CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	5219
COMPANY NAME	**:**	PESTEC International Berhad
FINANCIAL YEAR	**:**	March 31, 2026

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	Based on the Company's Board Charter, the Board's primary responsibilities, based on a predetermined assessment of materiality, include giving strategic direction to the Company, identifying key risk areas and key performance indicators of Company's business, monitoring investment decisions, considering significant financial matters, and reviewing the performance of executive management against business plans, budgets and industry standards. The Board is explicitly responsible for the stewardship of the Company and in discharging its obligations, the Board assumes responsibility in the following areas:- (a) retain full and effective control over the Company, and monitor management in implementing Board plans and strategies; (b) ensure that a comprehensive system of policies and procedures is operative; (c) identify and monitor non-financial aspects relevant to the business; (d) ensure ethical behaviour and compliance with relevant laws and regulations audit and accounting principles, and the Company's own governing documents and codes of conduct; (e) strive to act above and beyond the minimum requirements and benchmark performance against international best practices and not only to comply in practice, but be seen to comply; (f) define levels of materiality, reserving specific powers to the Board and delegating other matters with the necessary written authority to management and instituting effective mechanisms that ensure Board responsibility for management performance of its functions; (g) act responsibly towards the Company's relevant stakeholders; and

	(h) be aware of, and commit to, the underlying principles of good governance and that compliance with corporate governance principles is reviewed regularly. Having regard to its role, the Board is concerned with key elements of the governance processes underpinning the operation of the Company with particular attention to the following: - (a) review the strategic direction of the Company and adopt business plans proposed by management for the achievement thereof; (b) approve specific financial and non-financial objectives and policies proposed by management. (c) review processes for the identification and management of business risk and processes for compliance with key regulatory and legal areas; (d) delegate authority for capital expenditure and review investment, capital and funding proposal reserved for Board approval; (e) review succession planning for the management team and endorse senior executive appointments, organizational changes and high level remuneration issues; (f) provide oversight of performance against targets and objectives; and (g) provide oversight of reporting to shareholders on the direction, governance and performance of the Company as well as other processes that need reporting and other disclosure requirements. Apart from the above, the Board has also delegated specific responsibilities to several Board Committees and the ultimate responsibility on all matters lies with the entire Board. The Board has adopted a schedule of matters specifically reserved for its approval which include, amongst others, reviewing and approving the following: (a) the strategy, business plans and annual budgets and of any subsequent material changes in strategic direction or material deviations in business plans; (b) new investments, divestments, mergers or acquisitions exercises and/or fundraising activities; (c) the approvals of annual financial statements, and unaudited quarterly results prior to release to Bursa Malaysia Securities Berhad; (d) appointments to and removals from the Board including the appointment of the Chairman, Managing Director and Group Chief Executive Officer, executive directors and non-executive directors, and the approval of nomination of alternate directors (if any) as recommended by the Nomination Committee; and (e) recommendation to shareholders of any increase, reduction or alteration to the share capital of the Company, issue or disposal of shares of the Company;

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<tr><td>Measure :</td><td colspan="2"></td></tr>
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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.

<table>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>Tan Sri Dato' Seri Mohd Zuki bin Ali, an Independent Non-Executive Chairman, is the Chairman of the Board.

He plays a vital role in leading the Board in oversight of management representing the Board to shareholders and chairing general meeting of shareholders. He regularly seeks the opinions of Board members on matters being deliberated during meetings and ensures that the decision made are a representation of the Board as a whole.

The Chairman's responsibilities include, but are not limited to, the following :

• provide leadership to the Board to enable the Board to perform effectively;
• ensure the integrity and effectiveness of the governance process of the Board;
• represent the Board in any communications with the shareholders and other stakeholders of the Company, and their views are communicated to the Board;
• ensure the agenda of Board meetings are appropriate and in order to address key issues that require attention and approval from the Board.
• regular dialogue with the Group Managing Director over all operational matters and will consult with the remainder of the Board promptly over any matter that gives him or her cause for major concern;
• lead the Board meetings to facilitate constructive and effective discussions and ensure no member, whether executive or non-executive, dominates discussion and appropriate discussion takes place.</td></tr>
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Measure :		
Timeframe :		

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.

Application :	Applied	
Explanation on application of the practice :	The positions of Chairman and CEO are held by different individual, namely Tan Sri Dato' Seri Mohd Zuki Bin Ali; and Datuk Mohamed Razeek bin MD Hussain Maricar, the Group Managing Director. The Chairman's main duties and responsibilities are set out in Practice 1.2 above. The Group Managing Director oversees the development and operations of the Group's businesses, and implementing corporate strategies and policies adopted by the Board. His responsibilities also include ensuring that appropriate risk management and compliance procedures are in place, the assets of the Company are adequately maintained and protected and overseeing human capital management.	
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
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

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'.			
Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the board is not a member of the Audit Committee, nor the Nomination Committee and Remuneration Committee.	
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

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.

Application :	Applied	
Explanation on application of the practice :	The Board is supported by company secretaries who are qualified under Section 235(2)(a) of the Companies Act 2016. In exercising their duties, directors have access to the advice and services of the Company secretaries whether as a full board or in their individual capacity, on governance and procedural matters. The company secretary also updates directors on statutory and regulatory requirements and related governance requirements relating to the discharge of their duties and responsibilities. Our directors have unrestricted access to the advice and services of our Company Secretaries to enable them to discharge their duties effectively. The appointment and removal of the Company Secretaries must be approved by the Board. The roles and responsibilities of the Company Secretaries are also set out in the Company's Board Charter and a copy of which is available on the Company's website at https://pestec-international.com/sites/default/files/2024-01/Board-Charter-2023.pdf	
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
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.

Application :	Applied
Explanation on application of the practice :	The Company endeavours to issue the agenda and board papers in sufficient time prior to board and board committee meetings (ie at least 7 days) to enable directors to appreciate the issues to be deliberated and where necessary, obtain any further explanations required. The meeting papers includes, among others, the minutes of previous meetings of the Board and Committees, reports on financial and operational developments of the Group, summary of dealings in shares by the Directors, Directors' written resolutions, and announcements made to Bursa Malaysia Securities Berhad. In addition to the provision of meeting materials, Directors may seek independent professional advice, if necessary, at the Company's expenses in the furtherance of their duties. The minutes of the meeting will be circulated to all Directors and tabled at next meeting for confirmation. The minutes of the meeting are duly signed by the Chairman and properly kept at the Registered Office. For matters which require the Board's decision on urgent basis outside of Board Meetings, board papers along with resolutions in writing will be circulated for the Board's consideration. All written resolutions approved by the Board are tabled for notation at the next Board Meeting.
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
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.

Application	:	Applied	
Explanation on application of the practice	:	A Board Charter sets out the matters reserved for the Board's decision and outline the Board's responsibilities stated therein are in line with the Companies Act 2016, requirements of the Malaysian Code of Corporate Governance and Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board Charter describes concisely the roles and responsibilities of the Board, Board Committees, individual Director and Management, as well as the issues and decisions reserved for the Board to facilitate the Board in discharging its fiduciary and leadership functions. The Board Charter is subject to review by the Board as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulators and remains consistent with the policies and procedures of the Board. The Board Charter is published on the Company's website : https://pestec-international.com/sites/default/files/2024-01/Board-Charter-2023.pdf	
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

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.

Application	:	Applied
Explanation on application of the practice	:	The Board is guided by the Directors' Code of Conduct which sets out the values, principles and guidelines on how the Company conducts its business to ensure integrity and accountability. The Directors' Code of Conduct is published on the Company's corporate website at www.pestec-international.com. In serving customers and in dealing with suppliers, vendors and subcontractors, management, employees and other stakeholders are guided by the Code of Ethical Conduct which is also published on the above website. The Company strives to put their interest ahead of other personal interests in order to uphold the Company's reputation and their confidence with PIB. The Company is committed to provide efficient, effective and excellent products and services in an impartial manner. All employees and Directors of the Company are required to declare that they have received, read and understood the provisions of the Directors' Code of Conduct and Code of Ethical Conduct, and agreed to comply with its terms throughout their employment or tenure with the Company. In addition, the Group has adopted an 'Anti-Bribery and Anti-Corruption Policy' ("**ABAC**") which applies to all directors, management employees and contract workers of all entities in PESTEC Group. The ABAC sets out PESTEC Group's guiding principle and its zero-tolerance approach against all forms of bribery and corruption, managing conflicts of interest, policy on gifts, entertainment and corporate hospitality, corporate social responsibility, donations, sponsorship and scholarships, handling facilitation payments requests, dealing with public officials, political contributions and dealing with third parties. It is communicated to all parties with whom the Group has business dealings, and is accessible to the public via the Company's website:

	https://pestec-international.com/sites/default/files/2025-05/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf	
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

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.

Application	:	Applied
Explanation on application of the practice	:	The Board has a Whistleblowing Policy with mechanisms to confidentially and anonymously bring to the attention of the Audit Committee, any concerns related to matters covered by the Company's Code of Conduct and ethics. The Company's Whistle-Blowing policy and guidelines are set out in the Company's website at https://pestec-international.com/sites/default/files/Whistle-Blowing-Policy.pdf
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
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.

Application	:	Applied
Explanation on application of the practice	:	The Board delegates the governance of sustainability to the Group Sustainability Steering Committee ("**SSC**"). SSC is tasked to drive the sustainability initiative in line with the Global Reporting Initiatives Standards and strategic thrust from the Board by: a) assessing the key sustainability matters and stakeholders involved or affected by these key sustainability matters; b) setting threshold on the Materiality Matrix for which sustainability matters beyond the set limit would be considered material. c) establishing measurement criteria of each sustainability matter; d) reviewing Environment, Social and Governance ("**ESG**") Risks Summary and Stakeholders' Engagement Analysis; e) assigning designated person-in-charge to prepare Sustainability Report; f) reviewing the Sustainability Report for its applicability, execution and achievement versus the targets; and g) assigning designated person-in-charge to prepare and draft Sustainability Statement for disclosure in the Annual Report. Management is responsible for implementing the sustainability initiatives, while the Board retains ultimate oversight and overall responsibility for the sustainability directions of the Company.
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
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	:	During the Financial Year, the Company continued to implement Sustainability Policy, Reporting Operating Procedures and Sustainability Target Review approved by the Board last year, ensuring transparent communication of its' sustainability strategies, priorities and targets and performance to both internal and external stakeholders. To further support these efforts, the SSC organised external training conducted by a qualified trainer for the majority staff. The training focused on equipping the Sustainability Officer with the knowledge and skills to effectively manage and report the Company's sustainability risks and initiatives, with the majority of staff playing a supporting role by contributing data and information for sustainability reporting.	
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

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.

Application	:	Applied	
Explanation on application of the practice	:	During the Financial Year, the Sustainability Target Review and Sustainability and Risk Management Report including Project Charter, Sustainability Reporting Structure, Project objectives, material topics and the corresponding targets as well as achievements versus targets as below were presented by the SSC to the Board:- i) Environment : Energy management, water security, climate change, pollution and resources ii) Social : community/society, diversity, customer responsibility, economic/business, health and safety, supply chain management and labour practices iii) Governance : Anti-Bribery and Anti-Corruption, Data Privacy and Security, labour practices, risk management and tax transparency	
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
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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	As this juncture, the review of the performance of the Board and Senior Management has yet to address the Company's material sustainability risks and opportunities. Steps will be taken to include a review of the performance of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities by the next financial year.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 4.5- Step Up
The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.		
Application	:	Adopted
Explanation on adoption of the practice	:	The Board has identified Ms Hiew J-Myee, Head of Transformation Governance & Integrity as a designated person to manage the Group's sustainability strategically in the operations of the Group.

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.

Application :	Applied
Explanation on application of the practice :	The NC reviews the composition and balance of the Board and Board Committees, their alignment with the Company's strategic objectives and the need for progressive refreshing of the Board. The Board has adopted a Fit and Proper Policy ("FPP") for directors. The FPP guides the board in its review and assessment of candidates who are to be appointed to the board, as well as directors who are seeking re-election. The three main criteria of the FPP are as follows : (a) Character and integrity; (b) Experience and competence; and (c) Time and commitment. The NC had carried out the necessary assessment of the retiring directors based on their fit and proper criteria pursuant to the FPP; and recommended the retiring directors for re-election. The Board has endorsed the NC's recommendation to re-elect the directors. The NC has conducted a fit and proper assessment on both the proposed appointment of the Director and the Directors who are due for retirement at the forthcoming Fifteenth Annual General Meeting. Subsequent to this assessment, the NC satisfied that the new appointment and the retiring Directors have fulfilled the criteria of character, experience, integrity, competency, and time commitment, thereby demonstrating their ability to effectively carry out their roles as Directors of the Company:- (a) Tan Sri Dato' Seri Mohd Zuki Bin Ali (b) Datuk Seri (Dr.) Subramaniam Pillai Sankaran Pillai (c) Pn Nazeera Binti Alias
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.

Application	:	Departure
Explanation on application of the practice	:	Please provide an explanation on how the practice is being applied.
Explanation for departure	:	The Board is of the view that at present time, the current Board composition provides the appropriate balance between Executive Directors, Non-Independent Non-Executive Director and Independent Non-Executive Directors with diverse skills, knowledge and industry experience required to lead and oversee the Group. The Board currently comprises seven (7) members, with three (3) Executive Directors, (1) Non-Independent Non-Executive Director and (3) Independent Non-Executive Directors, along with one (1) Alternate Director to Executive Director. The Board composition consist of: • One (1) Independent Non-Executive Chairman • One (1) Group Executive Director • One (1) Group Managing Director • One (1) Non-Independent Non-Executive Director • Two (2) Independent Non-Executive Directors • One (1) Non-Independent Executive Director The Board is of the view that the Independent Non-Executive Directors have fulfilled their role as Independent Directors through objective participation in Board deliberations and the exercise of unbiased and independent judgement. The Board operates in a manner that ensures the Directors exercise independent judgement and the decisions made by the Board are in the best interest of the Company. In addition, any Director who considers that he/she has or may have a conflict of interest or a material personal interest or a direct or indirect interest or relationship that could reasonably be considered to influence in a material way the Director's decision in any matter concerning the Company is required to immediately disclose to the Board and to abstain from participating in any discussion or voting in the specific matter. The Board, alongside the Nomination Committee, will undertake continuous review of the Board composition and its effectiveness. The Board will continue to source for suitable candidates, where necessary,

	to ensure there is adequate independence of judgment and balance of power and authority on the Board. In order to create a more conducive environment for insightful deliberations and informed decision-making, the Board will focus on enlisting Independent Directors who possess strong business acumen that is complemented with a sound understanding of the Group's business. Presently, the Board is comfortable with the current size and composition of the Board members.	
	Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe :	Others	Not Applicable

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.

Application	:	Applied	
Explanation on application of the practice	:	Presently, there are no Independent Directors serving beyond nine (9) years. The Board Charter stipulates that where the tenure of an Independent Director exceeds a cumulative term of nine (9) years, the Board shall make recommendation and provide justifications to shareholders at a general meeting should it seek to retain the Director as an Independent Director. Alternatively, the Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director.	
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 5.4 - 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.		
Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied
Explanation on application of the practice	:	The Board takes cognisant of the importance in promoting diversity and gender mix in its composition comprising of different skill sets, experience, age, cultural background and gender. The Nomination Committee is responsible to assess the capabilities and qualities of the candidates to be appointed as Board members as well as Board Committee members taking into account the individual's skills, competencies, knowledge, experience, expertise, professionalism and integrity. The Nomination Committee has a formal assessment mechanism in place to assess the Board, Board Committees and individual Directors on an annual basis. None of our directors exceeds the limit of directorships as prescribed under the Main Market Listing Requirements of Bursa Securities. The Board devotes sufficient time to serve the Board effectively and the current composition of the Board does not consist of any active politician i.e. a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party. The Board has adopted a 'Fit and Proper Policy' and the Company is also guided by the provisions therein for new board appointments as well as re-elections of directors. On 23 July 2026, Pn Nazeera Binti Alias was nominated and subsequently appointed as an Independent Non-Executive Director
Explanation for departure	:	

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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.

Application	:	Applied
Explanation on application of the practice	:	The Board seeks recommendations for candidates for new Board members from existing Board members, major shareholders and independent sources. All appointments are subject to the review by the Nomination Committee based on pre-determined criteria prior to the consideration and approval by the Board. The Board takes cognisant of the recommendation of the Malaysian Code on Corporate Governance to utilise a variety of approaches and sources to identify suitable candidates, which may include sourcing from a directors' registry, open advertisements or using the independent search firms. The Nomination Committee and the Board will ensure that the procedures for appointing new Directors are transparent and formal and the appointments are made on merits. The group recognises the importance of identifying and developing potential leaders and managers to fill key positions (whether on the board or senior management) in the Company and group, from both internal and external sources. This is an on-going process based on the group's short and longer term needs in terms of the variety of skills, expertise, knowledge and experience. The Board is of the opinion that the present sources/methods of identifying candidates for board positions from existing directors, senior management or business associates etc, have been effective and would offer a sufficient range of prospective candidates to meet the group's requirements. Pn Nazeera Binti Alias was nominated and subsequently appointed as Director of the Company on 23 July 2026. The nomination of Pn Nazeera Binti Alias as a Director was made based on the recommendation of the existing board members. The appointment of Pn Nazeera Binti Alias was thoroughly assessed based on her competence, integrity, character, time commitment and experience as stated in Paragraph 2.20A of Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). Furthermore, her appointment adheres to

	the fit and proper criteria outlined in the Fit and Proper Policy of the Company and Pn Nazeera Binti Alias has also met the criteria for an Independent Director as prescribed in the MMLR of Bursa Securities.	
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 5.7
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.

Application :	Applied	
Explanation on application of the practice :	The details of the directors' interests, position, qualifications and experience, directorships in listed companies and public companies, their relationship with any other director and/or major shareholder of the Company, and any conflict-of-interest disclosures, are set out in the respective directors' profiles in the annual report. Directors standing for re-election at the annual general meeting are evaluated by the Nomination Committee in accordance with the Fit and Proper Policy of the Company, and recommended by the Board to shareholders for approval. The justifications to support the re-election of retiring Directors were provided in the Notice of AGM for shareholders to make informed decision at the annual general meeting.	
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 5.8
The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Chairman of the Nomination Committee, Pn Masnizam Binti Hisham is an Independent Non-Executive Director. She was appointed as Chairman of the Nomination Committee on 23 July 2026.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><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 5.9
The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	Currently, the Board comprises three (3) female Directors, namely Pn Roza Shahnaz Binti Omar, Pn Masnizam Binti Hisham and Pn Nazeera Binti Alias, equivalent to 43% women representation on the Board.	
Explanation for departure	:	Please provide an explanation for the departure.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		Please specify number of years.

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.

Application	:	Applied	
Explanation on application of the practice	:	The Company has adopted a Board Diversity Policy, which sets out the approach to diversity on the Board of Directors and the Senior Management level. The Board Diversity Policy does not set any specific target on the composition in terms of gender, age or ethnic of its Board members or members of Senior Management. However, the Board is well represented by individuals drawn from distinctly diverse professional backgrounds who have distinguished themselves in the electrical engineering, mechanical engineering, multinational business, accounting, information technology, banking and investments. Presently, there are three (3) women directors on Board.	
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
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.

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.		
Application	:	Applied
Explanation on application of the practice	:	The Board has adopted a formal and objective annual evaluation of the Board, Board Committees and Directors' performance. The assessment took into account the contribution and performance of the Directors in relation to their competencies, time commitment, experience in meeting the needs of the Company. The Board, through the NC, will conduct an annual self-evaluation and/or peer evaluation on its effectiveness as a whole, each individual Directors and the different Committees established by the Board. The Fit and Proper Policy also provides guidance to the NC and the Board in their review and assessment of potential candidates for appointment as Directors as well as Directors who are seeking for re-election and re-appointment at the forthcoming AGM of the Company, with a view to meeting current and future requirements of the Group. For the FYE 31 March 2026, based on the recent assessment, the NC was satisfied that the results of the annual assessment demonstrated that the Board and its committees:- i) The contribution of each Director and effectiveness of the Board and Board Committees; ii) Diversity (including mix of skills, experience and size) of the Board; iii) The level of independence of Independent Directors; iv) The character, experience, integrity and competence of the Directors, President and Chief Financial Officer and to ensure they have time to discharge their respective roles; v) Directors' Evaluation Form (completed by Nominating Committee to assess the directors who are subject for re-election at the forthcoming AGM); and

	Assessment to Director' Fit and Properness (completed by Directors who are subject to re-election/re-appointment at the forthcoming Annual General Meeting). The Board engages the Company Secretaries who are from an independent external secretarial firm to facilitate the Board's evaluation via evaluation forms and informal discussions with the Directors and the criteria and outcome of the assessment were properly documented.
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

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.

Application	:	Applied	
Explanation on application of the practice	:	The Board has in place policies and procedures to determine the remuneration of Directors and Senior Management that take into account the demands, complexities and performance of the Company as well as skills and experience required, and these are periodically reviewed. The remuneration of the Executive Directors is structured at such that it is linked to the corporate and individual performance. The Non-Executive Directors will receive remuneration packages which reflect the relevant experience, expertise and level of responsibilities undertaken by the respective Non-Executive Director. Our remuneration strategy and practices for Senior Management ensure business complexities and individual responsibilities are aligned with business strategy and long-term objectives. The Remuneration Policy of Directors and Senior Management is accessible on the Company's website at www.pestec-international.com.	
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

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.

<table>
<tr><td>Application</td><td>:</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td>The Remuneration Committee ("RC") comprises a majority of Independent Non-Executive Directors. Following the appointment of Puan Nazeera Binti Alias as the Chairman of the RC on 23 July 2026 and the resignation of Puan Masnizam Binti Hisham as the Chairman of the RC on the same date, the current composition of the RC is as follows:-

<table>
<tr><td>Name</td><td>Membership</td><td>Directorship</td></tr>
<tr><td>Nazeera Binti Alias</td><td>Chairman</td><td>Independent Non-Executive Director</td></tr>
<tr><td>Roza Shahnaz Binti Omar</td><td>Member</td><td>Independent Non-Executive Director</td></tr>
<tr><td>Dato' Wee Yiaw Hin @ Ong Yiaw Hin</td><td>Member</td><td>Non-Independent Non-Executive Director</td></tr>
</table>

The duties and responsibilities of the Remuneration Committee are as follows:-

• To review and assess the remuneration packages of the Executive Directors and Senior Management in all forms, with or without other independent professional advice or other outside advice.

• To ensure the level of remuneration be sufficiently attractive and be able to retain Directors and Senior Management needed to run the Company successfully.

• To structure the component parts of remuneration so as to link rewards to corporate and individual performance and to assess the needs of the Company for talent at Board level at a particular time.</td></tr>
</table>

	• To recommend to the Board of Directors the remuneration packages of the Executive Directors and Senior Management. • To recommend to the Board of Directors the policy and framework for Directors’ remuneration as well as the remuneration and terms of service of Executive Directors and Senior Management. • To act in line with the directions of the Board of Directors; and • To consider and examine such other matters as the Remuneration Committee considers appropriate. The Terms of Reference of the Remuneration Committee is available on the Company’s corporate website at www.pestec-international.com.
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
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.

Application	:	Applied
Explanation on application of the practice	:	The details of remuneration of individual directors on named basis have been included in the Annual Report 2026. Please also find below the detailed disclosure.

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	Tan Sri Dato' Seri Mohd Zuki Bin Ali	Independent Director	120,000	12,000	-	-	-	-	132,000	120,000	12,000	-	-	-	-	132,000
2	Datuk Seri (Dr) Subramaniam Pillai Sankaran Pillai	Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Datuk Mohamed Razeek Bin Md Hussain Maricar	Executive Director	-	90,000	-	-	-	4269.60	94,269.60	-	90,000	-	-	-	4,269.60	94,269.60
4	Puan Roza Shahnaz Binti Omar ^	Independent Director	71,166.67	31,500	-	-	-	-	102,666.67	71,166.67	31,500	-	-	-	-	102,666.67
5	Dato' Wee Yiaw Hin @ Ong Yiaw Hin ^^	Non-Executive Non-Independent Director	63,166.67	27,000	-	-	-	-	90,166.67	63,166.67	27,000	-	-	-	-	90,166.67
6	Puan Masnizam Binti Hisham^^^	Executive Director	50,609.70	19,500	-	-	-	-	70,109.70	50,609.70	19,500	-	-	-	-	70,109.70
7	Lim Ah Hock *	Non-Executive Non-	42,580.64	4,000	-	-	-	-	46,580.64	42,580.64	4,000	-	-	-	-	42,580.64

		Independent Director														
8	Lim Pay Chuan *	Non-Executive Non-Independent Director	-	-	298,500	-	-	39,153.15	337,653.15	-	-	298,500	-	-	39,153.15	337,653.15
9	Helen Tan Miang Kieng **	Independent Director	25,666.67	20,000	-	-	-	-	45,666.67	25,666.67	20,000	-	-	-	-	45,666.67
10	Dato' Harjit Singh A/L Gurdev Singh ***	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Haymandhra Pillai Subramaniam Pillai^^^^	Alternate Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Nazeera Binti Alias^^^^^	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-

^ Appointed on 30 April 2025
^^ Appointed as an Independent Director on 30 April 2025 and subsequently re-designated as a Non-Independent Director on 27 August 2025
^^^Appointed as an Independent Director on 9 July 2025 and subsequently re-designated as a Non-Independent Executive Director on 23 July 2026.
^^^^Appointed as Alternate Director to Datuk Seri (Dr.) Subramaniam Pillai Sankaran Pillai on 25 May 2026
^^^^^Appointed on 23 July 2026
* Resigned on 27 August 2025
** Retired on 4 September 2025
*** Resigned on 19 June 2025

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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board is of the opinion that the disclosure on the remuneration of the Senior Management on a named basis would not be in the best interest of the Group due to confidentiality and personal security concern.	
		Therefore, disclosure on the remuneration of the Senior Management in the bands of RM50,000 on no named basis is provided in the Corporate Governance Overview Statement in the Company's Annual Report for the Financial Year. The Board will ensure that the remuneration of the Senior Management commensurate with their duties and responsibilities, the performance of the Company and on par with the market payouts.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Company intends to continue with the current practice	
Timeframe	:	Others	Not Applicable

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1								
2								
3								
4								
5								

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

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.

Application	:	Applied	
Explanation on application of the practice	:	The Chairperson of the Audit Committee is Puan Roza Shahnaz Binti Omar and the Chairman of the Board is Tan Sri Dato Seri' Mohd Zuki Bin Ali.	
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
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.

Application :	Applied	
Explanation on application of the practice :	The policy on observation of a cooling-off period of at least three (3) years for a former key audit partner prior to the appointment as a member of Audit Committee was incorporated in the Terms of Reference of Audit Committee. Presently, none of our member of Audit Committee is a former key audit partner.	
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
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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">Under the Terms of Reference of the Audit Committee, the Audit Committee shall assess and monitor the independence and qualification of the External Auditors and consider their appointment.

Based on the annual assessment conducted for the Financial Year at the meeting held on 23 July 2026, the Audit Committee was satisfied with the performance and independence of the external auditors as well as the fulfilment of criteria based on several factors, including independence of the external auditors, quality of audit review procedures and adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with.

Messrs. Nexia SSY PLT had also confirmed to the Audit Committee that they had been independent in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants throughout the audit engagement in respect of the Financial Year.

The Board, upon the recommendation by the Audit Committee, has no objections to the re-appointment of the External Auditors and will accordingly, seek for shareholders' approval at the forthcoming Annual General Meeting of the Company.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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.

Application :	Not Adopted
Explanation on adoption of the practice :	

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.

Application :	Applied	
Explanation on application of the practice :	The members of the Audit Committee ("AC") possess a mix of skills, knowledge and experience to enable them to discharge their duties and responsibilities pursuant to the AC's terms of reference. The member of AC, Puan Nazeera Binti Alias is a member of the Malaysian Institute of Accountants. The Nomination Committee has carried out an assessment on the AC and is satisfied with the performance of the AC for the financial year ended 31 March 2026. The AC members' profiles are set out in the Annual Report 2026. The AC members are aware of the need to continuously develop and to broaden their knowledge in the areas of accounting and auditing in order to carry out their roles and duties effectively. Various training has been undertaken by the AC members on an ongoing and timely basis to keep themselves abreast of relevant industry developments.	
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

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.

Application :	Applied	
Explanation on application of the practice :	An Enterprise Risk Management ("**ERM**") framework was established to identify and manage the significant risks faced in the Group's operations. The Board acknowledges their overall and ultimate responsibility for overseeing the Group's risk management and internal control systems ("RMIC Systems") as well as reviewing the adequacy, integrity and effectiveness of these systems to safeguard shareholders' investment and the Group's assets. The RMIC Systems cover, inter alia, the financial, operational and compliance controls of the Group. However, the RMIC Systems provide reasonable but not absolute assurance against material misstatement, loss and fraud that may hinder the Group from achieving its business objectives. The Group's risk management function had been combined with sustainability and both are under the purview of the Group Risk Management Committee ("RMC"). The principal roles and responsibilities of the RMC in RMIC are to identify and communicate to the Board or the Audit Committee, critical risks (present or potential) that Group faces, their changes and Management action plans to manage the risks.	
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

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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Group has implemented a formal approach to the risk management framework whereby a systematic and logical methodology risk management model has been adopted to ensure key risks are identified, evaluated, properly prioritised, owners identified with proper response time set and allowed for continuous improvement.

The RMC ensures that the accountability for managing the significant risks identified is clearly assigned and that the identified risks affecting the Group and the Company are being satisfactorily addressed on an ongoing basis.

Further details of the Group's risk management and internal control framework are provided in the Statement on Risk Management and Internal Control in the Annual Report 2026.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	Please provide an explanation on the adoption.

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.

Application	:	Applied	
Explanation on application of the practice	:	The Board outsourced the internal audit function to Axcelasia Sdn. Bhd. ("**Axcelasia**"). The internal audit function reports directly to the Audit Committee on the adequacy and effectiveness of the system of internal controls in the operating units and the extent of compliance to the established processes, policies and procedures and applicable laws and regulations. The Audit Committee reviewed the Internal Audit Reports presented by Axcelasia during the Audit Committee meeting. The internal audit function has adopted a risk-based approach and prepared its audit strategy and plan based on the risk profiles of the major business functions of the Group, and in accordance with the internal audit plan approved by the Audit Committee. The details and summary of work of the internal audit function are further disclosed in the Audit Committee Report in the Annual Report 2026.	
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
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.

Application	:	Applied
Explanation on application of the practice	:	The internal audit function is outsourced to Axcelasia Sdn Bhd and reports directly to the Audit Committee. The person in charge is Mr. David Low Tak Wei ("**Mr. David Low**"), an Executive Director of Axcelasia. Mr. David Low is a Certified Internal Auditor (CIA), a Professional Member of the Institute of Internal Auditors of Malaysia, the CMIIA; a fellow member of the Association of the Chartered Certified Accountants (UK), FCCA; a Chartered Accountant, a member of the Malaysian Institute of Accountants (MIA); and Associate Member of the Association of Certified Fraud Examiners; and a Certified Lead Assessor of ISO 37001:2016 ABMS. The internal audit carried out by internal audit function is guided by internal auditing standards promulgated by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors. The Audit Committee also received assurance from Axcelasia that all assigned internal audit engagement team personnel remain independent, objective and free from any relationships or conflicts of interest in carrying out their internal audit duties throughout the engagement. The Board, through the Audit Committee had on 23 July 2026, reviewed and assessed the performance of Axcelasia and was satisfied with the performance and deliverables of Axcelasia.
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
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.

Application	:	Applied	
Explanation on application of the practice	:	The Company uses various channels of communications as below to enable the Board and Management to continuously communicate, disclose and disseminate comprehensive and timely information to investors, shareholders, financial community and the public generally. (i) the quarterly announcements on financial results and other periodical or relevant announcement to Bursa Malaysia Securities Berhad; (ii) circulars and annual report; (iii) general meetings of shareholders; (iv) meetings with investors, analysts and fund managers and briefing where appropriate; and (v) the Company's website at www.pestec-international.com where shareholders can access corporate information such as the Board Charter, Terms of References of the Board Committees, Company policies, press releases, financial information, Company announcements and etc.	
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

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.

<table>
<tr><td>Application</td><td>:</td><td colspan="2">Not applicable – Not a Large Company</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td colspan="2">Please provide an explanation for the departure.</td></tr>
<tr><td colspan="2">Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</td></tr>
<tr><td colspan="4">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure</td><td>:</td><td colspan="2">Please explain the measure(s) the company has taken or intend to take to adopt the practice.</td></tr>
<tr><td>Timeframe</td><td>:</td><td></td><td>Please specify number of years.</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 13.1
Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	Notice for the 14th Annual General Meeting ("1st AGM") has been given to the shareholders at least twenty-eight (28) days prior to the meeting to ensure that shareholders were given sufficient time to read and consider the resolutions to be resolved. The notice for the Company's 14th AGM was issued on 3 August 2025 for the AGM held on 4th September 2025. This timeline adheres to the stipulated requirement of providing a twenty-one (21) days' notice, as required by the Companies Act 2016. Furthermore, in accordance with the MMLR of Bursa Securities, the notice of the 14th AGM was also published in a nationally circulated newspaper alongside an announcement on the website of Bursa Securities. To ensure that shareholders are well-informed and able to make informed decisions, the Notice of the 14th AGM is accompanied by explanatory notes. These notes provide shareholders with information regarding their entitlement to attend the AGM, their rights to appoint a proxy, and detailed explanations for each resolution that will be presented at the AGM. The purpose of these explanatory notes is to enable shareholders to exercise their voting rights in an informed manner and make well-considered decisions.	
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
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.

Application :	Applied	
Explanation on application of the practice :	The Board recognises that the presence of all Directors at the general meeting will provide opportunity for shareholders to effectively engage with the Directors and allow shareholders to raise questions directly to specific Director and Management of the Company. All Directors of the Company physically attended the 14th AGM of the Company held on 4 September 2025 to engage with shareholders. It is the Company's practice that all directors including the respective chairs of the various board committees to attend shareholders' meetings to provide meaningful response to questions addressed to them.	
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
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.

Application	:	Departure	
Explanation on application of the practice	:	Please provide an explanation on how the practice is being applied.	
Explanation for departure	:	The Company's 14th Annual General Meeting held on 4 September 2025 was conducted physically via electronic voting at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara 60000, Kuala Lumpur Wilayah Persekutuan. The forthcoming 15th AGM of the Company will also be conducted physically via electronic voting but not including voting in absentia and remote participation as the number of registered shareholders physically attending the general meetings of the Company is considered small and manageable by the Company. Hence, electronic voting including voting in absentia and remote participation which would incur much higher cost is not deemed practicable at this juncture. Currently, shareholders who are unable to attend and vote at the General Meetings of the Company are encouraged to submit the Proxy Form to the Poll Administrator of the Company. Hence, this allows them to vote in absence.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Company would leverage on technology advancement when conducting General Meetings in the future when the number of shareholders increase.	
Timeframe	:		To implement only when the number of shareholders increase significantly.

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.

<table>
<tr><td colspan="3">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.</td></tr>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Chairman ensures that the general meetings serve as important opportunity for effective communication with and constructive feedback from shareholders.

Shareholders were provided with the opportunity to pose questions including but not limited to the financial performance, non-financial performance and strategies of the Company. The Group Managing Director and Group Chief Executive Officer addressed the questions from shareholders by providing meaningful response to every question during the Fourteenth Annual General Meeting.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><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 13.5

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.

<table>
<tr><td colspan="3">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.</td></tr>
<tr><td>Application :</td><td colspan="2">Not applicable – only physical general meetings were conducted in the financial year</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><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 13.6

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

<table>
<tr><td colspan="3">Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</td></tr>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The minutes of the 14th AGM held on 4 September 2025 were uploaded to the Company's website no later than 30 business days after the meetings.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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

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

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