

# **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 3611

**COMPANY NAME** : PARAGON GLOBE BERHAD

**FINANCIAL YEAR** : March 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 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.*

## 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 ("Board") of Paragon Globe Berhad ("PGB" or "Company") assumes ultimate responsibility for charting the strategic direction of the Company and its subsidiaries (collectively, "Group"), overseeing its conduct and ensuring long-term value creation for shareholders and stakeholders. The Board is committed to upholding high standards of corporate governance and ethical conduct across the Group's businesses and operations.</p> <p>The Board's roles and responsibilities are clearly defined in the Board Charter, which serves as a key reference for all Directors in discharging their fiduciary duties. The Board Charter is accessible on the Company's website at <a href="http://www.pgbgroup.com.my/board-charter/">www.pgbgroup.com.my/board-charter/</a>.</p> <p>Key responsibilities of the Board include:</p> <ul style="list-style-type: none"><li>▪ Reviewing and adopting the Group's a strategic business plans to ensure alignment with stakeholder expectations and long-term value creation;</li><li>▪ Overseeing the conduct and performance of the Group's operations, while providing entrepreneurial leadership and sound strategic guidance;</li><li>▪ Identifying principal risks and ensuring the implementation of appropriate risk management and internal control frameworks;</li><li>▪ Overseeing the adequacy and effectiveness of the Group's internal control and governance systems; and</li><li>▪ Reviewing the functions and responsibilities of each Board Committee as and when required, in line with evolving governance needs.</li></ul>

	<p>To support the effective discharge of its duties, the Board has established four (4) Board Committees, namely:</p> <ul style="list-style-type: none"> <li>▪ Audit Committee (“AC”),</li> <li>▪ Nomination Committee (“NC”),</li> <li>▪ Risk Management Committee (“RMC”), and</li> <li>▪ Remuneration Committee (“RC”).</li> </ul> <p>Each Board Committees operated under clearly defined terms of reference (“<b>TOR</b>”), which are reviewed as and when necessary and published on the Company’s website at <a href="http://www.pqbggroup.com.my">www.pqbggroup.com.my</a>.</p> <p>Recognising the importance of sustainability in business resilience and stakeholder trust, the Board has formally embedded sustainability considerations into the Group’s strategy and decision-making processes. The Board oversees the management of sustainability risks and opportunities through structured Sustainability Governance Framework. The daily implementation of sustainability initiatives is delegated to the Sustainability Steering Committee (“SSC”), supported by the Sustainability Working Committee (“SWC”). Further details on the Group’s sustainability approach, performance and stakeholder engagement are disclosed in the “Sustainability Statement” of the Company’s Annual Report 2025 (“AR 2025”).</p> <p>In fulfilling its risk oversight function, the Board, via the RMC, maintains a Group Risk Management (“GRM”) Framework and Policy to identify, assess, manage and monitor the Group’s key risks. The GRM Framework is designed to support informed decision-making and long-term resilience. Further information is detailed in the Statement on Risk Management and Internal Control of the AR 2025.</p> <p>The Board also ensures that appropriate channels are in place for effective communication with stakeholders and other stakeholders. The Annual General Meeting (“AGM”) serves as the principal forum for shareholder engagement, during which the Executive Chairman invites active participation and questions on key matters. In addition, the Company’s website <a href="https://pqbggroup.com.my/contact-us/">https://pqbggroup.com.my/contact-us/</a> serves as an accessible platform for updates on the Group’s development, announcements made to Bursa Malaysia Securities Berhad (“Bursa Securities”) and investor relations.</p>
<p><b>Explanation for departure</b></p>	<div></div> <div></div>
<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 role and responsibilities of the Chairman of the Board ("Chairman") are clearly defined in the Board Charter, which outlines the scope of authority, responsibilities and governance expectations for this leadership position. This Board Charter is available on the Company's website at <a href="http://www.pgbgroup.com.my/board-charter/">www.pgbgroup.com.my/board-charter/</a>.</p> <p>The Chairman leads the Board by promoting a culture of integrity, open deliberations and strategic focus. His core responsibilities include:</p> <ul style="list-style-type: none"><li>▪ Providing leadership at the Board and ensuring its overall effectiveness;</li><li>▪ Facilitating the effective functioning of the Board and its Committees in accordance with established governance processes;</li><li>▪ Ensuring the Board receives timely, accurate and relevant information to support effective decision-making;</li><li>▪ Overseeing Group performance and ensuring alignment with approved strategies and policies;</li><li>▪ Leading Executive Directors ("EDs") in the execution of daily operations and key management matters;</li><li>▪ Ensuring that Board meetings are conducted effectively, with open dialogue, constructive deliberation and inclusive participation by all Directors;</li><li>▪ Promoting innovation, accountability and performance-driven culture throughout the Group; and</li><li>▪ Serving as a key liaison between the Board and Management and ensuring that significant issues are elevated for the Board's consideration.</li></ul> <p>The Chairman fosters an environment that encourages diverse views and discussions, ensuring that no single individual dominates proceedings. This enables the Board to reach well-informed decisions that reflect collective wisdom and sound judgment.</p>

	<p>Dato' Sri Edwin Tan Pei Seng ("Dato Sri Edwin Tan") has served as the Executive Chairman of the Board since 1 August 2020. He brings extensive experience in property development and construction and actively contributes to strategic oversight while maintaining the separation of duties between governance and execution.</p> <p>The Board is satisfied that the Chairman possesses the requisite leadership, experience and integrity to effectively steer the Group forward, safeguard shareholder interests and uphold the highest standards of corporate governance.</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 position of Chairman of the Board is currently held by Dato' Sri Edwin Tan while the position of Chief Executive Officer ("CEO") remains vacant as at the end of FY2025.</p> <p>The Board is currently led by an Executive Chairman, supported by a mix of executive and non-executive directors comprising:</p> <ul style="list-style-type: none"><li>▪ Two (2) Executive Directors.</li><li>▪ One (1) Non-Independent Non-Executive Director.</li><li>▪ Three (3) Independent Non-Executive Directors.</li></ul> <p>The Executive Chairman provides leadership at the Board level, ensuring effective governance and the orderly conduct of Board affairs, including integrity of deliberations and functioning of the Board and its Committees. He does not sit on the AC, NC, RMC or RC, in line with the recommended best practices of Malaysian Code on Corporate Governance 2021 ("MCCG").</p> <p>While the CEO position remains unfilled, Dato' Sri Godwin Tan Pei Poh ("Dato Sri Godwin Tan") serves as Group Executive Director, assuming responsibility for the Group's administration, operations, financial oversight, strategic planning and business development functions. He leads Management in executing the Group's business plans and operational priorities.</p> <p>Although the Chairman is an executive member of the Board, the Board is of the view that there is sufficient balance of authority that no single individual has unfettered decision-making powers. This is supported by:</p> <ul style="list-style-type: none"><li>▪ Clearly defined roles between the Executive Chairman and Executive Directors;</li><li>▪ Collective decision-making processes,</li><li>▪ The presence of a majority of Non-Executive Directors, of whom more than one-third are Independent.</li></ul> <p>This structure is deemed adequate to ensure the effectiveness, independence and balance of the Board's oversight function until such time the CEO position is filled.</p>

<b>Explanation for departure</b> :		
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<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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with the enhanced guidance of the MCCG, Dato' Sri Edwin Tan, the Executive Chairman of the Company, does not serve on AC, NC, RMC and RC.</p> <p>Each of these Board Committees is chaired by an Independent Non-Executive Director and comprises a majority of Independent Non-Executive Directors. In particular, the AC, is composed exclusively of Independent Non-Executive Directors, consistent with Paragraph 15.09(1)(a) and (b) of the Listing Requirements.</p> <p>Furthermore, the Chairman does not attend meetings of the AC, NC, RC and RMC, thereby mitigating the risk of self-review and ensuring the objectivity and independence of deliberations. This governance structure supports unbiased oversight and reinforces the integrity of the Board's decision-making processes, particularly on matters relating to audit, nomination, remuneration and risk management.</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 1.5

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 supported by a qualified and experienced Company Secretary, who is a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and is duly qualified to act under Section 235(2)(a) of the Companies Act, 2016. The Company Secretary brings vast knowledge and experience, including prior public practice and is further supported by a team of dedicated company secretarial personnel.</p> <p>The Company Secretary plays a critical role in facilitating effective governance by serving as an advisor to the Board on corporate governance matters, statutory obligations and regulatory developments. In addition to providing administrative support, the Company Secretary ensures the Board functions in accordance with established procedures, legal requirements and best practices.</p> <p>The primary responsibilities of the Company Secretary include:</p> <ul style="list-style-type: none"><li>▪ Attending and supporting all Board and Board Committee meetings;</li><li>▪ Preparing meeting agendas in consultation with the Board and Management;</li><li>▪ Maintaining statutory registers and corporate records;</li><li>▪ Monitoring and advising on updates to applicable regulations, Listing requirements and the MCCG;</li><li>▪ Ensuring compliance with the Company's Constitution and Board policies and procedures;</li><li>▪ Highlighting issues requiring Board's attention;</li><li>▪ Advising on corporate disclosure obligations; and</li><li>▪ Recording accurate and complete minutes of all proceedings and decisions.</li></ul> <p>The Company Secretary also ensures that Directors receive timely, relevant information and documentation to enable informed deliberation. The Board has full access to the Company Secretary's advice and support, both individually and collectively.</p> <p>The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board expressed its utmost satisfaction with the quality of guidance and service rendered by the Company Secretary throughout FY2025.</p>

<b>Explanation for departure</b> :		
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<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>To facilitate effective scheduling and ensure high attendance, an annual calendar of meetings for the Board, Board Committees and AGM is prepared and circulated to Directors and Management in advance. This allows sufficient time for Management to prepare high-quality meeting materials and ensures the orderly conduct of meetings throughout the financial year.</p> <p>Directors are provided with comprehensive Board papers, including meeting agendas and all relevant materials, at least five (5) business days ahead of each Board or Board Committee meeting. This practice ensures that Directors have adequate time to review the and consider the matters at hand, thereby supporting informed, constructive and effective participation in Board deliberations and decision-making.</p> <p>To support the Board's oversight function, the Board has full and unrestricted access to Management, the Company Secretary and all relevant internal information. Meeting materials are thoughtfully prepared and include detailed updates on financial performance, risk assessments, regulatory developments, key operational matters, and other critical issues.</p> <p>Where appropriate, Management and external auditors and advisers may be invited to attend meetings to provide clarification or professional insights on specific agenda. This access enables the Board to gain a comprehensive understanding of the Group's business operations, strategic priorities and emerging issues.</p> <p>Minutes of meetings are prepared by the Company Secretary and circulated to Directors in a timely manner following the meeting. These minutes serve as an accurate record of deliberations and decisions, and are confirmed and adopted at subsequent meetings.</p>
<b>Explanation for departure</b>	:	

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<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 Charter serves as a key governance document that guides the Board in fulfilling its fiduciary duties and setting out clear functions, roles and responsibilities of the Executive Chairman, Executive Directors, Non-Executive Directors and Senior Independent Non-Executive Director.</p> <p>It also outlines a formal schedule of matters reserved for the Board's deliberation and decision-making, including board composition and evaluation, remuneration matters, directors' training, financial oversight and ethical conduct.</p> <p>The Board Charter reinforces the Board's commitment to promoting high standards of corporate governance, compliance with applicable laws and regulations and safeguarding of shareholders' and stakeholders' interest. It ensures all Board members are fully aware of their legal and governance obligations.</p> <p>To maintain continuous professional development, all Directors are expected to allocate sufficient time to their duties and participate in relevant trainings. As at FY2025, all Directors have successfully completed the Mandatory Accreditation Programme Part II ("MAP II") for Directors of Public Listed Companies as required by Bursa Securities, well ahead of the effective compliance deadline 1 August 2025.</p> <p>In addition to mandatory programmes, the Board, with support from the Nomination Committee ("NC") and the Company Secretary, continuously monitors and identifies relevant training needs for Board members on an ongoing basis. Directors are encouraged to attend training programmes and seminars that keep them abreast of evolving corporate governance standards, legal and regulatory updates and developments relevant to their oversight responsibilities.</p>

	<p>During the year, the Company Secretary and external auditors provided updates on the Listing Requirements, Malaysian Financial Reporting Standards (“MFRS”) and other pertinent developments. These briefings help ensure that Directors remain well-informed and competent in discharging their responsibilities effectively.</p> <p>Details of the training programmes and seminars attended by each Director during FY2025 are outlined in the “Corporate Governance Overview Statement” section of the AR 2025.</p> <p>The Board reviews the Board Charter and makes necessary amendments to ensure alignment with evolving governance practices and regulatory requirements. The Board Charter is publicly made available on the Company’s website at <a href="http://www.pgbgroup.com.my/board-charter/">www.pgbgroup.com.my/board-charter/</a>, with the latest reviewed was conducted on 28 February 2025.</p>	
<b>Explanation for departure</b>	:	
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<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 formalised and adopted a Code of Conduct ("Code") which sets out clear expectations for proper and ethical behaviour by Directors and employees of the Group. The Code serves as a fundamental governance tool to uphold high standards of businesses ethics, integrity, professionalism and accountability across all levels of the organisation.</p> <p>The Code provides guidance on:</p> <ul style="list-style-type: none"><li>▪ compliance with applicable laws, regulations and internal policies;</li><li>▪ proper handling of actual or potential conflict of interest;</li><li>▪ responsible use and protection of the Group's assets, information and resources; and</li><li>▪ procedures for reporting unlawful or unethical behaviour through appropriate channels.</li></ul> <p>All Directors and employees are required to familiarise themselves, acknowledge and adhere to the Code. As part of the Company's onboarding process, new employees are briefed on the Code to ensure early understanding and alignment with the Group's values.</p> <p>The Board reviews the Code as and when necessary to ensure its continued relevance and effectiveness. The Code is accessible on the Company's website at <a href="https://pgbgrou.com.my/code-of-conduct/">https://pgbgrou.com.my/code-of-conduct/</a>, with latest reviewed was conducted on 29 May 2025.</p> <p>In addition to the internal Code, both the Board and the Company Secretary observe the principles set out in the Code of Ethics for Company Directors and Company Secretaries issued by the Companies Commission of Malaysia. This Code of Ethics promote ethical conduct, professionalism, social responsibility and adherence to good governance practices consistent with applicable laws and corporate values.</p>



<b>Explanation for departure</b> :		
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<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 3.2

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 Group is committed to upholding the highest standards of integrity, transparency and accountability in all aspect of its business operations. To reinforce this commitment, a formal Whistleblowing Policy has been established as a key component of the Group's governance framework.</p> <p>The Whistleblowing Policy provides a secure, confidential, and accessible channel for employees and external parties to report concerns relating to potential misconduct, unethical behaviour, or violations of laws and internal policies. The mechanism ensures that all disclosures are treated seriously and investigated independently, without bias or prejudice.</p> <p>The Whistleblowing Policy serves as a reliable mechanism for employees and external parties to report concerns relating to potential misconduct, unethical behaviour, or violations of laws and internal policies. The mechanism ensures that all disclosures are treated seriously and investigated independently, without bias or prejudice.</p> <p>To cultivate a safe environment for speaking up, the policy expressly prohibits any form of retaliation, discrimination or victimisation against whistleblowers who act in good faith. Reports must be made honestly and with reasonable belief that the information disclosed is true, even if it is later proven unfounded.</p> <p>All whistleblowing reports are managed through a formal reporting process, with thorough investigation and the outcomes presented to the RMC for appropriate deliberation and follow-up action.</p> <p>The Board reviews the Whistleblowing Policy and makes any necessary amendments to ensure its continued alignment with regulatory requirements and evolving best corporate governance practices. The Whistleblowing Policy is accessible on the Company's website at <a href="https://pgbgroupp.com.my/corporate-governance">https://pgbgroupp.com.my/corporate-governance</a>, with latest reviewed was conducted on 28 February 2025.</p>

<b>Explanation for departure</b> :		
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<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 4.1

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 acknowledges the growing importance of sustainability in driving long-term value creation and risk mitigation. In collaboration with Senior Management, the Board is committed to integrating sustainability considerations into the Group's strategies, business plans, major actions and risk management practices. To institutionalise this commitment, the Group has established a formal Sustainability Governance Framework to managing material sustainability risks and opportunities across the Group.</p> <p>Following an internal audit review of the sustainability management system, the governance structure was revised and approved by the Board on 29 May 2025 to enhance operational efficiency and streamline reporting lines. As part of this restructuring, the AC was removed from the sustainability reporting line, and oversight of sustainability-related risks has been consolidated under the RMC. This adjustment reinforces the alignment between sustainability and the Group's overall risk management framework.</p> <p>The revised sustainability governance structure is outlined as follows:</p> <ul style="list-style-type: none"><li>▪ The Board: Holds ultimate responsibility for the Group's sustainability direction and oversight. It approves strategies, targets and disclosures and ensures that sustainability remains a regular item on the Board agenda.</li><li>▪ RMC: Provides oversight of sustainability-related risks integrated within the Group Risk Management ("GRM") Framework. It reviews performance, risk mitigation practices and recommends sustainability disclosures to the Board.</li></ul>

	<ul style="list-style-type: none"> <li>▪ Sustainability Steering Committee (“SSC”): Chaired by the Sustainability Officer (“SO”) and comprising Heads of Departments, the SSC leads the implementation of sustainability strategies and policies across the Group. It reviews and tracks progress on key sustainability matters and reports to the RMC.</li> <li>▪ Sustainability Working Committee (“SWC”): Functions as the operational arm of the governance framework, responsible for executing sustainability initiatives, coordinating stakeholder engagement, conducting materiality assessments and monitoring ESG performance.</li> </ul> <p>The SSC meets quarterly, while the SWC conducts monthly reviews to monitor the implementation of sustainability action plans. In parallel, the RMC and Board convene biannually to assess strategic alignment and overall sustainability performance.</p> <p>Sustainability-related risks and opportunities are embedded within the GRM Framework, ensuring that ESG considerations are addressed alongside operational, financial and strategic risks. Material sustainability risks are reflected in the Group’s risk register and regularly reviewed to respond to evolving conditions. The governance structure facilitates structured escalation from operational levels to the Board, thereby reinforcing a culture of accountability, transparency and resilience.</p> <p>This structure fosters a culture in which sustainability is embedded throughout the organisation, helping to establish the desired mindset as a standard way of thinking across the Group. Detailed information regarding the roles and responsibilities of the governance structure can be found in the “Sustainability Statement” section of the AR 2025.</p> <p>For further details, including the updated governance structure and specific committee responsibilities, please refer to the Sustainability Statement in the AR 2025.</p>
<b>Explanation for departure</b> :	
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<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 4.2

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.

Application	:	Applied						
Explanation on application of the practice	:	<p>The Board recognises that meaningful stakeholder engagement is vital for informed decision-making, responsible governance and long-term value creation. By engaging with both internal and external stakeholders, the Group gains insights into evolving expectations, concerns and priorities, which in turn inform strategy, risk management and operational practices.</p> <p>Stakeholder engagement is conducted through multiple channels that are tailored to the nature of each stakeholder group. These engagements help the Group to maintain transparency, build trust and strengthen relationships across its ecosystem.</p> <table><tr><th>Stakeholders</th><th>Channel of Engagement</th></tr><tr><td>Shareholders and Investors</td><td><ul style="list-style-type: none"><li>▪ Annual general meetings</li><li>▪ Annual reports</li><li>▪ Company website</li><li>▪ Corporate announcements</li><li>▪ Digital platforms</li><li>▪ Extraordinary general meetings</li><li>▪ Quarterly financial results</li><li>▪ Site visits</li></ul></td></tr><tr><td>Employees</td><td><ul style="list-style-type: none"><li>▪ Corporate activities</li><li>▪ Engagement contracts</li><li>▪ Employee engagement programmes and events</li><li>▪ Employee handbook</li><li>▪ Employee surveys</li><li>▪ Employee performance appraisals</li><li>▪ Internal communications</li><li>▪ Meetings</li><li>▪ Town halls</li><li>▪ Trainings, seminar and workshops</li></ul></td></tr></table>	Stakeholders	Channel of Engagement	Shareholders and Investors	<ul style="list-style-type: none"><li>▪ Annual general meetings</li><li>▪ Annual reports</li><li>▪ Company website</li><li>▪ Corporate announcements</li><li>▪ Digital platforms</li><li>▪ Extraordinary general meetings</li><li>▪ Quarterly financial results</li><li>▪ Site visits</li></ul>	Employees	<ul style="list-style-type: none"><li>▪ Corporate activities</li><li>▪ Engagement contracts</li><li>▪ Employee engagement programmes and events</li><li>▪ Employee handbook</li><li>▪ Employee surveys</li><li>▪ Employee performance appraisals</li><li>▪ Internal communications</li><li>▪ Meetings</li><li>▪ Town halls</li><li>▪ Trainings, seminar and workshops</li></ul>
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	Stakeholders	Channel of Engagement
	Customers	<ul style="list-style-type: none"> <li>▪ Advertisement and marketing promotions</li> <li>▪ Corporate and product brochures</li> <li>▪ Company website</li> <li>▪ Corporate announcements</li> <li>▪ Customer feedback platforms</li> <li>▪ Digital platforms</li> <li>▪ Public events</li> </ul>
	Contractors and Suppliers	<ul style="list-style-type: none"> <li>▪ Briefings, updates and meetings</li> <li>▪ Contract and legal discussions</li> <li>▪ Company website</li> <li>▪ Emails and letters</li> <li>▪ Letters of award</li> <li>▪ Performance evaluations</li> <li>▪ Sites visits and inspections</li> <li>▪ Tender sessions</li> </ul>
	Government and Regulators	<ul style="list-style-type: none"> <li>▪ Audits and inspections</li> <li>▪ Compliance reporting</li> <li>▪ Emails and letters</li> <li>▪ Industry dialogues</li> <li>▪ Regulatory requirements reporting</li> <li>▪ Trainings, seminar and workshops</li> </ul>
	Media	<ul style="list-style-type: none"> <li>▪ Advertisement and marketing promotions</li> <li>▪ Corporate and product brochures</li> <li>▪ Company website</li> <li>▪ Corporate announcements</li> <li>▪ Digital platforms</li> <li>▪ Interviews and engagement sessions</li> <li>▪ Press release</li> <li>▪ Public events</li> </ul>
	Local communities and non-governmental organisations	<ul style="list-style-type: none"> <li>▪ Company website</li> <li>▪ Community initiatives and development programmes</li> <li>▪ Corporate announcements</li> <li>▪ Digital platforms</li> <li>▪ Public events</li> <li>▪ Sustainability initiatives</li> </ul>
<p>The Group's approach to stakeholder engagement is guided by principles of transparency, inclusiveness and accountability. These engagements are critical in prioritising material sustainability topics, shaping sustainability strategies and tracking progress against defined goals.</p> <p>A detailed account of FY2025 stakeholder engagements, including targets, performance and material concerns, is presented in the "Stakeholder Engagement" section of the Sustainability Statement in the AR2025.</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 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 acknowledges the importance of staying informed on evolving sustainability issues to support effective oversight and strategic direction. Through the NC, the Board annually assesses the training and development programmes attended by each Director, ensuring continuous learning on emerging sustainability matters relevant to the Group's operations and risk profile.</p> <p>The Company's AR 2025 discloses the training programmes and seminars attended by each Director under the "Corporate Governance Overview Statement", promoting transparency and accountability in Directors' sustainability awareness and governance practices.</p> <p>To complement formal training, the SO regularly provides the Board with updates on sustainability developments, including regulatory changes, emerging trends and relevant local and global insights. During the year, the Board was briefed on sustainability reporting processes, including the integration of sustainability considerations into the Group's business model and the management of sustainability-related risks and opportunities.</p> <p>In addition, the Board is kept informed of the Group's sustainability progress and priorities through annual updates from the RMC and in conjunction with the approval of the Group's Sustainability Statement. In FY2025, sustainability-related risks and opportunities were formally integrated into the Group's risk register, reinforcing the Board's ability to monitor sustainability risks and implement appropriate mitigation strategies. This integration enhances the Group's resilience and aligns its governance with long-term sustainability goals.</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 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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The NC conducts an annual Board effectiveness evaluation to assess the performance and effectiveness of the Board as a whole, its committees and individual Directors. Similarly, annual performance assessments are conducted for members of Senior Management to evaluate their contribution to the Group's strategic and operational outcomes.</p> <p>However, the current evaluation process does not yet incorporate specific assessments of performance in managing sustainability-related risks and opportunities. The Board acknowledges this gap and is committed to enhancing its evaluation processes to integrate sustainability oversight and performance metrics.</p> <p>Moving forward, the Board will strengthen the performance evaluation system by incorporating relevant questions and indicators relating to sustainability governance. This enhancement aims to establish clearer accountability among both the Board and Senior Management and enable more effective tracking of the Group's progress in achieving its sustainability goals.</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>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

### 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.

<i>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.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	<p>The SO, the Company's Executive Directors oversee the strategic and operational implementation of its sustainability agenda. As the designated person responsible for sustainability, the SO plays a pivotal role in driving the integration of sustainability considerations across the Group's business activities.</p> <p>The SO chairs the SSC and work closely with committee members to formulate and implement sustainability strategies align with the Group's material sustainability matters. The SO also monitors the progress of the SWC, which is responsible for the daily execution of sustainability initiatives.</p> <p>The primary roles and responsibilities of the SO include:</p> <ul style="list-style-type: none"><li>▪ Leading the development and execution of sustainability strategy across the Group;</li><li>▪ Monitoring the implementation of sustainability initiatives undertaken by the SSC and SWC;</li><li>▪ Reviewing and evaluating new or emerging sustainability issues raised departments heads;</li><li>▪ Providing regular reports and updated to the RMC on the Group's sustainability performance and progress; and</li><li>▪ Facilitating sustainability training and awareness programmes to build internal capacity and promote a sustainability-minded culture across the organisation.</li></ul> <p>Through these responsibilities, the SO ensures that sustainability is embedded into the Group's strategy and operations, while reinforcing accountability and cross-functional collaboration in achieving the Group's long-term sustainability goals.</p>

### 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><b><u>Board Composition</u></b></p> <p>The Board, through the NC, oversees the composition of the Board to ensure a balanced mix of skills, experience, independence and diversity to support the Group's strategic direction and long-term sustainability. In line with the NC's TOR, the NC assist the Board in developing and implementing policies relating to the nomination and appointment of Directors and Board Committee members, while also managing Board succession planning to ensure Board continuity and renewal.</p> <p>An effective Board requires individuals with the right blend of competencies and perspectives. The NC reviews the Board composition to identify gaps and ensure that the Board remains agile, fit-for-purpose and future-ready. Appointments are made through a formal, rigorous and transparent process, further detailed under Practice 5.5 of this Corporate Governance Report.</p> <p><b><u>Retirement and Re-election of Directors</u></b></p> <p>In accordance with the Company's Constitution, one-third (1/3) of the Directors, or the number nearest to one-third, shall retire from office at each Annual General Meeting ("AGM") and are eligible for re-election. All Directors, including the Executive Chairman, are required to retire at least once every three (3) years. A retiring Director remains in office until the conclusion of the AGM at which they retire. In the event of any vacancy in the Board of Directors, resulting in non-compliance of minimum Independent Director requirement, such vacancy must be filled within three (3) months.</p> <p>The Constitution also provides that the Board may appoint Director to fill a casual vacancy or as an addition to the existing Directors, provided that the total number does not exceed the prescribed maximum. Any Director so appointed shall hold office until the next AGM and shall be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.</p>

	<p>The NC oversees the schedule of retirement by rotation and evaluates each Director’s eligibility for re-election. For FY2025, Dato’ Haji Ismail Bin Karim, Dato’ Jeffrey Lai Jiun Jye and Mdm. Leong Siew Foong are due to retire in accordance with Article 106 of the Company’s Constitution at the 78<sup>th</sup> AGM, scheduled in September 2025.</p> <p>Before making any recommendation, the Board with the support of the NC, conducts a structured assessment of the retiring Director’s performance and independence, taking into account:</p> <ul style="list-style-type: none"><li>(i) Quality of participation, attendance and contribution to Board deliberations;</li><li>(ii) Demonstrated independence and alignment with the criteria under Paragraph 2.20A of Bursa Securities’ Listing Requirements; and</li><li>(iii) Compliance with the Group’ Fit and Proper Policy including integrity, time commitment and competence.</li></ul> <p>All retiring Directors met the necessary criteria and were found to have actively contributed to the Board’s effectiveness. None of the Independent Directors, where applicable, have served beyond nine (9) consecutive years or hold more than five (5) directorships in listed companies. Based on the evaluation, the NC recommended their re-election, which was duly approved by the Board. The retiring Directors consented to their re-election and abstained from the deliberation and decision-making process relating to their own eligibility.</p> <p>Profiles of the retiring Directors are disclosed in the “Board of Directors’ Profile” section of the AR 2025.</p>	
Explanation for departure		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure		
Timeframe		

**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>	:	Departure
<b>Explanation on application of the practice</b>	:	Please provide an explanation on how the practice is being applied.
<b>Explanation for departure</b>	:	<p>Currently, the Board comprises of seven (7) members, including one (1) Executive Chairman, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors (“INEDs”). This composition complies with Paragraph 15.02(1) of the Bursa Securities’ Listing Requirements, which mandates at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be Independent.</p> <p>While this composition departs from the MCCG’s recommended Practice 5.2 of having at least half of the Board comprising Independent Directors, the Board is of the view that the current structure is appropriate given the Group’s size, nature of operations and the effective role played by the INEDs.</p> <p>INEDs play a crucial role in upholding sound governance and corporate accountability. They bring independent objective perspective and judgment to the Board’s deliberations, particularly in strategy formulation, performance monitoring and oversight of material transactions. By refraining from involvement in daily operations, INEDs help ensure that all decisions are made in the best interest of the Company, free from undue influence or conflicts of interest.</p> <p>During FY2025, the NC conducted an annual evaluation of all Directors, including the INEDs, as part of the Board Effectiveness Evaluation. The evaluation confirmed that the INEDs continued to demonstrate independence in character and judgement, consistently offering objective, impartial views throughout Board and Board Committee discussions. None of the INEDs had served beyond nine (9) consecutive years or held directorships (in more than five (5) listed issuers. They also do not hold any shares in the Company.</p>

	<p>The Board is satisfied that its current composition provides an appropriate balance of independence, experience and skill sets. The INEDs’ contributions have strengthened the Board’ deliberations enhanced oversight and provided effective checks and balances in safeguarding the interests of all shareholders, particularly minority shareholders.</p>		
	<p>In addition to independence, the Board also reflects diversity in professional backgrounds, with Directors bringing expertise in property development, secretarial, legal, corporate governance, marketing, finance, audit and taxation. This diversity supports comprehensive and balanced decision-making, underpinned by an appropriate distribution of power and authority across the Board and its Board Committees.</p>		
	<p>The Board believes that the existing number of INEDs is sufficient to support effective governance, independence of thought and ethical leadership. The current size and structure of the Board are also considered optimal in view of the Group’s business operations and strategic direction. The Board, with support from the NC, continues to monitor and review its composition to ensure it remains well-positioned to meet the evolving needs of the Group and its stakeholders.</p>		
	<p>Detailed profiles of the Directors, including their qualifications, experience and other directorships, are provided in the “Board of Directors’ Profile” section of the AR 2025.</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		



### 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>	:	Not applicable - No independent director(s) serving beyond nine (9) years	
<b>Explanation on application of the practice</b>	:	<p>Currently, none of the INEDs have served for a cumulative term of nine (9) years.</p> <p>Under the MCCG, an Independent Director who has served for nine (9) years may continue to serve on the Board as a Non-Independent Non-Executive Director, or remain as an INED subject to annual shareholders’ approval via a two (2)-tier voting process. In justifying such retention, the NC is entrusted to assess the Director’s continued independence based on the established criteria.</p> <p>In addition, Bursa Securities has introduced a twelve (12) year tenure limit for Independent Directors, effective 1 June 2023.</p> <p>The Board and the NC acknowledges the requirements and expectations under Practice 5.3 of the MCCG. While this practice is currently not applicable to the Company, the Board remains committed to good governance and is in the process of reviewing its governance-related policies, including the Board Charter, to incorporate the relevant provisions and ensure continued alignment with evolving regulatory expectations and best practices.</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 5.4 - 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><b><u>Board and Senior Management Diversity</u></b></p> <p>The Board recognises the importance of diversity in the Board and Senior Management composition, as it enhances decision-making quality, broadens perspectives and supports long-term stakeholder value creation.</p> <p>To reinforce this commitment, the Group has adopted a formal Board and Senior Management Diversity Policy, which is publicly available on the Company's website at <a href="http://www.pgbgroup.com.my">www.pgbgroup.com.my</a>, which outlines the importance of diversity across dimensions such as age, ethnicity, gender and professional background.</p> <p>The Group is firmly committed to a non-discriminatory and merit-based approach in all recruitment and appointment processes. Equal opportunity is ensured regardless of race, religion or gender. Diversity is further embedded in the Group's succession planning and leadership development strategies to sustain Board and Senior Management effectiveness over the long term.</p>

**(i) Board Skills and Experience**

To facilitate succession planning and Board refreshment, the Board maintains a structured Board Skills Matrix, which is based on self-assessments by each Director. This matrix serves as a reference point for identifying skill gaps and future Board requirements.

As at 31 March 2025, the Board's collective competencies are summarised as follows:

No	Areas of Practice/Skill	Board Percentage
1.	Audit, accounting, financial reporting and taxation	79%
2.	Corporate governance, corporate secretary, risk management and internal controls	92%
3.	Human capital	93%
4.	Information technology	82%
5.	Legal and regulatory	89%
6.	Sales and marketing	86%

*Note: Directors may possess experience in multiple areas.*

**(ii) Board Diversity**

The Board currently comprises seven (7) Directors, reflecting a range of demographic diversity as at 31 March 2025:

Age Group	Number of Director
40 - 49	3
50 - 59	1
60 - 69	1
70 - 79	2

Gender	Number of Director
Male	6
Female	1

Ethnicity	Number of Director
Chinese	5
Malay	2

Nationality	Number of Director
Malaysian	7

### (iii) Senior Management Diversity

As at 31 March 2025, the Senior Management team comprises the following diversity profile:

Age Group	Number of Senior Management
40 - 49	1
50 - 59	1
60 - 69	1

Gender	Number of Senior Management
Male	1
Female	2

Ethnicity	Number of Senior Management
Chinese	3

Nationality	Number of Senior Management
Malaysian	3

As of 31 March 2025, 67% of Senior Management roles are held by women, demonstrating the Group's commitment to inclusive leadership. In contrast, female representation on the Board stands at 14%, which is below the 30% threshold recommend under the MCCG. The Board acknowledges this gap and remains committed to enhancing gender diversity through structured succession planning and proactive identification of suitably qualified female candidates who aligned with the Group's evolving business needs.

### **Nomination and Appointment Procedures**

#### **1. The Board**

The appointment of Directors is carried out through a formal, structure and transparent process led by the NC, with final approval by the Board. This process is underpinned by the Group's commitment to maintaining a Board that is balanced in terms of skill sets, experience, independence, diversity and alignment with the Group's long-term strategic direction.

#### **Board Composition Review and Gap Identification**

The process begins with the NC conducting a periodic review of the Board composition, identifying existing and anticipated gaps in expertise, industry knowledge, age, ethnicity, gender, and other diversity attributes. This review is guided by the annual Board Effectiveness Evaluation results and succession planning needs.

### Establishment of Selection Criteria

Based on this assessment, the NC establishes clear and tailored selection criteria for new appointments. These criteria include:

- (i) Technical competencies and industry knowledge,
- (ii) Leadership capabilities and governance experience,
- (iii) Strategic alignment with the Group's direction,
- (iv) Gender and ethnic diversity,
- (v) Integrity and independence,
- (vi) Time commitment, and
- (vii) Conformance with the Directors' Fit and Proper Policy.

In addition to promoting diversity across age, gender, ethnicity, and professional background, the Board places strong emphasis on a candidate's governance track record and personal integrity. The NC also assesses whether a candidate is able to devote adequate time and attention to Board responsibilities. This includes consideration of the number of other directorships held, including on non-listed entities. Appointments that may present reputational risks or conflict with the Group's governance expectations are actively avoided.

### Candidate Sourcing and Screening

Potential candidates are sourced through internal succession pipelines as well as external or independent channels, including director databases, professional networks and referrals. The NC may also engage independent consultants to assist in identifying suitably qualified candidates where necessary.

All potential candidates are required to submit the following documentation for evaluation:

- (i) A comprehensive curriculum vitae outlining their academic and professional qualifications, career history, and existing board roles;
- (ii) A completed "Prospective Directors Information Form"; and
- (iii) A signed Fit and Proper Declaration, affirming compliance with the criteria stipulated in the Group's Fit and Proper Policy.

### Assessment and Due Diligence

The NC, supported by the Company Secretary, conducts a comprehensive assessment of shortlisted candidates. This includes:

- (i) Fit and proper assessment, covering candidate's integrity, financial soundness, competence and time commitment;
- (ii) Due diligence via public records, regulatory databases, litigation checks and where applicable, conflict of interest disclosures;
- (iii) Assessment of the candidate's capacity for independent judgement, particularly where the appointment is for an Independent Director;
- (iv) Interviews or engagement sessions, where applicable, to assess compatibility with the Board culture and alignment with Group values.

### Final Recommendation and Board Deliberation

Upon completing its evaluation, the NC submits its final recommendation to the Board. The Board deliberates on the NC's recommendation at a duly convened meeting and may seek further clarification before making a final decision.

The Company Secretary is responsible for documenting all discussions, evaluations and justifications for the Board appointment during the NC and Board meetings as well as maintaining these records in accordance with best governance practices.

### No New Appointment During FY2025

During FY2025, there were no new Board appointments, re-designations or proposals to retain Independent Directors beyond nine (9) years requiring shareholder approval, other than re-election of retiring Directors in line with Practice 5.1 of the MCCG. Nonetheless, the NC continued to assess the effectiveness and composition of the Board and ensured the necessary policies and frameworks are in place to facilitate timely and effective Board refreshment as and when necessary.

The Board and NC will also continue to monitor the evolving regulatory landscape and best practices, ensuring that the Board's nomination, selection and appointment processes remain effective, inclusive and future-ready. As part of this effort, the Group's Fit and Proper Policy was last reviewed on 29 May 2025 and remains accessible at <https://pgbgroup.com.my/corporate-governance/>.

## **2. Senior Management**

The appointments of Senior Management are governed by a structure, transparent and merit-based process spearheaded by the Executive Chairman and overseen by the NC and the Board. This process ensures that individuals appointed to key management positions possess the requisite experience, competence and leadership attributes to support the Group's strategic goals and operational effectiveness.

### **Assessment and Succession Planning**

The appointment process is typically initiated following a succession planning review, organisational restructuring or the identification of talent gaps at the senior leadership level. These reviews are conducted in consultation with the Human Resource Department ("HRD") and the Executive Chairman to ensure alignment with the Group's future talent pipeline and strategic direction.

Beyond assessing leadership competencies and technical expertise, the Group prioritises personal integrity, commitment and cultural fit with the Group's values and governance expectations. Candidates are also evaluated for their ability to commit adequate time and focus to the role.

For external candidates, the Executive Chairman assesses professional track record, current obligations and any potential reputational or governance risks. Appointments that may compromise the Group's integrity or conflict with governance principles are avoided.

The Group remains committed to a merit-based selection process, while embedding diversity in experience, background, age and gender in accordance with the Board and Senior Management Diversity Policy.

### **Candidate Sourcing and Preliminary Screening**

The HRD is responsible for identifying, sourcing and shortlisting suitable candidates based on pre-determined job requirements, competencies and diversity objectives. This sourcing process includes:

- (i) Internal candidates with potential for upward mobility,
- (ii) External talent pools accessed via industry networks, executive search firms or public applications,
- (iii) Initial screening, including basic due diligence checks using public records, regulatory watchlists and litigation databases.

Shortlisted candidates must demonstrate alignment with the Group's values, culture and performance expectations.



	<p><b><u>Evaluation and Endorsement by Executive Chairman</u></b></p> <p>The shortlisted candidates are then reviewed and interviewed by the Executive Chairman, who evaluates their suitability based on strategic requirements of the role, as well as their alignment with the Group's core values and leadership expectations.</p> <p>Following this assessment, the Executive Chairman identifies a preferred candidate and then submits the preferred candidate's profile to the NC for further review and deliberation.</p> <p><b><u>Assessment by Nomination Committee</u></b></p> <p>The NC plays an oversight role in the evaluation of Senior Management appointments to ensure objectivity, transparency and alignment with governance expectations. In reviewing the proposed candidate, the NC considers:</p> <ul style="list-style-type: none"> <li>(i) The individual's experience and competencies, particularly in leadership, finance, operations, risk and sustainability management;</li> <li>(ii) The ability of the candidate to work cohesively with the Board and Management team;</li> <li>(iii) Consideration of gender and ethnic diversity, in line with the Board and Senior Management Diversity Policy.</li> </ul> <p>The NC engages in formal deliberation and discussion with the Executive Chairman to achieve consensus on the final candidate.</p> <p><b><u>Final Approval by the Board</u></b></p> <p>Once endorsed by the NC, the proposed appointment is presented to the Board for final consideration and approval at a duly convened Board meeting. The Company Secretary is responsible for documenting the Board's decision and rationale in the meeting minutes and ensuring records are maintained in line with governance protocols.</p> <p>Upon approval, the HRD proceeds with the onboarding and appointment formalities.</p> <p><b><u>Continuous Review and Future Readiness</u></b></p> <p>The Board, with support from the NC, continues to monitor the effectiveness of the senior leadership structure and periodically reviews the appointment framework to ensure it remains relevant and effective. This includes alignment with emerging best practices, business strategy and the Group's future leadership requirements.</p>
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	The Group remains committed to fostering a resilient, future-ready leadership team that drives sustainable value for stakeholders.			
<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>	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

### 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 believes that its current composition and size remain appropriate to support effective governance, balanced deliberation and independent oversight. Nonetheless, the Board, through the NC, remains committed to proactive succession planning and talent identification to meet the Group's evolving strategic and governance needs.</p> <p>In sourcing suitable candidates for Directorship, the NC considers nominations and recommendations from various sources, including existing Board members, Senior Management and shareholders. The NC also welcomes referrals through external and independent channels such as industry databases, professional association and independent search firms to widen the talent pool and ensure objectivity.</p> <p>In adherence to Practice 5.9 of the MCGG, the NC continues to seek and assess qualified female candidates, particularly for Independent Non-Executive Director roles, through both internal development and external engagement. These efforts underscore that Board's commitment to fostering greater diversity and ensuring that appointments reflect a broad spectrum of perspectives, experiences and competencies.</p> <p>The Board remains guided by merit-based principles while promoting diversity in skills, experience, age, ethnicity and gender to strengthen Board effectiveness and long-term stakeholder value creation.</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

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>The profiles of all Directors, including those standing for re-election, are disclosed in the AR 2025 and are published on the Company's website at <a href="http://www.pgbgroup.com.my">www.pgbgroup.com.my</a>. These profiles provide key information such as age, gender, position within the Company, academic, professional qualifications, working experience, directorship in other public companies and/or listed issuers, as well as any conflict of interest or family relationship with other Directors and/or major shareholder.</p> <p>In addition, information regarding meeting attendance, training records, remuneration and shareholdings in the Company and its subsidiaries is provided in relevant sections of the AR 2025.</p> <p>In accordance with Practice 5.7 of the MCCG, the assessment and recommendation by the Board and the NC on the re-election of retiring Directors are clearly communicated to shareholders in the notice of AGM and the statement accompanying the notice of AGM, enabling informed voting decisions.</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 plays a vital role in supporting the Board's effectiveness by overseeing the selection, assessment and succession planning processes for Directors and Senior Management. The Board affirms that appointing an Independent Director as Chair of the NC promotes objective, impartial deliberations in all nomination-related matters.</p> <p>Dato' Haji Ismail Bin Karim, an Independent Non-Executive Director, currently serves as the NC Chairman. As at 31 March 2025, the NC comprises exclusively Non-Executive Directors, with a majority being Independent, in compliance with Paragraph 15.08A(1) of Bursa Securities' Listing Requirements. The composition is as follows:</p> <table><tr><th>Name</th><th>Position</th><th>Designation</th></tr><tr><td>Dato' Haji Ismail Bin Karim</td><td>Chairman</td><td>Independent Non-Executive Director</td></tr><tr><td>Mr. Tee Boon Hin</td><td>Member</td><td>Senior Independent Non-Executive Director</td></tr><tr><td>Dato' Jeffrey Lai Jiun Jye</td><td>Member</td><td>Non-Independent Non-Executive Director</td></tr></table> <p>The key responsibilities carried out by the NC included:</p> <ul style="list-style-type: none"><li>(i) Overseeing the identification and selection of suitable Director candidates to ensure the Board composition aligns with the Group's strategic needs and required skill sets;</li><li>(ii) Assisting the Board in the conducting annual evaluation on the effectiveness of the Board, Board Committees and individual Directors;</li><li>(iii) Recommending adjustments to the Board's size, structure and composition in line with Practice 6.1 of the MCCG; and</li><li>(iv) Assessing Directors' training needs and recommending relevant programmes to support their continuing professional development.</li></ul>	Name	Position	Designation	Dato' Haji Ismail Bin Karim	Chairman	Independent Non-Executive Director	Mr. Tee Boon Hin	Member	Senior Independent Non-Executive Director	Dato' Jeffrey Lai Jiun Jye	Member	Non-Independent Non-Executive Director
Name	Position	Designation												
Dato' Haji Ismail Bin Karim	Chairman	Independent Non-Executive Director												
Mr. Tee Boon Hin	Member	Senior Independent Non-Executive Director												
Dato' Jeffrey Lai Jiun Jye	Member	Non-Independent Non-Executive Director												

	<p>The NC operates under its TOR, approved by the Board and is available on the Company's website at <a href="https://pgbgroup.com.my/nomination-committee/">https://pgbgroup.com.my/nomination-committee/</a>. The Board reviews the TOR of NC and makes any necessary amendments to ensure alignment with the Group's evolving needs, as well as compliance with the Listing Requirements and the MCCG.</p> <p>The NC meets at least once a year or as and when required. In FY2025, three (3) meetings were held, with full attendance recorded by all members. Attendance details are disclosed in the "Corporate Governance Overview Statement" of the AR 2025.</p> <p>Key deliberations undertaken by the NC during FY2025 included:</p> <ul style="list-style-type: none"> <li>(i) Board Composition and Diversity: Reviewed the size, structure and composition of the Board to ensure a balance mix of skills, experience and diversity in line with the Board Skills Matrix;</li> <li>(ii) Independence Assessment: Conducted annual assessments of Independent Directors via annual self-assessment to affirm their ability to exercise independent judgement and uphold objectivity.</li> <li>(iii) Fit and Proper Assessment: Evaluated the fitness and propriety of Directors seeking re-election or reappointment in accordance with the Group's Fit and Proper Policy.</li> <li>(iv) Training and Development: Reviewed and recommended relevant training programmes for Directors based on strategic priorities and evolving regulatory expectations. Detailed of training attended are disclosed in the Directors' Training and Development section of this CG Statement.</li> <li>(v) Evaluation Tools: Reviewed and endorsed the evaluation forms used for assessing the Board, Board Committees, Company Secretary, Internal Auditor and External Auditor.</li> <li>(vi) Board and Board Committees Effectiveness: Evaluated the performance of the Board, Board Committees, and individual Directors, including their participation, contribution, and alignment with the Group's strategic direction.</li> <li>(vii) Senior Management Evaluation: Assessed the performance of Executive Directors and Senior Management as part of the Group's leadership oversight framework.</li> <li>(viii) Company Secretary Review: Facilitated the Board's evaluation of the Company Secretary's performance, with the results indicating satisfactory support for the Board's governance, compliance and meeting administration processes.</li> </ul>
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<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>	:	Currently, the Board comprises a female Director out of seven (7) members, representing 14% female participation.	
		The Board acknowledges that this remains below the 30% threshold recommended by the MCCG. Nonetheless, the Board is firmly committed to increasing female representation through deliberate and progressive measures. In alignment with the Group's succession planning and diversity framework, clear targets have been established to guide improvements, as outlined in the Group's Sustainability Statement of the AR 2025.	
		In identifying new Directors, the Board, through the NC, considers female candidates who meet the Group's strategic and governance needs, with appointments guided merit, competency and cultural fit. Although no gender quota is enforced, the Group prioritises diversity of thought and perspective in all nomination and selection decisions.	
		Beyond the Board level, the Group actively cultivates a diverse leadership pipeline, with women making up 67% of Senior Management as at 31 March 2025. This underscores the Group's inclusive approach and provides a solid foundation for future Board diversity.  The Board will continue to review its composition and implement initiatives that advance gender diversity in a structured and sustainable manner, in line with best practices and stakeholder expectations.	
<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.	

### 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 Group has adopted a formal Board and Senior Management Diversity Policy, which aims to promote diversity, equity and inclusion in leadership appointments. This Policy outlines the Group's commitment to ensuring that the composition of the Board and Senior Management reflects a balanced mix of skills, experience, ethnicity, age and gender to support effective decision-making and long-term value creation.</p> <p>As at 31 March 2025, the Board comprises one (1) female Director out of seven (7) members, representing 14% of female representation. While this is below the 30% threshold recommended by the MCCG, the Board is committed to enhancing gender diversity as part of the Group's succession and leadership planning. The Group has already achieved 67% female representation at the Senior Management level, reflecting its inclusive leadership culture and strong internal talent pipeline.</p> <p>To reinforce this commitment, the Board Diversity Policy was expanded and renamed to the Board and Senior Management Diversity Policy in FY2025. The revised policy, approved on 23 May 2024, provides structured guidance on promoting gender-balanced leadership and broad-based diversity across key decision-making roles.</p> <p>The NC plays a central role in implementing this policy and ensures that diversity is factored into all recruitment, succession planning and evaluation processes. As part of its mandate, the NC actively sources and considers qualified female candidates from internal pipelines, professional networks, regulatory referrals and independent sources, with a view to strengthening the Board and Senior Management talent pool.</p> <p>Appointments continue to be made based on merit and strategic fit, with emphasis on candidates' competencies, integrity and alignment with the Group's governance and sustainability aspirations.</p> <p>The Board and Senior Management Diversity Policy is accessible on the Company's website at <a href="http://www.pgbgroup.com.my">www.pgbgroup.com.my</a> and has been disclosed in the "Corporate Governance Overview Statement" of the AR 2025.</p>

	Please provide an explanation for the departure.	
<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.

## 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 NC is entrusted by the Board to oversee the annual assessment of the Board, Board Committees and individual Directors, collectively referred to as the Board Effectiveness Evaluation. This process is designed to assess the overall performance, identify gaps and opportunities for improvement, and reinforce Directors' commitment to their fiduciary responsibilities.</p> <p>For FY2025, the Board Effectiveness Evaluation was internally facilitated in May 2025 using structured evaluation tools developed by the NC. The four (4) key components of the assessment were:</p> <p><b>(i) Board and Board Committee Evaluation</b></p> <p>This assessment reviewed the structure, size, composition, skills mix, meeting effectiveness, decision-making processes, quality of information flow and discharge of responsibilities in accordance with their respective TOR.</p> <p><b>(ii) Board Skills Matrix Self-Assessment</b></p> <p>Directors self-rated their experience, integrity, competencies, participation and contribution to Board deliberations. Executive Directors were further evaluated on business development, leadership and management skills and target achievement.</p>

	<p><b>(iii) Independent Non-Executive Director Self Evaluation</b></p> <p>Independent Directors assessed their independence based on criteria outlined in Paragraph 1.01 of Bursa Securities' Listing Requirements, including tenure, financial or family ties and their ability to exercise independent judgement objectively.</p> <p><b>(iv) Fit and Proper Assessment for Directors</b></p> <p>All Directors underwent a formal evaluation under the Group's Fit and Proper Policy, which includes declarations of integrity, financial soundness, competence and time availability. This helps the NC ensure that each Director is suitable to serve and meets both regulatory and internal standards for continued appointment or re-election.</p> <p>Each Director was given sufficient time to complete the evaluation forms. The NC reviewed the consolidated results before tabling them to the Board for deliberation and action planning.</p> <p>The Group recognises the importance of integrating sustainability considerations into its governance and performance evaluation processes. Directors were assessed on their effectiveness in overseeing the Group's sustainability strategy, risk management, and the integration of sustainability considerations into business planning and Board deliberations. The AC and RMC were also evaluated on their roles in enhancing sustainability-related disclosures and addressing sustainability risks and opportunities. Further sustainability-related performance evaluation for Senior Management is disclosed under Practice 7.1 of this Corporate Governance Report.</p> <p><b><u>Summary of FY2025 Evaluation Outcomes</u></b></p> <p>In accordance with Guidance 6.1 and 5.8 of the MCCG, the NC Chairman led the Board Effectiveness Evaluation process, supported by the Company Secretary. The results were reviewed by the NC and subsequently tabled to the Board for notation and further deliberation.</p> <p>The assessments indicated that the average ratings across all evaluated areas exceeded 3.00 on a 4-point scale, indicating that the performance of the Board, Board Committees and individual Directors was satisfactory and aligned with the Group's governance expectations. All Directors demonstrated active engagement and meaningful contributions during Board and Board Committee deliberations.</p>
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	<p>Furthermore, all Directors complied with the Bursa Securities' Listing Requirements concerning independence and directorship limits. Specifically:</p> <ul style="list-style-type: none"> <li>(i) No Director held more than five (5) directorships in listed issuers.</li> <li>(ii) All Independent Directors continued to demonstrate independence in judgment and action.</li> <li>(iii) None of the Independent Directors held shares in the Company.</li> <li>(iv) No Independent Director served for more than twelve (12) years.</li> </ul> <p>These findings formed a strong basis for the NC's recommendations to the Board for the re-election of Directors at the forthcoming 78<sup>th</sup> AGM.</p> <p>The NC also observed that Directors consistently demonstrated active participation in Board and Committee deliberations, with meetings conducted in an open and constructive manner. The quality of decision-making was considered effective, supported by structured meeting processes and transparent communication. These observations reflect the Board's ongoing efforts to discharge its governance responsibilities with diligence and accountability.</p> <p><b><u>Areas for Improvement</u></b></p> <p>Based on feedback provided by Directors and deliberations of the NC, the following areas were identified for enhancement:</p> <ul style="list-style-type: none"> <li>(i) Enhancing Directors' exposure to current development: Encourage more structured updates and learning opportunities on market, regulatory and industry trends;</li> <li>(ii) Strengthening cost and operational management oversight: Improve performance monitoring mechanisms to support better decision-making;</li> <li>(iii) Supporting continuous development: Promote participation in seminars and training aligned with the Company's strategic priorities and evolving business landscape;</li> <li>(iv) Fostering open and timely deliberations: Encourage more open, proactive discussions of key strategic issues at Board level; and</li> <li>(v) Aligning with sustainability and diversification goals: Reinforce integration of sustainability considerations and long-term strategy within Board deliberations.</li> </ul> <p>Each Director also completed self-assessments to reflect on personal development areas. Directors acknowledged identified gaps and express commitment to ongoing improvement through proactive engagement and continuous learning.</p>
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	<p>The collective outcomes, including assessment ratings and key observations, were thoroughly documented and reviewed by the NC. The summary of findings was presented to the Board for notation and consideration, forming the basis for future governance enhancements.</p> <p>The Board concluded that its current size and composition remain adequate to support the Company's strategic direction and long-term objectives.</p> <p>Meeting attendance of each Director at Board and Board Committee meetings is recorded in the "Corporate Governance Overview Statement" of the AR 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

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 process for determining the remuneration of Directors and Senior Management. The RC is responsible for formulating and reviewing the Remuneration Policy to ensure it remains competitive, appropriate and aligned with prevailing market practices and stakeholder expectations.</p> <p>The RC conducts an annual review of remuneration packages for Directors and Senior Management before making recommendations to the Board for approval. In conducting this review, the RC considers a range of factors including the scope of responsibilities, complexities of roles, individual performance, skills, experiences and market benchmarks.</p> <p><b><u>1. Remuneration Policy and Procedures for Executive Directors and Senior Management</u></b></p> <p>The remuneration framework for Executive Directors and Senior Management is designed to align individual rewards with both Company and personal performance. Packages typically comprise fixed and variable components, with performance-linked bonuses and annual increments tied to the achievement of key performance indicators ("KPIs"), which include both qualitative and quantitative measures.</p> <p>Comparisons are made with peer companies to ensure the competitiveness of remuneration packages, supporting the attraction, retention of high calibre leaders capable of delivering sustainable business performance.</p>



Remuneration reviews are conducted annually, typically during the final quarter of the calendar year. The RC evaluates both Group and individual performance and assesses internal equity and external market competitiveness before recommending any adjustments to the Board. Final decisions are subject to Board approval, with affected individuals abstaining from discussions on their own remuneration.

## **2. Remuneration Policy and Procedures for Non-Executive Directors**

Remuneration for Non-Executive Directors (“NEDs”) is structured to reflect the level of expertise, time commitment and responsibilities undertaken at both the Board and Board Committee levels. This includes fixed directors’ fees, meeting allowances, and other approved benefits.

The RC annually reviews the fees and benefits payable to each NED on an individual basis, with reference to comparable listed companies and current market conditions. All proposals are submitted to the Board and subsequently tabled for shareholders’ approval at the AGM, in accordance with Section 230(1) of the Companies Act 2016.

In line with proper governance practices, all Directors and Senior Management abstain from deliberating or voting on their own remuneration decisions.

### **Sustainability Considerations in Performance Appraisal**

The Group has embedded certain sustainability-related considerations into the performance appraisal system for Senior Management. These form part of the broader KPI framework and reflect the Group’s emphasis on responsible leadership and sustainability governance.

However, the current sustainability elements are not yet formally and directly linked to the Group’s published sustainability targets. The Board, through the RC, recognises the growing importance of aligning executive remuneration with measurable sustainability outcomes and is committed to enhancing this alignment in future review cycles. These efforts aim to reinforce accountability, support long-term value creation and strengthen stakeholder confidence.

### **Policy Review**

The Board reviews the Remuneration Policy and makes any necessary amendments to ensure its continued relevance and alignment with evolving expectations. The Remuneration Policy is accessible on the Company’s website at <https://pgbgroup.com.my/corporate-governance>, with last reviewed on 22 November 2022.

<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 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 is delegated by the Board to implement its remuneration policies and procedures and to ensure that the remuneration framework for Directors and Senior Management remains appropriate, competitive and aligned with the corporate and individual performance.</p> <p>As at 31 March 2025, the RC was chaired by Mr. Tee Boon Hin, a Senior Independent Non-Executive Director. All members of the RC are Non-Executive Directors with a majority being Independent, as follows:</p> <table><tr><th>Name</th><th>Position</th><th>Designation</th></tr><tr><td>Mr. Tee Boon Hin</td><td>Chairman</td><td>Senior Independent Non-Executive Director</td></tr><tr><td>Dato' Haji Ismail Bin Karim</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Dato' Jeffrey Lai Jiun Jye</td><td>Member</td><td>Non-Independent Non-Executive Director</td></tr></table> <p>The key responsibilities carried out by the RC included:</p> <ol style="list-style-type: none"><li>1. Formulating and reviewing a formal and transparent remuneration policy for Directors and Senior Management; and</li><li>2. Assessing and recommending appropriate remuneration packages and benefits based on performance metrics and market benchmark.</li></ol>	Name	Position	Designation	Mr. Tee Boon Hin	Chairman	Senior Independent Non-Executive Director	Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director	Dato' Jeffrey Lai Jiun Jye	Member	Non-Independent Non-Executive Director
Name	Position	Designation												
Mr. Tee Boon Hin	Chairman	Senior Independent Non-Executive Director												
Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director												
Dato' Jeffrey Lai Jiun Jye	Member	Non-Independent Non-Executive Director												

	<p>The RC operates under its TOR, which have been approved by the Board and is made available on the Company's website at <a href="https://pgbggroup.com.my/remuneration-committee-2/">https://pgbggroup.com.my/remuneration-committee-2/</a>. The Board reviews the TOR of RC and makes any necessary amendments to ensure its continued relevance and compliance with the Listing Requirements and the MCCG.</p> <p>The RC is required to meet at least once a year or as and when necessary. In FY2025, RC convened four (4) meetings with full attendance recorded by all members. Details of the meeting attendance are disclosed in the "Corporate Governance Overview Statement" section of the AR 2025.</p> <p>During the year under review, the RC carried out the following key responsibilities:</p> <ol style="list-style-type: none"> <li> <b>1. Non-Executive Directors' Remuneration Review</b> <p>Assessed and recommended the fees and benefits payable to Non-Executive Directors ("NEDs") for FY2025.</p> </li> <li> <b>2. Executive and Senior Management Remuneration Review</b> <p>Assessed the remuneration structure for the Executive Chairman and Executive Directors, including fixed performance-linked components such as salary increments and bonuses. The RC also reviewed the annual bonus and salary increment proposals for Senior Management, based on responsibilities and performance.</p> </li> <li> <b>3. Performance-Linked Evaluation Alignment</b> <p>Conducted a joint session with the NC to align performance evaluations of Directors and Senior Management with corresponding remuneration decisions, taking into account both financial results and strategic contributions.</p> </li> <li> <b>4. Employment Agreement Review</b> <p>Reviewed the renewal of an Executive Employment Agreement, considering performance, tenure and NC input before making its recommendation to the Board.</p> </li> </ol> <p><b><u>Board Deliberations and Proposed Resolutions for FY2026</u></b></p> <p>Following the financial year end, the RC conducted a review and evaluation of the remuneration and benefits for NEDs for the financial year ending 31 March 2026 ("FY2026"). The assessment aimed to ensure that the remuneration packages remain commensurate with their responsibilities and performance, taking into account the Group's overall performance and prevailing industry benchmarks.</p>
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	<p>Pursuant to Section 230(1) of the Companies Act 2016 and Article 64 of the Company's Constitution, the Company seeks shareholders' approval annually for the payment of Non-Executive Directors' fees and any benefits payable to the Directors of the Company through Ordinary Resolutions at the AGM. Additionally, Practice 7.2 of the MCCG recommends that fees and benefits of each NED be individually tabled at the AGM. This reflects the Company's commitment to ensuring shareholders have the right to vote on executive remuneration and aligns with best corporate governance practices.</p> <p>Accordingly, the Board has agreed to seek shareholders' approval at the forthcoming 78<sup>th</sup> AGM through the following resolutions:</p> <ol style="list-style-type: none"> <li>1. <b>Resolution 4 to 7:</b> Payment of Directors' fee for FY2026 on an individual basis; and</li> <li>2. <b>Resolution 8:</b> Payment of Directors' benefits from the conclusion of the 78<sup>th</sup> AGM until the next AGM ("Relevant Period").</li> </ol> <p>(i) <b>Directors' fees</b></p> <p>The RC reviewed the fee structure of NEDs in light of their active participation across various Board Committees and overall corporate performance. Upon recommendation by the RC, the Board decided to maintain the existing Directors' fee levels for FY2026, considering the prevailing global economic environment and the Group's performance.</p> <p>Payment of these fees will only be effected if Resolutions 4 to 7 are approved at the forthcoming 78<sup>th</sup> AGM.</p> <p>(ii) <b>Directors' benefits</b></p> <p>The benefits payable to NEDs includes meeting allowances and reimbursement of travelling expenses incurred in the discharge of their responsibilities. These benefits will be paid on an incurred basis, subject to shareholders' approval via Resolution 8.</p> <p>The total amount of benefits payable to NEDs is estimated to be up to RM100,000 for the Relevant Period after taking into account of several factors including the number of scheduled meetings to be held during the Relevant Period.</p> <p>Based on the schedule of meetings held in FY2025, an amount of RM18,500 has been utilised to pay the benefits to the Directors.</p> <p>NEDs who are shareholders of the Company will abstain from voting on Resolution 8 at the forthcoming 78<sup>th</sup> AGM.</p>
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	<p>The Board considers it fair and reasonable for NEDs to receive these benefits after having duly discharged their responsibilities in accordance with their fiduciary duties.</p> <p>Further information on how sustainability considerations are currently reflected in the Group’s performance appraisal and remuneration framework for Senior Management is disclosed under Practice 7.1 of this Corporate Governance Report.</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

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>	:	<p>The Directors' remuneration for FY2025 was reviewed by the RC and assessed to be appropriate, taking into consideration market competitiveness, the Group's financial performance and individual Directors' contributions. The RC's recommendation was subsequently approved by the Board, with the respective Directors abstaining from deliberations and decisions on their own remuneration.</p> <p>In accordance with Section 230(1) of the Companies Act 2016, the fees and any benefits payable to the NEDs of a listed company and its subsidiaries are subject to shareholders' approval at a general meeting. The proposed fees and benefits for NEDs in respect of FY2026 will be tabled for approval at the forthcoming 78<sup>th</sup> AGM to be held in September 2025.</p> <p>In line with best corporate governance practice, the detailed remuneration of each individual Directors for FY2025, including fees, salary, bonuses, benefits in-kind and other emoluments, is disclosed on a named basis in the table below.</p>

No	Name	Directorate	Company							Group						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Sri Edwin Tan Pei Seng	Executive Director	-	-	940,500	600,000	22,700	186,136	1,749,336	-	-	940,500	600,000	22,700	186,136	1,749,336
2	Dato' Sri Godwin Tan Pei Poh	Executive Director	-	18,000	501,600	320,000	7,200	102,028	948,828	-	18,000	501,600	320,000	7,200	102,028	948,828
3	Mdm. Leong Siew Foong	Executive Director	-	31,777	220,200	30,000	7,368	35,114	324,459	-	31,777	220,200	30,000	7,368	35,114	324,459
4	Mr. Tee Boon Hin	Independent Director	72,000	5,000	-	-	-	-	77,000	72,000	5,000	-	-	-	-	77,000
5	Dato' Haji Ismail Bin Karim	Independent Director	72,000	5,000	-	-	-	-	77,000	72,000	5,000	-	-	-	-	77,000
6	Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Independent Director	72,000	4,500	-	-	-	-	76,500	72,000	4,500	-	-	-	-	76,500
7	Dato' Jeffrey Lai Jiun Jye	Non-Executive Non-Independent Director	66,000	4,000	-	-	-	-	70,000	66,000	4,000	-	-	-	-	70,000
8	Tan Hui Boon	Executive Director	-	-	-	-	-	-	-	48,000	-	-	-	-	-	48,000
9	Mohammed Khafidz Bin Mohamad Ishak	Independent Director	-	-	-	-	-	-	-	9,000	-	-	-	-	-	9,000



### 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>	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
<b>Explanation on application of the practice</b>	:	<p>During FY2025, the Group’s top Senior Management comprised three (3) individuals, including the Finance Director, the Senior General Manager and the Project Director. These individuals are not members of the Board of the Company but hold key leadership roles within the Group.</p> <p>In accordance with Practice 8.2 of the MCCG, their remuneration is disclosed on a named basis in bands of RM50,000. This includes component such as salary, bonus, benefits-in-kind and other emoluments, as shown in the table below.</p> <p>This disclosure affirms the Board’s commitment to transparency and fair remuneration practices in alignment with responsibilities and performance.</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>	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Mr. Tan Hui Boon	Senior General Manager & Director of all subsidiaries of the Company	200,001-250,000	0-50,000	50,001-100,000	-	0-50,000	300,001-350,000
2	Ms. Eileen Tey Yee Lin	Finance Director	200,001-250,000	0-50,000	50,001-100,000	-	0-50,000	350,001-400,000
3	Ms. Chew Sai Ping	Project Director	300,001-350,000	0-50,000	50,001-100,000	-	0-50,000	400,001-450,000

**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 AC comprises three (3) members, all of whom are Independent Non-Executive Directors. Mr. Tee Boon Hin, the Senior Independent Non-Executive Director, has served as the Chairman of the AC since 27 November 2017.</p> <p>He is a Chartered Accountant and a member of the Malaysian Institute of Accountants ("MIA"), complying with the requirements of Paragraph 15.09(1)(c)(i) of the Bursa Securities' Listing Requirements.</p> <p>In line with Practice 9.1 of the MCCG, the Chairman of the AC is not Chairman of the Board. The roles are held by separate individuals, with Dato' Sri Edwin Tan Pei Seng serving as the Chairman of the Board.</p> <p>In addition, the current Chairman of the Board is not an AC member and none of the former Board Chairman have served on the AC. This is also consistent with Practice 1.4 of the MCCG, which promotes an appropriate division of responsibilities between the Board and Board Committees to enhance independence and accountability.</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 and objectivity of the AC to safeguard the integrity of the Group's financial reporting and accounting processes. Since the establishment of the AC, the Board has not appointed any former key audit partner of the external audit firm as a member of the AC.</p> <p>To reinforce this practice, the Board has formalised a policy, reflected in both the AC's TOR and the Group's External Auditor Policy, requiring any potential candidate who is a former key audit partner to observe a minimum cooling-off period of three (3) years before being eligible for appointment to the AC.</p> <p>This requirement applies to former partners of the external audit firm and its affiliate firms, including those involved in audit, advisory, tax and related consulting services. It serves to uphold auditor independence and prevent any undue influence over the financial reporting process.</p> <p>The TOR of the AC has reviewed and approved by the Board and the full document is publicly accessible on the Company's website at <a href="https://pgbgroup.com.my/audit-committee/">https://pgbgroup.com.my/audit-committee/</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 Board, through the AC, maintains an open and transparent relationship with the External Auditors to uphold the integrity of the Group's financial reporting process and ensure compliance with applicable accounting standards and regulatory requirements.</p> <p>The Group has implemented an External Auditors' Policy, which outlines the principles and procedures for evaluating the suitability, independence, objectivity and performance of the External Auditors. This policy is publicly made available on the Company's website at <a href="https://pgbgroup.com.my/corporate-governance">https://pgbgroup.com.my/corporate-governance</a>, with last reviewed on 18 July 2023.</p> <p>In accordance with the External Auditors' Policy and the AC's TOR, the AC conducts an annual evaluation of the External Auditors using a structured assessment form covering the following criteria:</p> <ul style="list-style-type: none"><li>(i) Capability and experience of the audit team;</li><li>(ii) Quality and efficiency of audit services;</li><li>(iii) Communication and professionalism;</li><li>(iv) Independence, objectivity and ethical compliance; and</li><li>(v) Audit scope, fees and planning process;</li></ul> <p>The AC also reviews the External Audit firm's latest Annual Transparency Report and assesses non-audit services provided by the auditors or their affiliates to ensure that such services do not compromise audit independence. All proposed non-audit engagements required AC approval based on their nature, scope and fees appropriateness.</p> <p>In FY2025, BDO PLT ("BDO") continued to serve as the Group's External Auditors. On 28 February 2025, BDO presented their Audit Planning Memorandum to the AC and formally confirmed its independence in accordance with the MIA By-Laws (On Professional Ethics, Conduct and Practice).</p>

	<p>Non-audit services rendered during the year, primarily tax-related engagements for subsidiaries, were carried out by separate teams and determined not to impair BDO's independence. Further information on the audit and non-audit fees paid or payable to the BDO and their affiliates for FY2025 are outlined in the "Additional Compliance Information" section of the AR 2025.</p> <p>As part of its audit oversight, the AC held two (2) private sessions with BDO during the year, without the presence of Executive Directors or Management. BDO confirmed full cooperation from Management, and no significant issues were raised.</p> <p>Following its evaluation conducted in May 2025, the AC concluded that BDO remained independent, objective and competent throughout the audit engagement. The AC was satisfied with the quality of their audit services and no major concerns were raised. Based on this evaluation, the AC recommended BDO's reappointment as External Auditors for the ensuing financial year. The Board endorsed this recommendation, which will be tabled for shareholders' approval at the forthcoming 78<sup>th</sup> AGM.</p> <p>Further details on audit oversight and AC activities are disclosed in the "Audit Committee Report" section of the AR 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

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 solely Independent Non-Executive Directors, as outlined below:</p> <table><tr><th>Name</th><th>Position</th><th>Designation</th></tr><tr><td>Mr. Tee Boon Hin</td><td>Chairman</td><td>Senior Independent Non-Executive Director</td></tr><tr><td>Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Dato' Haji Ismail Bin Karim</td><td>Member</td><td>Independent Non-Executive Director</td></tr></table> <p>This fully independent composition enables the AC to exercise objective judgement and act in the best interest of the Company, including maintaining independent engagement with the External Auditors on matters requiring the AC's attention.</p> <p>A majority of AC members are independent financial experts. Mr. Tee Boon Hin is a member of the MIA, while Tan Sri Datuk Wira Dr. Hj. Mohd Shukor bin Hj. Mahfar brings extensive experience in financial governance and taxation matters, gained from his leadership tenure at the Inland Revenue Board of Malaysia and his current role as principal of a tax and management consultancy practice.</p> <p>The AC operates in accordance with its TOR, which has been approved by the Board and is published on the Company's website at <a href="https://pgbgroup.com.my/audit-committee/">https://pgbgroup.com.my/audit-committee/</a>. The Board reviews the TOR of AC to ensure its continued relevance and alignment with the Group's requirements, the MCGG and the Listing Requirements.</p> <p>The AC is required to meet at least four (4) times a year or more frequently as deem necessary. During FY2025, five (5) meetings were held, with full attendance by all members. Attendance details are disclosed in the "Corporate Governance Overview Statement" section of the AR 2025.</p>	Name	Position	Designation	Mr. Tee Boon Hin	Chairman	Senior Independent Non-Executive Director	Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Member	Independent Non-Executive Director	Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director
Name	Position	Designation												
Mr. Tee Boon Hin	Chairman	Senior Independent Non-Executive Director												
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Member	Independent Non-Executive Director												
Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director												

	Details on the key activities undertaken by the AC during FY2025 are set out in the “Audit Committee Report” section of the AR 2025.
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### 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 comprises three (3) Independent Non-Executive Directors with diverse professional backgrounds and expertise. All members are financially literate and possess the necessary knowledge and experience to discharge their responsibilities effectively, particularly in relation to the Group's financial reporting process, risk management and internal control framework.</p> <p>Mr. Tee Boon Hin, the AC Chairman, is a Chartered Accountant and member of the MIA, thereby fulfilling Paragraph 15.09(1)(c)(i) of the Bursa Securities' Listing Requirements.</p> <p>In accordance with the AC's TOR, all members must be financial literate, with at least one member the following criteria:</p> <ul style="list-style-type: none"><li>(a) Being a member of MIA; or</li><li>(b) If not an MIA member, having at least three (3) years of relevant working experience; and:<ul style="list-style-type: none"><li>(i) Passed examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or</li><li>(ii) Being a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or</li></ul></li><li>(c) Meeting other requirements as prescribed or approved by the Bursa Securities.</li></ul>

	<p>The AC supports the Board in fulfilling its fiduciary responsibilities by reviewing the quarterly financial results and annual Audited Financial Statements (“AFS”), ensuring they comply with the Companies Act 2016, applicable accounting standards and the Bursa Securities’ Listing Requirements. Through this process, the Board ensures shareholders are provided with clear, balanced and meaningful insights into the Group’s financial position and performance.</p> <p>In accordance with Paragraph 15.20 of the Bursa Securities’ Listing Requirements, the NC conducts an annual review of the AC’s terms of office and performance. Based on the FY2025 evaluation, the Board is satisfied with the AC continues to operate effectively. The assessment noted that AC Chair and members demonstrate sound judgement, professional scepticism and a strong understanding of financial reporting and governance matters. Further details of the evaluation outcomes are disclosed in Practice 9.3 of this Corporate Governance Report.</p> <p>The AC members bring knowledge across accountancy, taxation, economics, property development and investment. Their collective insights contribute to the quality of oversight across internal audit, risk management and financial assurance activities.</p> <p>All members are expected to devote sufficient time and effort to continuously enhance their knowledge. They undertook ongoing professional development to keep themselves abreast of changes in accounting and auditing standards, regulatory developments, and best governance practices. The specific training programmes attended by each AC member during FY2025 are disclosed under “Directors’ Training and Development” in the Corporate Governance Overview Statement of the AR 2025.</p> <p>Biographical details of the AC members, including qualifications and professional experience, are provided in the “Board of Directors’ Profile” section of the AR 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 10.1

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 reaffirms its overall responsibility for maintaining an effective risk management and internal control system as a integral component of sound corporate governance and business management. This system is designed to manage risks within the parameters of the risk appetite and tolerance established by the Board, providing reasonable but not absolute assurance against material misstatements, loss, or fraud.</p> <p>The Board acknowledges that risk management is a continuous and structure process involving the identification, assessment and mitigation of risks that may affect the Group's operations and objectives. The Board has delegated oversight of risk management processes to the RMC.</p> <p>With the support of the RMC, the Board has established a structured Group Risk Management ("GRM") Framework to embed effective risk management across all levels of the organisation. The GRM Framework is guided by ISO 31000:2018: Risk Management Guidelines, and outlines the Group's risk governance structure, key roles and responsibilities and processes for risk identification, assessment, treatment and monitoring.</p> <p>The objectives of the GRM Framework include, but are not limited to, the following:</p> <ul style="list-style-type: none"><li>▪ Providing clear guidance on identification, management, reporting and monitoring of risks;</li><li>▪ Ensuring that risk exposure remain within defined thresholds across business processes and decision; and</li><li>▪ Defining roles, responsibilities and reporting structures to support effective risk governance and escalation protocols.</li></ul>

	<p>The GRM Framework also incorporates the Group’s risk appetite, tolerance levels and criteria for acceptable risks. It is subject to periodic review by the Board to ensure its continued relevance and ongoing effectiveness in response to evolving business strategies, regulatory developments and emerging risks.</p> <p>Further information on the Group’s risk management and internal control mechanisms is disclosed in the “Statement on Risk Management and Internal Control” section of the AR 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>The Board, through the RMC, oversees the effectiveness of the Group's enterprise risk management and internal control framework. This framework is governed by the GRM Framework, which is benchmarked against ISO 31000:2018: Risk Management Guidelines.</p> <p>Key features of the Group's risk management and internal control framework include:</p> <ul style="list-style-type: none"><li>(i) Defined governance structure with clear roles and responsibilities assigned to the Board, RMC, AC, Top Management, Risk Owners, Risk Management Function and Internal Audit ("IA") Function;</li><li>(ii) Structured risk identification and assessment process, including annual risk reviews and maintenance of risk registers;</li><li>(iii) Integration of bribery, fraud and sustainability and emerging risks into risk assessment procedures, in line with regulatory expectations and sustainability commitments;</li><li>(iv) Periodic review of risk appetite and tolerance thresholds to guide business strategy and decision-making;</li><li>(v) Monitoring mechanisms, including tracking of key risk indicators, regular updates to the risk register and follow-up on mitigation plans; and</li><li>(vi) Embedded control activities, designed to address identified risks and verified through IA reviews.</li></ul>

	<p>Risk assessments are conducted annually to evaluate both existing and emerging risks from strategic, governance, financial, operational and sustainability perspectives. The findings, including key risks, risk events and corresponding management action plans are consolidated into the Enterprise Risk Report. This report is presented to the RMC for evaluation, subsequently submitted to the Board for final review and decision-making.</p> <p>Further details on the key features of the Group' risk management and internal control system are disclosed in the "Statement on Risk Management and Internal Controls" section of the AR 2025.</p> <p>To provide additional assurance, the Board has appointed an independent professional services firm to serve as the Group's Internal Auditors. The IA Function conducts reviews on the adequacy and effectiveness of internal controls, highlighting improvement areas and reports directly to the AC.</p> <p>The Executive Chairman and Finance Director have provided written assurance that the Group's risk management and internal control systems operated adequately and effectively, in all material aspects, throughout the financial year under review. This assurance is supported by the independent review of the Statement on Risk Management and Internal Control conducted by the External Auditors.</p> <p>Based on the comprehensive reporting evaluations and assurance received, the Board is satisfied that the Group's risk management and internal control systems were adequate and effective for FY2025 in safeguarding the interests of the Group and 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

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 RMC supports the Board in overseeing the Group's risk governance and enterprise-wide risk management framework.</p> <p>As at 31 March 2025, the RMC comprised the following three (3) Independent Non-Executive Directors:</p> <table><tr><th>Name</th><th>Position</th><th>Designation</th></tr><tr><td>Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar</td><td>Chairman</td><td>Independent Non-Executive Director</td></tr><tr><td>Dato' Haji Ismail Bin Karim</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Mr. Tee Boon Hin</td><td>Member</td><td>Senior Independent Non-Executive Director</td></tr></table> <p>The key responsibilities carried out by the RMC included:</p> <ul style="list-style-type: none"><li>(i) Overseeing the Group's overall risk management activities;</li><li>(ii) Reviewing the adequacy and effectiveness of risk management framework and internal processes; and</li><li>(iii) Facilitating the implementation and monitoring of risk management action plans across the Group.</li></ul> <p>The RMC operates under its TOR, which has been approved by the Board and is made available on the Company's website at <a href="https://pgbgroupp.com.my/risk-management-committee/">https://pgbgroupp.com.my/risk-management-committee/</a>. The Board reviews the TOR of RMC and makes any necessary amendments to ensure its continued relevance and compliance with the Listing Requirements and the MCCG.</p>	Name	Position	Designation	Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Chairman	Independent Non-Executive Director	Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director	Mr. Tee Boon Hin	Member	Senior Independent Non-Executive Director
Name	Position	Designation												
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Chairman	Independent Non-Executive Director												
Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director												
Mr. Tee Boon Hin	Member	Senior Independent Non-Executive Director												

	<p>The RMC is required to meet at least twice a year or as and when necessary. In FY2025, RMC convened eight (8) meetings with full attendance recorded by all members. Details of the meeting attendance are disclosed in the “Corporate Governance Overview Statement” section of the AR 2025.</p> <p>Details on the key activities undertaken by the RMC during FY2025 are summarised “Risk Management Committee” section of the “Corporate Governance Overview Statement” of the AR 2025.</p>
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## 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, through the AC, is responsible for ensuring the effectiveness and independence of the Internal Audit ("IA") Function. The IA Function is outsourced to NeedsBridge Advisory Sdn. Bhd. ("NeedsBridge"), an independent professional service firm appointed to provide objective assurance on the adequacy and effectiveness of the Group's internal control and risk management systems. NeedsBridge reports directly to the AC and is granted full, unrestricted access to Group records, personnel and premises necessary to fulfil its duties.</p> <p>The IA Function operates under a formal IA Charter that its responsibilities, authority and accountability. In accordance with the IA Charter, the IA Function maintains independence from audited activities and upholds objectivity, professionalism and ethical standards in line with the International Professional Practices Framework ("IPPF") issued by The Institute of Internal Auditors ("IIA").</p> <p>To ensure the IA Function fulfil their responsibilities effectively, the AC performs the oversight roles, include but not limited to the following:</p> <ul style="list-style-type: none"><li>(i) Reviews and approves the engagement letter of the IA Function;</li><li>(ii) Assesses the adequacy of IA Function's scopes, resources, competencies and work plans;</li><li>(iii) Reviews key audit findings and monitors management's response and corrective actions;</li><li>(iv) Ensures that the IA Function operates in accordance with the IA Charter and applicable professional standards; and</li><li>(v) Evaluates the performance and independence of the IA Function.</li></ul>

	<p>The IA Function adopts a risk-based audit approach is developing its annual audit plan, focusing on the Group's key residual risk areas, operational priorities and input from Management. The AC reviewed and approved the IA Plan for FY2025, with the understanding that it remains adaptable to emerging risks or changes in business circumstances.</p> <p>In line with good governance practices, the AC conducted a performance evaluation of the IA function in May 2025 using the Internal Audit Function Evaluation Form guided by the Bursa Securities' Corporate Governance Guide (4<sup>th</sup> Edition). The assessment covered the following areas:</p> <ul style="list-style-type: none"> <li>(i) Audit quality and effectiveness;</li> <li>(ii) Adequacy of resources and technical capability;</li> <li>(iii) Independence and objectivity; and</li> <li>(iv) Audit scope, planning and reporting processes.</li> </ul> <p>Following its evaluation, the AC concluded that the IA Function remains effective, independent and adequately resourced to support the Group's governance and assurance needs.</p> <p>During FY2025, the IA Function conducted internal audits covering the areas of "Treasury Management and Credit Control Management" and "Sustainability Management System". The AC deliberated on the findings, monitored the implementation of corrective actions and confirmed that there were no internal control deficiencies resulting in material losses, contingencies or uncertainties requiring disclosure in the AR 2025.</p> <p>Further details of the IA Function, including its activities and oversight by the AC, are disclosed in the "Audit Committee Report" and "Statement on Risk Management and Internal Control" section of the AR 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 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>To maintain the independence and objectivity of the outsourced IA Function, the engagement team from NeedsBridge reports directly to the AC and meets with the AC at least once annually without Management's presence, facilitating open and independent discussions.</p> <p>As a matter of governance, the outsourced IA Function is strictly prohibited from assuming management roles, including:</p> <ul style="list-style-type: none"><li>(i) Acting on behalf of Management;</li><li>(ii) Authorising or executing transactions;</li><li>(iii) Performing day-to-day control activities;</li><li>(iv) Making final decisions on audit recommendations; and</li><li>(v) Preparing source documents or acting in any operational capacity within the Group.</li></ul> <p>Throughout FY2025, NeedsBridge confirmed that its team maintains independence and objectivity, free from any relationship or conflict of interest or undue influence that could compromise their professional and business judgment.</p> <p>Each audit engagement team was led by Mr. Pang Nam Ming, a Certified Internal Auditor, Fellow Member of Association of Chartered Certified Accountants, professional member of the IIA and the MIA and a Licensed Goods and Services Tax Agent in Malaysia. He was supported by a team comprising one (1) manager, one (1) senior consultant and one (1) consultant per engagement, ensuring sufficient and competent resources throughout the audit cycle.</p> <p>All internal audit activities were conducted in accordance with guidelines set out in the IPPF established by the Institute of Internal Auditors Global, encompassing the Mission, Core Principles, Code of Ethics and the International Standards for Professional Practice of Internal Auditing.</p>

	Further details on the IA function's performance evaluation, activities, governance structure and assurance roles are disclosed under Practice 11.1 as well as in the "Statement on Risk Management and Internal Control" and the "Audit Committee Report" section of the AR 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

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 transparent, timely and consistent communication with stakeholders, including but not limited to shareholders, investors, customers, employees, suppliers, regulators, media and local communities. In line with the MCCG and the Capital Markets and Services Act 2007 ("CMSA"), the Board is committed to upholding the highest standards of corporate disclosure and ensuring equitable access to material information for all stakeholders.</p> <p>To facilitate effective engagement, the Group employs a variety of communication channels:</p> <p><b>(i) General Meetings of Shareholders</b></p> <p>General meetings including the Annual General Meeting ("AGM") and any Extraordinary General Meeting ("EGM") serve as key platforms for direct engagement between the Board and shareholders. These meetings provide shareholders with the updates on the Group's strategic direction, financial performance, corporate developments and proposals requiring shareholder approval.</p> <p>Shareholders are encouraged to participate actively by raising questions and providing feedback on matters including the Group's financial performance, business operations, corporate governance, operations, strategy and other relevant matters.</p> <p>All Directors, Senior Management and where relevant, the external auditors and advisers, are present to respond to any questions raised by the shareholders. Minutes of the general meetings are published on the Company's website to ensure transparency and wider stakeholder access.</p>

	<p>The conduct of these meetings is in line with Practices 13.1, 13.2 and 13.3 of the MCCG, which address timely issuance of notice, the quality of engagement and the disclosure of meeting outcomes. Further details on the conduct and outcomes of the 77<sup>th</sup> AGM and EGM held during FY2025 are disclosed under the relevant sections of this Corporate Governance Report.</p> <p><b>(ii) Corporate Announcements via Bursa Securities</b></p> <p>The Company makes timely and corporate disclosure through Bursa Securities' Bursa LINK platform. These include quarterly financial results, material transactions, changes in Board composition, corporate proposals and other significant developments that may affect the shareholders' and investors' investment decisions.</p> <p>All disclosures are prepared with appropriate due diligence and verification by responsible personnel and subject to the Board's review and approval prior to release. These announcements are simultaneously made available on the Bursa Securities' website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> and the Company's website at <a href="http://www.pgbgroup.com.my">www.pgbgroup.com.my</a>.</p> <p><b>(iii) Annual Reports and Circulars</b></p> <p>The Annual Report remains a key communication tool, providing detailed insights into the Group's performance, governance, risk management, sustainability initiatives and audited financial statements.</p> <p>It includes the Corporate Governance Overview Statement, Audit Committee Report, Sustainability Statement and Statement on Risk Management and Internal Control, among others. Circulars to shareholders are also issued in a timely manner to inform them of material proposals requiring shareholder approval.</p> <p><b>(iv) The Company's Website - <a href="http://www.pgbgroup.com.my">www.pgbgroup.com.my</a></b></p> <p>The Company's website serves as a centralised platform for accessing key corporate information, including governance policies (e.g. Board Charter, Terms of References and others), financial reports, press release and other governance-related disclosures.</p> <p>The website is regularly updated to ensure that stakeholders have ready access to relevant and current information about the Group.</p>
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**(v) Investor Relations Channels**

The Group maintains open communications with analysts, institutional investors and the media through briefings, dialogues and correspondence.

The Executive Chairman, Executive Directors and corporate communications team participate in investor and media events to articulate the Group's strategy, performance and outlook.

Shareholders, investors and the public can contact the Company for inquiries using the following details:

- Tel: 607-278 6668
- Fax: 607-278 6666
- Email: [enquiry@pgbgroup.com.my](mailto:enquiry@pgbgroup.com.my)

**(vi) Public Events, Briefings and Community Engagement**

To foster closer relationships and feedback channels, the Group organises public briefings, property launches, community outreach programmes, and other engagement activities throughout the year. These events provide the Company with opportunities to strengthen its reputation and understand stakeholder expectations.

**Corporate Disclosure Policy**

The Board remains committed to ensuring transparent, timely, accurate and equitable dissemination of material information to all stakeholders. In upholding this commitment, the Group has adopted a Corporate Disclosure Policy ("CDP") which outlines the governance framework and procedures for disclosing corporate information in compliance with the Bursa Securities' Listing Requirements, Corporate Disclosure Guide and best practices recommended under the MCCG.

	<p>The CDP aims to:</p> <ul style="list-style-type: none"> <li>(i) Promote consistent, high-quality disclosure practices across the Group;</li> <li>(ii) Ensure stakeholders, including shareholders and the investing public, are provided with comprehensive, accurate and timely information;</li> <li>(iii) Establish clear roles, responsibilities, and authorisation processes through a Corporate Disclosure Committee ("CDC");</li> <li>(iv) Safeguard confidentiality and mitigate risks of selective or misleading disclosures; and</li> <li>(v) Uphold compliance with insider trading restrictions and closed period rules.</li> </ul> <p>This policy applies to all Directors, Management and employees of the Group, covering both written and oral disclosures including reports, announcements, press releases, investor briefings, and website communications. All material disclosures are authorised by the Board or CDC and made through Bursa Securities or the Company's website to ensure wide public accessibility.</p> <p>The Corporate Disclosure Policy is periodically reviewed and make any necessary amendments to ensure its continue relevance and alignment with the evolving legal requirements and best governance practices Details of this policy are available on the Company's website at <a href="https://pgbggroup.com.my/corporate-governance">https://pgbggroup.com.my/corporate-governance</a>.</p> <p><b><u>Stakeholders Engagement on Sustainability Matters</u></b></p> <p>The Board recognises that stakeholder input is integral to shaping the Group's sustainability direction and sustainability priorities. In alignment with Bursa Securities' Sustainability Reporting Guide, the Group regularly reviews its material sustainability matters and engages stakeholders through structured assessments and inclusive feedback mechanisms.</p> <p>In FY2025, a stakeholder engagement survey was conducted from 9 April 2025 to 23 April 2025, involving a broad range of internal and external stakeholders. The exercise evaluated the relative importance of material sustainability matters identified. Insights gathered were used to refine the prioritisation of material matters to better reflect current stakeholder expectations and emerging sustainability themes.</p> <p>This engagement reinforces the Group's commitment to transparent and inclusive practices, ensuring that its sustainability strategy remains responsive to evolving risks, opportunities and stakeholder interests.</p>
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	Further detailed on the engagement process, sustainability strategies, performance, initiatives and materiality outcomes are provided in the “Sustainability Statement” section of the AR 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**

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>	:		
<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 Board ensures that the Notice of AGM is issued to shareholders at least twenty-eight (28) days prior to the meeting, exceeding the twenty-one (21) days minimum requirement under the Companies Act 2016 and Bursa Securities' Listing Requirements.</p> <p>This practice has been consistently adhered by the Company to allow shareholders ample time to review the proposed resolutions, seek clarification where needed, and make informed voting decisions either in person or through proxies.</p> <p>For the 77<sup>th</sup> AGM held on 28 August 2024, the Notice, together with the explanatory notes and proxy form, was disseminated to shareholders at least twenty-eight (28) days in advance. The Notice of AGM includes clear and detailed explanations for each resolution, addressing matters such as the re-election and remuneration of Directors and the appointment of External Auditors, to facilitate a comprehensive understanding and evaluation of issues involved.</p> <p>The Notice was accompanied by an Administrative Guide outlining procedural details including eligibility, proxy appointment rights and participation guidelines. It was also published in a nationally circulated English newspaper, on the Bursa Securities website and the Company's website at <a href="http://www.pgbgroup.com.my">www.pgbgroup.com.my</a> to maximise accessibility.</p> <p>The Company also held an EGM on 27 December 2024, for which the Notice was disseminated at least fourteen (14) days in advance, complying with the Companies Act 2016 and Bursa Securities' Listing Requirements. While the statutory minimum was observed, the Company ensured that the EGM Notice also contained clear explanatory notes to facilitate shareholder understanding.</p> <p>The Board, with support from the Company Secretary, ensures that all general meeting notices are accurate, timely and transparent, in line with shareholders' expectations and regulatory requirements.</p>

	Further details on the conduct of both the general meetings are disclosed under the “Conduct of General Meetings” section in the Corporate Governance Overview Statement.			
<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>	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

### 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 Board recognises that general meetings serve as a critical platform for meaningful two-way communication with shareholders. The Company is committed to ensuring that shareholders are treated equitably and that their rights, including those of minority shareholders, are protected.</p> <p>As a matter of best practice, all Directors are required to attend general meeting held throughout the financial year. Attendance is pre-scheduled and approved by the Board at the beginning of year to ensure maximum participation. Chairpersons of Board Committees including AC, NC, RC and RMC are present to respond to questions falling within their areas of oversight. Senior Management, Company Secretary and, where relevant, External Auditors or advisers are also in attendance.</p> <p>During FY2025, the Company held its 77<sup>th</sup> AGM on 28 August 2024 and an EGM on 27 December 2024. Both meetings were convened physically. All Directors attended the AGM in person, while for the EGM, two Directors participated virtually due to unavoidable circumstances. At the AGM, the Board was joined by the Company Secretary, Senior Management and External Auditors. At the EGM, the Board was supported by the appointed Principal Advisors, Legal Due Diligence Solicitors and Independent Valuers and Reporting Accountants.</p> <p>The Chairman encouraged shareholders to raise questions and share feedback on resolutions, financial performance, governance matters or any business-related concerns. Questions raised by shareholders were addressed directly by the Chairman or referred to the appropriate Board Committee Chairperson or Senior Management for response.</p> <p>In line with the Paragraph 8.29A of the Bursa Securities' Listing Requirements, all resolutions at the AGM and EGM were voted on by poll. The poll process was conducted electronically through Tricor Investor &amp; Issuing House Services Sdn. Bhd. ("Tricor") TIIH Online platform, with Tricor acting as Poll Administrator and Sky Corporate Services Sdn. Bhd. ("Sky") serving as Independent Scrutineer. The poll results were verified by Sky, announced during the meeting and subsequently released to Bursa Securities on the same day after the close of business.</p>

	<p>Pursuant to Practice 13.6 of the MCCG, minutes of the both general meetings were published on the Company's website at <a href="http://www.pgbgroup.com.my">www.pgbgroup.com.my</a> with thirty (30) business days after the general meetings, enhancing transparency and accessibility for shareholders and the investing public.</p> <p>Outside of general meetings, shareholders and stakeholders are welcome to reach out the Company through the following communication channels:</p> <ul style="list-style-type: none"> <li>➤ Tel: 607-278 6668</li> <li>➤ Fax: 607-278 6666</li> <li>➤ Email: <a href="mailto:enquiry@pgbgroup.com.my">enquiry@pgbgroup.com.my</a></li> </ul> <p>All suggestions and feedbacks received from shareholders are carefully considered by the Board and Management to enhance corporate governance and overall shareholder engagement.</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>	:	Departure
<b>Explanation on application of the practice</b>	:	Please provide an explanation on how the practice is being applied.
<b>Explanation for departure</b>	:	<p>The 77<sup>th</sup> AGM held on 28 August 2024 and the EGM held on 27 December 2024, were conducted physically at Level 2, Grand Paragon Hotel, No.18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor, Malaysia. This approach was adopted after careful consideration of the Group's shareholders' demographics, venue accessibility and the value of direct shareholder engagement.</p> <p>While the Company acknowledges the benefits of virtual and hybrid meeting formats, the Board opted for a physical format after assessing cost implications and the demographics of its shareholder base. Venues selected for the general meetings were centrally located within Johor Bahru to facilitate ease of access.</p> <p>To enhance inclusivity and enable participation beyond the meeting venue, the Company provided remote voting capabilities via Tricor's TIIH Online platform at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>Shareholders were given the flexibility to:</p> <ul style="list-style-type: none"><li>(i) Vote remotely via the Remote Participation and Voting ("RPV") facility;</li><li>(ii) Appoint a proxy to attend on their behalf; or</li><li>(iii) Appoint the Chairman as proxy.</li></ul> <p>To facilitate this, Tricor was appointed as Poll Administrator, while Sky acted as Independent Scrutineer to ensure the transparency and integrity of the poll voting process. An e-voting tutorial video was made available to guide shareholders through the process.</p>

	<p>In adherence to Paragraph 8.29A of Bursa Securities' Listing Requirements, all resolutions were voted by way of electronic poll. Results were promptly announced via Bursa LINK and published on the Company's website.</p> <p>The Company remains committed to improving shareholders' participation at general meetings by exploring cost-effective and secure technological solutions to further enhance shareholders participation at general meetings, taking into consideration the number of shareholders residing at remote locations, shareholder profile, infrastructure readiness, cost-efficiency, and system reliability. Tricor's RPV platform is hosted on a secure cloud infrastructure equipped with multilayered cybersecurity protocols to prevent data breaches and mitigate cyber threats.</p> <p>Further details on the conduct of general meetings, shareholder participation and poll voting processes are disclosed under Practices 13.1 and 13.2 and in the "Corporate Governance Overview Statement" section in the AR 2025.</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>	<table border="1"> <tr> <td data-bbox="544 1048 962 1142"></td> <td data-bbox="962 1048 1423 1142"></td> </tr> </table>		

### 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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises general meetings as a critical platform for shareholders to engage meaningfully with the Company's leadership on matters affecting its performance, governance and long-term direction. The Chairman plays an active role in promoting an open and interactive environment that encourages shareholder participation and fosters transparent dialogue.</p> <p>During the 77<sup>th</sup> AGM, shareholders received a corporate presentation from the Finance Director, outlining the Group's financial results, project milestones and forward-looking strategies. This presentation served to enhance shareholders' understanding of both the financial and non-financial aspects of the Group's performance, enabling more informed and constructive engagement.</p> <p>The Chairman ensures that shareholders are given ample opportunity to ask questions, seek clarification or offer feedback on any aspect of the Group's business, including sustainability matters and strategic initiatives. Depending on the nature of the queries, responses are provided by the Chairman or directed to the appropriate Board member or member of Senior Management.</p> <p>For shareholders unable to attend or raise questions in real time, the Company also facilitates the submission of queries in advance via email at <a href="mailto:enquiry@pgbggroup.com.my">enquiry@pgbggroup.com.my</a>, all of which are addressed during the meeting.</p> <p>The Board remains committed to ensuring that all shareholder questions are given meaningful responses and that views expressed are respectfully considered as part of the Group's ongoing engagement with its investors and 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

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>	:	Please provide an explanation on how the practice is being applied.
<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>	:	<p>In line with Guidance 13.6 of the MCCG, the Company ensures that minutes of its general meetings are made accessible to shareholders in a timely manner.</p> <p>The minutes of 77<sup>th</sup> AGM held on 28 August 2024 and the EGM held on 27 December 2024 were published on the Company's website <a href="http://www.pgbgroup.com.my">www.pgbgroup.com.my</a> within thirty (30) business days upon conclusion of the general meeting.</p> <p>This practice promotes transparency, enables shareholders who were unable to attend the meetings to stay informed and strengthens shareholder confidence in the Group's governance and engagement processes.</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>	:	

**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.*

Not applicable
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