from the external auditors, internal auditors and Management on relevant updates, including changes to Malaysian Financial Reporting Standards, regulatory developments and emerging financial reporting issues.</p> <p>In addition, all AC members have undertaken continuous training programmes during the financial year to further strengthen their competencies in financial reporting, risk management and governance. Details of the training programmes attended by the AC members during FYE 2025 are disclosed in the Corporate Governance Overview Statement in the Annual Report 2025.</p> <p>The Board, through the NC, conducted an annual assessment of the AC for FYE 2025, which included a review of:</p>

	<p>(a) The composition of the AC, including financial literacy and independence, in accordance with AMLR of Bursa Securities;</p> <p>(b) The effectiveness of the AC's structure, size and terms of reference; and</p> <p>(c) the performance and contribution of each AC member, including their ability to critically analyse financial statements and challenge Management's assumptions.</p> <p>Based on the outcome of the annual assessment, the Board is satisfied that the AC's Chairman and members collectively possess the appropriate qualifications, experience and expertise, including strong financial literacy, and have effectively discharged their roles and responsibilities in accordance with the AC's terms of reference.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

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

### Practice 10.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter provides that the Board has overall responsibility for the Group's risk management and internal control system. The Board reviews the adequacy and effectiveness of these systems to ensure that key risks are identified, evaluated, monitored and managed, and that the Group's assets and shareholders' interests are safeguarded.</p> <p>The Board recognises that effective risk management and internal control are essential to good business practices. As such, the Board is committed to maintaining a sound framework that supports the continuous management of risks across the Group's operations.</p> <p>The Board is supported by the AC and SRMC in overseeing the effectiveness of the Group's risk management and internal control systems. The SRMC oversees risk management and sustainability matters, including identifying key risks and ensuring appropriate mitigation measures are in place. The AC assists the Board by reviewing internal controls, risk management practices and the work of the internal audit function.</p> <p>The Board ensures that there is an ongoing process to identify, evaluate and manage significant risks, supported by an independent internal audit function that provides assurance on the adequacy and effectiveness of the system.</p> <p>For FYE 2025, the Board has received assurance from the GMD and Finance Director that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.</p> <p>The Board is satisfied that the systems in place are adequate and effective. However, these systems are designed to manage rather than eliminate risks and can only provide reasonable, but not absolute, assurance against material loss or fraud.</p> <p>Further details are set out in the Statement on Risk Management and Internal Control in the Company's Annual Report 2025.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

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

### Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Nestcon maintains an integrated enterprise-wide risk management framework embedded in its management processes and daily operations. The framework adopts a top-down approach with consistent implementation across the Group, ensuring alignment of risk management objectives, risk appetite and controls at both holding company and subsidiary levels.</p> <p>The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy, effectiveness and integrity. The Board is supported by the SRMC and AC in overseeing the Group's risk management framework, including emerging risks such as sustainability, climate and technology-related risks.</p> <p>The key features of the Group's risk management framework are as follows:</p> <ul style="list-style-type: none"><li>(a) Stakeholder engagement to enhance risk awareness and support informed decision-making;</li><li>(b) Clear risk context and appetite, aligned with the Group's strategic objectives;</li><li>(c) Structured risk identification and assessment at business unit, subsidiary and Group levels, including emerging risks;</li><li>(d) Appropriate risk treatment measures, including avoidance, reduction, transfer or acceptance;</li><li>(e) Ongoing monitoring and review of risks through key indicators and regular updates; and</li><li>(f) Periodic reporting to the SRMC, AC and the Board, with the Board retaining ultimate accountability.</li></ul> <p>The Group maintains a Risk Register to record identified risks, risk ratings, mitigation actions and responsible parties. The Risk Register is reviewed regularly by the SRMC to ensure it remains relevant and up to date.</p>

	<p>The Group adopts three lines of defence model, where management is responsible for managing risks, oversight functions provide guidance, and internal audit provides independent assurance.</p> <p>The internal audit function supports the Board through a risk-based audit plan to evaluate the effectiveness of the Group's risk management and internal control systems.</p> <p>The Board has received assurance from the GMD and Finance Director, supported by the internal auditors, that the Group's risk management and internal control system is adequate and effective in all material respects.</p> <p>Based on this assurance and its ongoing oversight, the Board is satisfied that the system remains adequate and effective in safeguarding the Group's assets, shareholders' investments and stakeholders' interests.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

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

### Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted										
<b>Explanation on adoption of the practice</b>	:	<p>The SRMC has been entrusted by the Board to oversee the risk management framework and policies of the Group. The composition of the SRMC, which comprises a majority of INEDs, is as follows:</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Mr. Yeoh Sheong Lee (Chairman)</td><td>INED</td></tr><tr><td>Encik Nor Azzam Bin Abdul Jalil (Member)</td><td>INED</td></tr><tr><td>Puan Roslinda Binti Awang @ Mat Yazid (Member)</td><td>INED</td></tr><tr><td>Datuk Ir. Dr. Lim Jee Gin (Member)</td><td>GMD</td></tr></tbody></table> <p>Given that the GMD has more in-depth knowledge on the business and sustainability risks that the Group is exposed to, he is in a better position to evaluate such risks to be presented to our SRMC for the same to oversee and recommend risk management strategies, policies and risk tolerance levels.</p> <p>The key roles and responsibilities of SRMC are set out in the terms of reference of which is accessible on the Company's corporate website.</p>	Name	Designation	Mr. Yeoh Sheong Lee (Chairman)	INED	Encik Nor Azzam Bin Abdul Jalil (Member)	INED	Puan Roslinda Binti Awang @ Mat Yazid (Member)	INED	Datuk Ir. Dr. Lim Jee Gin (Member)	GMD
Name	Designation											
Mr. Yeoh Sheong Lee (Chairman)	INED											
Encik Nor Azzam Bin Abdul Jalil (Member)	INED											
Puan Roslinda Binti Awang @ Mat Yazid (Member)	INED											
Datuk Ir. Dr. Lim Jee Gin (Member)	GMD											

## Intended Outcome

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

### Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has delegated the responsibility to review the adequacy and effectiveness of the Group's internal control and risk management systems to the AC and SRMC. The Board remains ultimately accountable for the Group's system of internal control and risk management.</p> <p>The internal audit function of the Group continues to be outsourced to an independent professional service firm, Eco Asia Governance Advisory Sdn. Bhd. ("<b>Eco Asia</b>"). The outsourced internal auditors report directly to the AC on the internal audit findings and recommendations. The outsourced internal auditors report functionally and directly to the AC, thereby maintaining the necessary independence from Management in discharging their duties.</p> <p>The AC oversees the performance, independence and objectivity of the outsourced internal audit function. The internal audit activities are carried out in accordance with a risk-based internal audit plan, which is reviewed and approved by the AC. The plan is developed taking into consideration the Group's key risk areas to ensure adequate coverage of critical business processes.</p> <p>The outsourced internal auditors perform their work with due professional care, competence and in accordance with recognised professional standards. Upon completion of each audit engagement, internal audit reports highlighting key findings, recommendations and Management's responses are presented to the AC for deliberation. The AC monitors the implementation of agreed corrective actions to ensure that identified control weaknesses are addressed in a timely manner.</p> <p>During FYE 2025, the internal auditors conducted internal audit reviews in accordance with the approved audit plan, focusing on key operational and governance areas of the Group. Based on the reviews performed, none of the identified weaknesses have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in the Annual Report 2025.</p> <p>The AC has undertaken an annual assessment of the effectiveness of the internal audit function, including the adequacy of its scope, resources and competency. The AC is satisfied that the outsourced internal audit function has performed effectively and independently in carrying out its responsibilities during the financial year.</p>

	Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control in the Annual Report 2025.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>For FYE 2025, the Group outsourced its internal audit function to a professional firm, Eco Asia. The internal audit engagement team was led by the Head of Internal Audit, Ms. Janeeta Salim, an Associate Member of the Institute of Internal Auditors Malaysia (“<b>IIA Malaysia</b>”) with a Bachelor Degree of Accountancy. She has extensive experience and exposure in the internal audit field. She was supported by an assistant manager, two (2) senior internal auditors and two (2) junior internal auditors in carrying out the internal audit reviews during FYE 2025.</p> <p>All the internal audit personnel involved in the assignment are free from any relationships or COI with the Group. They are therefore able to perform their duties objectively, independently, proficiently and with due professional care. The AC is satisfied that the outsourced internal auditors have maintained a high degree of independence and professionalism in discharging their responsibilities.</p> <p>The internal audit function was carried out in accordance with the International Professional Practices Framework issued by IIA Malaysia.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of effective, transparent and timely communication with its shareholders, stakeholders and the investment community on all material business matters. The Board remains committed to ensuring accountability and maintaining a high standard of disclosure on the Group's performance, corporate developments and strategic direction.</p> <p>To facilitate this, the Board ensures that there is effective, transparent and regular communication with its stakeholders through the following channels:</p> <p>(a) <u>Email and Face-To-Face Communications</u></p> <p>Email and face-to-face communications are the main communication channel in our day-to-day operations with various customers and suppliers.</p> <p>(b) <u>The Company Corporate Website</u></p> <p>The Company's corporate website <a href="http://www.nestcon.com.my/">http://www.nestcon.com.my/</a> is a platform to provide convenient access to the latest as well as historical information about the Company and the Group. Once relevant information is disclosed to the public and available to investors, it is also published on the corporate website.</p> <p>The corporate website has dedicated the Investor Relations section and Corporate Governance section that provide relevant investor-related information. The information available on the corporate website includes corporate and financial information, annual reports, press releases and regulatory announcements made to Bursa Securities.</p> <p>The Company has dedicated an email address, i.e. <a href="mailto:ir@nestcon.my">ir@nestcon.my</a> to which all stakeholders can send their queries and make any inquiry.</p>

	<p>(c) <u>Announcements made to Bursa Securities</u></p> <p>Shareholders and investors can obtain our Group’s latest announcements such as material information, updates and periodic financial reports in the dedicated website of the Company.</p> <p>(d) <u>Annual Report</u></p> <p>The Annual Report to the shareholders remains the central means of communicating the Group’s business overview, financial performance, corporate governance, sustainability measures as well as prospects of the Group.</p> <p>(e) <u>AGM</u></p> <p>The AGM is used as the main forum of dialogue for shareholders to make known their views and raise any matters of concern pertaining to the Group. The stakeholders will be given the opportunity to speak and seek clarifications during the AGM for effective and transparent communications. The Management shall ensure all information disclosed remains succinct, current, relevant and accurate.</p> <p>(f) <u>Minutes of the General Meeting</u></p> <p>Minutes of the general meeting including issues/concerns raised and responses by the Company (<i>summary of the key matters discussed at the AGM</i>) was circulated to shareholders or made available on the Company’s website no later than 30 business days after the general meeting.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

**Intended Outcome**

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

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

**Practice 12.2**

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company has not implemented integrated reporting due to lack of internal resources to develop and implement the necessary reporting processes and tools. The Company recognises the value of integrated reporting, but has determined that they need to focus their current resources on other strategic priorities at this time.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Notice of the 5th AGM, which was held on 23 June 2025, together with the explanatory notes on the proposed resolutions as contained in the Annual Report 2024, were dispatched to shareholders at least twenty-eight (28) days prior to the date of 5th AGM. This was in line with best corporate governance practices, providing shareholders with sufficient time to consider the resolutions, make informed decisions in exercising their voting rights, and arrange for proxies to attend and vote on their behalf where necessary.</p> <p>The Notice of 5th AGM outlined all resolutions to be tabled at the meeting and was accompanied by explanatory notes and relevant background information, where applicable, to enhance shareholders' understanding of the matters to be deliberated. Shareholders were also provided access to the proxy form via a designated link, allowing them to appoint proxies who need not be members of the Company, in accordance with the Company's Constitution.</p> <p>In addition, the Notice of 5th AGM was announced to Bursa Securities and published in a major local newspaper to ensure wider dissemination of information to shareholders.</p> <p>In line with good corporate governance practices, the Company will continue to adopt the best practices as advocated in the MCGG by issuing the Notice of 6th AGM, scheduled to be held on 30 June 2026, at least twenty-eight (28) days prior to the meeting date. This exceeds the minimum requirement of twenty-one (21) days' notice as stipulated under Section 316(2) of the Act and Rule 7.15 of the AMLR, thereby ensuring that shareholders are given adequate time to review the Annual Report and supporting documents relating to the proposed resolutions.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
------------------	---	--	--

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AGM serves as the principal forum for direct interaction and dialogue among shareholders, the Board and Management. It provides shareholders with the opportunity to participate actively in the proceedings, including a dedicated question-and-answer session where shareholders may raise questions and seek clarification on the Company's business operations, performance, as well as the Group's current developments and future prospects.</p> <p>The 5th AGM of the Company was held physically on 23 June 2025, enabling in-person engagement between shareholders, the Board and Management. The Chairman of the Board, all Directors, and the Chairpersons of the respective Board Committees were present at the AGM to facilitate meaningful dialogue and address shareholders' queries.</p> <p>In addition, the KSM team and the external auditors of the Company were also in attendance at the AGM to provide further insights and respond to questions raised by shareholders.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The 5th AGM of the Company was held physically at DoubleTree by Hilton Shah Alam I-City, Finance Avenue, 4000 Shah Alam, Selangor. The Company continued to leverage technology by implementing electronic voting (“<b>e-voting</b>”) for all resolutions conducted by poll.</p> <p>The Company has used the e-voting facilities provided by its share registrar and retained the same independent scrutineers to ensure the integrity, transparency and accuracy of the voting process. The e-voting process was conducted in accordance with Rule 8.31A of the AMLR.</p> <p>(a) <u>Physical Attendance and Participation</u> Shareholders, proxies and corporate representatives attended the 5th AGM in person at the meeting venue. The Chairman ensured that shareholders were given the opportunity to participate, raise questions and engage with the Board and Management during the meeting.</p> <p>(b) <u>e-Voting by Poll</u> All resolutions tabled at the 5th AGM were voted by poll via e-voting. Shareholders and proxies present at the meeting were provided with access to the e-voting platform managed by the share registrar.</p> <p>A brief presentation/video by the share registrar was conducted at the AGM to guide attendees on the e-voting procedures. The voting session commenced and concluded as announced by the Chairman.</p> <p>Upon completion of the voting process:</p> <ul style="list-style-type: none"><li>(i) The independent scrutineers verified the poll results;</li><li>(ii) The results, including votes in favour and against each resolution, were presented to the Chairman;</li><li>(iii) The Chairman then declared the results of the resolutions; and</li><li>(iv) The poll results were subsequently published on the Company’s website for the benefit of all shareholders.</li></ul>

	<p>(c) <u>Continuity of Governance Practices</u>  The Company's transition from a fully virtual AGM in 2024 to a physical AGM with e-voting in 2025 reflects its commitment to:</p> <ul style="list-style-type: none"> <li>(i) Enhancing shareholder engagement through physical interaction;</li> <li>(ii) Maintaining efficient and transparent voting via digital solutions; and</li> <li>(iii) Ensuring continued compliance with regulatory requirements and best governance practices.</li> </ul>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

## Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>General meetings continue to serve as an important communication channel between the Company and its shareholders. Shareholders were able to participate and engage with the Board during the AGM through physical attendance, complemented by e-voting facilities, as well as the submission of questions and comments on the agenda items prior to and during the AGM.</p> <p>The Chairman of the Board, all the Directors and the Chairperson of the Board Committees had attended the 5th AGM of the Company which was held physically, to engage with shareholders in person and foster meaningful interaction. The Administrative Guide for the 5th AGM was circulated to all shareholders and made available on the Company's website, outlining the procedures for participation and voting, including the use of e-voting facilities.</p> <p>At the 5th AGM, the shareholders were given sufficient opportunity to raise questions and the GMD and EDs responded to and addressed these questions during the meeting.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.5**

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Not applicable – only physical general meetings were conducted in the financial year
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Minutes of the 5th AGM were uploaded to the Company's website after it is duly confirmed and signed.  The Company uploaded all questions raised prior to and during the AGM, together with the respective responses, have been uploaded to the Company's website within 30 business days from the date of the AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT  
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

Click or tap here to enter text.