

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7095
COMPANY NAME : P.I.E. Industrial Berhad
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors ("Board") of P.I.E. Industrial Berhad ("PIE" or "the Company") assumes the responsibility for the oversight and overall performance of the Company and its subsidiaries ("the Group"). To effectively carry out these responsibilities, the Board follows the guidelines set out in the Board Charter. The Board Charter is accessible on the Company's corporate website at www.pieib.com.my.</p> <p>To facilitate the effective discharge of its duties while enhancing business and operational efficacy, the Board delegates certain responsibilities to three (3) Committees, namely:</p> <ul style="list-style-type: none">• Audit Committee ("AC");• Nomination Committee ("NC"); and• Risk Management Committee ("RMC"). <p>The roles and responsibilities of the AC and NC in discharging functions delegated by the Board are detailed in each respective Committee's Terms of Reference ("ToR"). The RMC has developed an Enterprise Risk Management ("ERM") Framework to assess various types of risks that might impact the profitable operation of the Group. Both ToR and the risk management framework are accessible on the Company's corporate website. The Chairpersons of these Committees report the outcomes of their meetings to the Board and these reports are incorporated into the minutes of the Board meetings.</p> <p>The Managing Director ("MD") has overall responsibilities over the operating units, organisation effectiveness and implementation of Board's policies and decisions.</p> <p>The AC and the Board met on a quarterly basis where Management reported on the performance and results of the business of the Company and the Group which are benchmarked against the previous</p>

	<p>reporting period / year, as applicable.</p> <p><i>After FY2025, the Board approved the establishment of the Remuneration Committee with effect from 13 February 2026, to provide recommendations to the Board on the remuneration of Directors (both executive and non-executive) and Key Senior Management of the Company and its subsidiary(ies) in all its forms such that the remuneration is structured to link rewards to corporate and individual performance.</i></p> <p><i>On 11 March 2026, the Board further approved the merging of Audit Committee and Risk Management Committee into one single committee to streamline the operations of the Board and improving its overall efficiency and effectiveness.</i></p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Mr. Lim Chien Ch'eng, an Independent Non-Executive Director ("INED") was appointed as Chairman of the Board and he has no familial relationship with the MD. His profile is detailed under the Directors' Profile in the 2025 Annual Report.</p> <p>The Chairman is responsible for the Board's effectiveness and conduct. He also promotes an open environment for debate and ensures effective contributions from Non-Executive Directors. The Chairman also exercises control over the quality, quantity and timeliness of information flow between the Board and Management. At a general meeting, the Chairman plays a role in fostering constructive dialogue between shareholders, Board and Management.</p> <p>These roles and responsibilities of the Chairman of the Board are detailed in the Board Charter, which is accessible on the Company's corporate website at www.pieib.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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	:	<p>There is a clear division of responsibilities between the Chairman and the MD to ensure a balance of power and authority, increased accountability and enhance the Board's capacity for independent decision-making. The Chairman, Mr. Lim Chien Ch'eng, serves as an Independent Non-Executive Chairman, while the MD, Dato' Mui Chung Meng, holds the position of Executive Director ("ED") within the Company.</p> <p>Mr. Lim Chien Ch'eng is responsible for the Board's effectiveness and conduct. On the other hand, Dato' Mui Chung Meng, as MD, has overall responsibilities over the operating units, organisation effectiveness and implementation of Board's policies and decisions.</p> <p>The role of MD was thereafter replaced by Mr Che Kian Yeap with effect from 25 March 2026 following the retirement of Dato' Mui Chung Meng on the same date.</p> <p>The specific roles and responsibilities of both the Chairman and the MD detailed in the Board Charter, which is accessible on the Company's corporate website at www.pieib.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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

<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>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairman, Mr. Lim Chien Ch'eng, holds a distinct position within the Company and is not a member of the AC or the NC. The Chairmanship of the AC is held by Mr. Wong Thai Sun, while Ms. Koay San San serves as Chairperson of the NC.</p> <p>This intentional separation of roles is designed to ensure an effective system of checks and balances, thereby promoting objective oversight by the Board. By not participating in these committees, the Chairman of the Board avoids potential conflicts of interest in decision-making related to audit and nomination matters, contributing to the transparency and fairness of the decision-making process. This structure reinforces the commitment to upholding a true and fair view in corporate governance practices.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
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	:	<p>The Board is supported by two (2) qualified Company Secretaries, Ms. Hing Poe Pyng (MAICSA 7053526) and Ms. Wong Yee Lin (MIA 15898), both are eligible to act as company secretaries under Section 235(2) of the Companies Act 2016.</p> <p>The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretaries support the Board by ensuring that all Board meetings are properly conducted and deliberations at the Board and Board Committee meetings are well captured and recorded. The Company Secretaries also keep the Board update on new statutes and directives issued by the regulatory authorities, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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	:	<p>To aid Directors in time planning, an annual meeting calendar was prepared and circulated in advance each year. This calendar outlines scheduled dates for Board meetings, Board Committee meetings and the AGM.</p> <p>Agenda and documents relevant to the Board and Board Committee meetings are circulated in advance to the Directors for their review before the meetings to ensure the effectiveness of the Board meetings. Any additional information requested by the Directors will be provided in timely manners.</p> <p>Senior Management is invited to Board meetings as necessary, presenting on significant issues within their areas of responsibility.</p> <p>Deliberations and decisions at Board and Board Committee meetings are well documented in minutes including instances where Directors abstain from voting or deliberation. The minutes are circulated to the Board and confirmed by the respective Chairman at subsequent meetings.</p> <p>The Company Secretaries communicate the Board's decisions or recommendations via the circulation of draft minutes, prompting appropriate actions by relevant Management. They also follow up with Management on the status of actions referred to in previous meeting minutes ensuring updates are provided to the Board. Action items remain as matters arising until resolution.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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	:	<p>The Board has formally adopted a Board Charter. The Board Charter sets out the roles and responsibilities of the Board, Board Committees, Chairman, MD and individual Directors in upholding sound corporate governance standards and practices.</p> <p>The Board Charter is accessible on the Company's corporate website at www.pieib.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	<p>The Board is mindful of its leadership in business ethics practices as one (1) of the key elements of business sustainability. The Code of Ethics is formulated to enhance the standard of corporate governance and corporate behavior with the intention of achieving the following aims:</p> <ol style="list-style-type: none">1. <u>Establish Ethical Standards</u> Create a standard of ethical behavior for directors based on trustworthiness and universally accepted values.2. <u>Uphold Responsibility and Social Responsibility</u> Foster a spirit of responsibility and social consciousness in alignment with legislative, regulatory and guidelines governing corporate administration. <p>The Company Code of Ethics for Directors is grounded in the four (4) Fundamental Ethical Principles:</p> <ul style="list-style-type: none">• Sincerity;• Integrity;• Responsibility; and• Corporate Social Responsibility (CSR). <p>The directors should at all times observe the following codes when performing their duty:</p> <ol style="list-style-type: none">1. <u>Corporate Governance</u><ul style="list-style-type: none">• Understanding Company Aims;• Effective Board Participation;• Proper Company Management;• Compliance and Informed Decision-Making;• Informed Corporate Management;• Directorship Limitations;

	<ul style="list-style-type: none"> • Access to Company Secretary; • Exercise Powers for Company Benefit; • Disclosure of Interests; • Business Opportunity and Confidentiality; and • Independent Judgment. <p>2. <u>Relationships with Stakeholders</u></p> <ul style="list-style-type: none"> • Interest of Shareholders, Employees, Creditors and Customers; • Professionalism and Competency Improvement; and • Safety Measures and Workplace Protection. <p>3. <u>Social Responsibilities and the Environment</u></p> <ul style="list-style-type: none"> • Compliance with Law in Business Operations; • Objective Cooperation with Government Authorities; • Effective Use of Natural Resources; • CSR and Community Assistance; and • Ensuring Activities Do Not Harm Society at Large. <p>The Board further established the Directors’ Fit and Proper Policy to ensure that any person to be appointed or elected/re-elected as a Director of the Company shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the position in the most effective manner.</p> <p>In compliance with the Section 17A of MACC Act on corporate liability for corruption offences, the Anti-Bribery and Corruption Policy have been adopted as part of the Company’s commitment against all forms of bribery and corruption.</p> <p>The Employee Handbook underscores compliance with laws, respect in the workplace, protection of company property and professionalism, promoting integrity and ethical behavior.</p> <p>The Directors and employees are required to comply with the highest standards in conducting their daily businesses and ensure full compliance with the law of the country.</p> <p>The complete Code of Ethics, Directors’ Fit and Proper Policy, Anti-Bribery and Corruption Policy are accessible on the Company’s corporate website at www.pieib.com.my.</p>
<p>Explanation for departure :</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

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	:	<p>The Company is committed to ensuring high standards of corporate governance, business integrity and accountability in its business and operations. The Company takes a serious view of any wrongdoings by any of the parties, especially regarding their obligations to the Company's interests.</p> <p>The Company's Whistleblowing Policy provides employees and external party with an internal channel to report alleged unethical behaviour, improper business conduct or any breach of law, regulation, business principles and the Group's policies without fear of reprisal.</p> <p>This policy ensures protection for individuals making allegation or reporting misconduct. The Company expects all parties to act in good faith and have reasonable grounds when reporting a whistleblowing complaint.</p> <p>All complaints, including the whistleblowers' identities are treated with the highest level of confidentiality. No person shall take detrimental action against a whistleblower or any person related to or associated with the whistleblower in reprisal for a disclosure of improper conduct.</p> <p>The reporting channel is directed to the Chairman of the AC. During FY2025, the Group did not receive any such reports. Reports can be submitted confidentially via email to piewhistle@pan-intl.com. The detailed policy is accessible on the Company's corporate website at www.pieib.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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	:	<p>The Board, together with the Management is responsible for promoting good corporate governance culture within the Group and exercising reasonable care of the Company as well as the Group's resources in delivery of long-term value to Shareholders while taking into account economic, environmental, social and governance considerations underpinning sustainability.</p> <p>In this respect, the Board with the assists by the Sustainability Working Group ("SWG") and Head of Departments in overseeing the formulation, implementation and effective management of the Company's sustainability strategies.</p> <p>Stakeholder Engagement and Materiality Assessment were conducted by the SWG to create shared value by staying connected with all the internal and external stakeholders in the ongoing journey to be a more sustainable business entity.</p> <p>The Company is guided by the Sustainability Pillars of Economic Growth, Environmental Management, Social Contribution and Corporate Governance which integrated into the Company's strategy. With these Sustainability Pillars, the Company is committed to creating value for our business through innovation with accelerating human capital development while maintaining environmental friendly awareness and exhibiting responsible corporate governance behaviour.</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

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.

<p>Application</p>	<p>: Applied</p>
<p>Explanation on application of the practice</p>	<p>: The Board acknowledges the importance of having continuous and meaningful communication with the Company’s stakeholders on its sustainability strategies, priorities, performance and commitments.</p> <p>The Company ensures that the information is disseminated to its key stakeholders, namely investors, shareholders, employees, customers, suppliers, regulators, as well as local communities in a comprehensive, timely and transparent manner through effective and constructive engagement.</p> <p>The Sustainability Statement in Annual Report provides comprehensive information on the Company’s sustainability management and performance as well as providing insights into the Company’s strategies, performance, initiatives, commitments and targets.</p> <p>There are fifteen (15) material matters are categorised across four (4) main sustainability themes which included:</p> <p>Creating Value through Innovation</p> <ul style="list-style-type: none"> • Financial Performance • Customer Satisfaction • Sustainable Manufacturing and Quality Excellence • Sustainable Supply Chain Management <p>Corporate Governance and Ethical Business Behaviour</p> <ul style="list-style-type: none"> • Anti-Corruption • Data Privacy and Security <p>Human Capital Development</p> <ul style="list-style-type: none"> • Employee Management • Health and Safety • Community Contributions <p>Environmental Friendly Awareness</p> <ul style="list-style-type: none"> • Climate Change and Greenhouse Gas (GHG) Management • Waste Management • Air Emissions Management

	<ul style="list-style-type: none"> • Noise Pollution Control • Energy Management • Water Management 	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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	:	<p>In order to ensure the Board is kept abreast on sustainability issues which are relevant to the EMS business and operations, several initiatives had been organised internally for the Board and Management to gather more insights. They were as follows:</p> <ol style="list-style-type: none"> 1. Review financial report quarterly. 2. Gather feedback and evaluate customer satisfaction from customers 3. Adopt lean production process through Lean Manufacturing Programme 4. Supervise and monitor the Group’s supply chain-related activities 5. Recognize good CG practices and ethical business behaviour 6. Implementing a policy to ensure employees' compliance with company guidelines 7. Apply 3R strategy which represents “Recruit”, “Retain” and “Reinforce” for employee management approach 8. Taking necessary steps to maintain a healthy and safe working place 9. Take part in Corporate Social Responsibility (CSR) activities 10. To have responsible of Waste Management Practices 11. Engaged outsourcing consultant to carry out on site air emission and noise pollution monitoring 12. Educate our employees to reduce electricity and water usage <p>With the “5S + Safety” workplace organisation method, the Company continuously maximise the workflow efficiency and eliminating workplace hazards to comply regulatory requirements. Additionally, regular audits are performed at every production floor and the audit findings will be reported during weekly operation meeting.</p>
Explanation for departure	:	
<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

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	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the importance of sustainability in all its business operations and has included sustainability as one of the criteria in the performance evaluations of board members.</p> <p>The Board Assessment and Evaluation for FY2025 included an assessment of the Board’s understanding of sustainability issues that relevant to the Group’s performance.</p> <p>The Senior Management ensures the business affairs of the Company are effectively managed and taking into account the sustainability considerations.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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 :	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 5.1

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	:	<p>The NC is guided by its ToR, the Board Charter and the Directors' Fit and Proper Policy in reviewing the composition of the Board and Board Committees.</p> <p>The composition of the Board and Board Committees is reviewed by the NC on a yearly basis to ascertain whether there is a well-balanced mix of skills, knowledge, experience, diversity and independence that aligns with the Company's objectives and strategic goals.</p> <p>For the purpose of recommending the re-election of retiring Directors, the NC had assessed the performance and contributions of each retiring Director and, having considered factors including fit and proper criteria, knowledge, calibre, quality of input and commitment, the NC was satisfied that they had remained committed to their roles and had continued to be effective and valuable members of the Board.</p> <p>Based on the NC's recommendation, the Board had endorsed the re-election of the retiring Directors for shareholders' approval at the 2025 AGM, being satisfied that they had consistently demonstrated commitment, proactivity, and had provided crucial support to Management in steering the Group forward.</p>
Explanation for departure	:	
<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 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board composition as of 31 December 2025 is as follows:</p> <ul style="list-style-type: none"> • Four (4) INED; • Two (2) ED; and • One (1) NINED. <p>The Board is in compliance with Paragraph 15.02 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”), which requires at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, to be independent directors and one (1) director of the listed issuer is woman. The Board comprises 43% of ID and female representation is two (2) out of seven (7) Directors.</p> <p>The NC reviewed the independence of the Independent Directors on an annual basis to ensure they continue to demonstrate independence, exercise objective judgement, and act in the best interests of the Company, the Group, the minority shareholders and other stakeholders. During the FY2025, all the four (4) INEDs remained independent of the Company’s management and free from any relationships or interests (including those in competing businesses) that could materially affect their ability to exercise independent judgement or act in the best interest of the Group.</p>
Explanation for departure	:	
<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.

Application	:	Applied
Explanation on application of the practice	:	<p>As of 31 December 2025, none of the directors on the Board has served for more than nine (9) years, and thus, the Company is in compliance with this requirement.</p> <p>The Board is of the view that there is no necessity to establish a maximum tenure limit for INEDS. This perspective is rooted in the significant advantages derived from long-serving Directors who possess extensive insight and knowledge of the Company's businesses and affairs.</p> <p>Similarly, the Board has chosen not to set a specific time-frame for how long an INED should serve on the Board. This decision is based on the following considerations:</p> <ul style="list-style-type: none"> • The effectiveness of a director serving as an Independent Director depends on factors such as their caliber, qualifications, experience, and personal qualities, particularly integrity and objectivity. This effectiveness is not strictly tied to the tenure as an Independent Director. • The NC conducts an annual assessment of INEDs, evaluating their skills, experience and contributions. This assessment also includes an examination of the Independent Directors' profiles, considering family relationships, shareholdings in the Company and any related party transactions with the Group, if applicable.
Explanation for departure	:	
<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 5.4 - 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	<p>The Board acknowledges the critical role of diversity in enhancing its effectiveness, recognizing that it broadens the debate by incorporating different insights and perspectives. With a diversified background, the Board collectively brings a wealth of experience and expertise spanning technology, marketing, industrial, corporate, accounting, finance, governance, risk and compliance, all within the relevant industry in which the Company operates.</p> <p>The Board through the NC conduct an annual review of the Board's size and composition. The objective of this review is to ensure that the Board maintains an appropriate size and possesses the necessary diversity, including independence elements that align with the Company's objectives and strategic goals.</p> <table border="1" data-bbox="635 1285 1321 1608"> <thead> <tr> <th data-bbox="635 1285 1139 1357">Directorate</th> <th data-bbox="1139 1285 1321 1357">Composition</th> </tr> </thead> <tbody> <tr> <td data-bbox="635 1357 1139 1429">Independent Non-Executive Directors</td> <td data-bbox="1139 1357 1321 1429">4</td> </tr> <tr> <td data-bbox="635 1429 1139 1498">Executive Directors</td> <td data-bbox="1139 1429 1321 1498">2</td> </tr> <tr> <td data-bbox="635 1498 1139 1608">Non-Independent Non-Executive Director</td> <td data-bbox="1139 1498 1321 1608">1</td> </tr> </tbody> </table> <p>The NC and the Board also reviewed the time commitment of all Directors and were satisfied that each Director had devoted adequate time to discharge their responsibilities effectively.</p> <p>All candidates for appointment are first considered by the NC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities required to well manage the business, with the aim to meet the current and future needs of the Board composition. The NC also evaluates the candidates' character and ability to commit sufficient time to the Group. Other factors considered for appointment of Independent Director will include the</p>	Directorate	Composition	Independent Non-Executive Directors	4	Executive Directors	2	Non-Independent Non-Executive Director	1
Directorate	Composition								
Independent Non-Executive Directors	4								
Executive Directors	2								
Non-Independent Non-Executive Director	1								

	<p>level of independence of the candidates.</p> <p>The diversity in the age, gender, ethnicity and nationality of the existing Board as at 31 December 2025 is as follows:</p> <table border="1" data-bbox="528 369 1390 481"> <thead> <tr> <th colspan="4">Age</th> <th colspan="2">Ethnicity</th> <th colspan="2">Gender</th> </tr> <tr> <th>40-49</th> <th>50-59</th> <th>60-69</th> <th>70-79</th> <th>Chinese</th> <th>Foreign</th> <th>M</th> <th>F</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>1</td> <td>1</td> <td>3</td> <td>5</td> <td>2</td> <td>5</td> <td>2</td> </tr> </tbody> </table> <p>As of 31 December 2025, the diversity in age, ethnicity, and gender of Key Senior Management is as follows:</p> <table border="1" data-bbox="528 591 1390 703"> <thead> <tr> <th colspan="4">Age</th> <th colspan="2">Ethnicity</th> <th colspan="2">Gender</th> </tr> <tr> <th>30-39</th> <th>40-49</th> <th>50-59</th> <th>60-69</th> <th>Chinese</th> <th>Foreign</th> <th>M</th> <th>F</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1</td> <td>2</td> <td>2</td> <td>4</td> <td>2</td> <td>4</td> <td>2</td> </tr> </tbody> </table> <p>The profiles of the Directors and Key Senior Management are disclosed in the Annual Report.</p>	Age				Ethnicity		Gender		40-49	50-59	60-69	70-79	Chinese	Foreign	M	F	2	1	1	3	5	2	5	2	Age				Ethnicity		Gender		30-39	40-49	50-59	60-69	Chinese	Foreign	M	F	1	1	2	2	4	2	4	2
Age				Ethnicity		Gender																																											
40-49	50-59	60-69	70-79	Chinese	Foreign	M	F																																										
2	1	1	3	5	2	5	2																																										
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1	1	2	2	4	2	4	2																																										
<p>Explanation for departure :</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>Measure :</p>																																																	
<p>Timeframe :</p>																																																	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board and Senior Management of the Company would have a better understanding of the board candidatures, taking into account factors, amongst others, qualification, skills, experience and personal attributes of the new directors for the industry in which it operates in.</p> <p>Through its own network and the highly regulated industry in which the Company operates in, the Management would be in the best position to look for potential candidates with background which fits the criteria requirements. Hence, the Board did not utilise independent sources to identify suitably qualified candidates.</p> <p>Notwithstanding, all candidates for appointment are first considered by the NC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities required to well manage the business, with the aim to meet the current and future needs of the Board composition. The NC also evaluates the candidates' character and ability to commit sufficient time to the Group. Other factors considered for appointment of Independent Director will include the level of independence of the candidates.</p> <p>During FY2025, the appointment of Dato' Heng Huck Lee was sourced through the network of the existing Board, taking into consideration, among others, his qualifications, skills and experience. The NC interviewed Dato' Heng Huck Lee, reviewed his qualification, experience, skills, independence and any potential conflict of interest and considered the following criteria as set out in the Directors' Fit and Proper Policy:-</p> <ul style="list-style-type: none">a. Character and integrityb. Experience and competencec. Time and commitment

	<p>Upon review and deliberation, the NC was of the view that Dato' Heng Huck Lee met the criteria of the Directors' Fit and Proper Policy and recommended the appointment of Dato' Heng Huck Lee as an Independent Non-Executive Director of the Company for the Board's approval. The Board concurred with the NC's review and approved the said appointment.</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>Measure</p>	<p>: In line with the recommendation of the Malaysia Code on Corporate Governance ("MCCG"), apart from referrals from Directors, Major Shareholders and Management, the Board is open to utilising independent sources to identify suitably qualified candidates, where necessary.</p> <p>The Board Charter of the Company provides that "Appointment of Board is based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. As such, director candidates should be sourced from a diverse pool."</p>	
<p>Timeframe</p>	<p>: Others</p>	<p>Where new appointment of director is needed.</p>

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	:	<p>The Board recognises the critical nature of the appointment and re-appointment of directors in corporate governance, understanding its profound impact on the leadership of companies. In line with this, shareholders deserve the necessary information to make well-informed decisions regarding these appointments.</p> <p>The NC had reviewed the performance and contribution of the Directors who are due for retirement and re-election at the 2025 AGM, based on the annual Board evaluation results tabled on 21 February 2025 by considering their competencies, commitment, contribution, performance, independence and their ability to act in the best interest of the Company as a whole.</p> <p>The Board was satisfied and supports the recommendation made by the NC to table the proposals to re-elect the retiring Directors for shareholders' consideration and approval at the 2025 AGM.</p> <p>The profile of the retiring Directors, which include the nature of interest with the Company, if any, are set out in the Annual Report.</p>
Explanation for departure	:	
<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 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC, led by Ms. Koay San San, an INED of the Company, played a pivotal role in steering various initiatives throughout FY2025. The NC comprises all INEDs.</p> <p>The NC actively engaged in the following key activities:</p> <ul style="list-style-type: none">• Reviewed the current composition of Board Committee;• Reviewed the Board Charter of the Company;• Reviewed the current structure, size and composition of the Board;• Reviewed the required mix of skills, experience and other qualities of the Board;• Reviewed and assessed the performance and effectiveness of the Board as a whole, the Committees of the Board and contributions of each individual Director and Board Committee member;• Assessed the independence of each INED with each director abstaining from deliberation on his own assessment;• Discussed the character, experience, integrity and competence of the Directors and Chief Financial Officer;• Reviewed the terms of office and performance of the AC;• Reviewed and deliberated on the proposed Board composition subsequent to the resignation of former Directors;• Reviewed the profile of proposed candidates, interviewed the proposed candidates and deliberated before recommending the shortlisted candidate for appointment as new Board member; and• Reviewed and recommended to the Board the re-election of Directors who retired in accordance with the Constitution. <p>Ms. Koay San San's profile is detailed in the Annual Report and on the Company's corporate website at www.pieib.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As of 31 December 2025, the Board comprises two (2) women Directors, namely Koay San San and Huang, Yi-Ling out of seven (7) Directors, which represents 29% women directors. It meets the requirement under the Paragraph 15.02(1)(b) of the Main Market Listing Requirements.</p> <p>Whilst acknowledging the recommendation of the MCCG on gender diversity, the Board currently believes that there is no necessity to adopt a formal gender diversity policy as the Group at all times promotes and welcomes diversity and gender mix in its composition and gives due recognition to the technical and business experience of the Directors.</p> <p>The Board recognises the benefit for having gender diversity and values the different perspectives from women Director during discussions or meetings. While the Board endeavours to improve gender diversity, it is guided by the Board Charter that appointment of Board is based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	<p>The Company does not set any specific target for gender diversity in the boardroom but will continuously strive to meet the targets for gender diversity requirements and will actively take the necessary measures towards promoting a corporate culture that embraces the aforesaid gender diversity. The Board when sourcing for suitable candidates for any vacant Board position in the future, would take into consideration suitably qualified female candidates in line with the recommendation of the MCCG. Nevertheless, the Board's assessment of potential candidates is influenced by additional considerations, including the collective skillsets of the current Directors and any identified gaps that the Board seeks to address.</p>

Timeframe	:	Others	Subject to availability of the right candidates.
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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 5.10

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company does not have a policy on gender diversity for the Board and Senior Management.</p> <p>All appointments have been and will be based on objective criteria, merit and also due regard for diversity in experience, skills set, age and cultural background.</p> <p>The Board has a good balance of members to ensure that no one individual or a small group of individuals can dominate the Board's decision-making process. The present Directors, with their diverse background and professional specialisation, collectively, bring with them a wealth of experience and expertise in areas such as technology, marketing, corporate, accounting and finance, governance and compliance and legal. As such, the Group is essentially led and guided by a competent Board.</p> <p>The diversity in the age, gender, ethnicity and nationality of the existing Board as well as the Key Senior Management as at 31 December 2025 are disclosed in Practice 5.5 above.</p> <p>Whilst acknowledging the recommendation of the MCCG on gender diversity, the Board currently believes that there is no necessity to adopt a formal gender diversity policy as the Group at all times promotes and welcomes diversity and gender mix in its composition and gives due recognition to the technical and business experience of the Directors.</p> <p>Alternative practice: The Board Charter stipulates that "The Board shall at all times promotes and welcomes diversity and gender mix in its composition and gives due recognition to the technical and business experience of the Directors."</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	: The Company does not set any specific target for gender diversity in the boardroom but will continuously strive to meet the targets for gender diversity requirements and will actively take the necessary measures towards promoting a corporate culture that embraces the aforesaid gender diversity. In addition, the Board affirmed that in the event of any Board vacancy in future, gender diversity shall be one of the criteria to be considered by the NC during their evaluation and selection process.
Timeframe	: Others
	Subject to availability of the right candidates.

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>	
Application	: Applied
Explanation on application of the practice	: <p>The NC conducts an annual review of the effectiveness of the Board and Board Committees as well as the performance of each individual Director. The assessment is administered via questionnaires, using a self and peer-rating model for continuous improvement. The NC reviews annually the required mix of skills and experience for Directors and assesses the contributions of each individual Director and the effectiveness of the Board Committees and the Board as a whole.</p> <p>Furthermore, the NC reviews the size and composition of the Board with particular consideration on the impact on the effective functioning of the Board. Annual assessment on effectiveness of the Board and Board Committees as a whole has been conducted based on specific criteria, include, amongst others, individual Director's knowledge and experience in the Group's core business, personal qualities, professional skills and business development skills.</p> <p>The NC reviewed and assessed the independence of the Independent Directors based on the Directors' professionalism and integrity in the decision-making process, ability to form independent judgments, as well as objectivity and clarity in deliberations in addition to the specific criteria of independence as set out in the Listing Requirements of Bursa Securities. The Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company.</p> <p>Based on the outcome of evaluation for FY2025, the NC and the Board are satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively. The contribution and performance of each individual Director were assessed to be satisfactory, thereby contributing to the overall effectiveness of the</p>

	Board and Company. The NC is of the view that the current Board composition is well balanced, comprising high-calibre individuals with the appropriate mix of skills, qualification, experience, knowledge, credibility, independence and core competencies.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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	:	<p>The Board is mindful that fair remuneration is critical to attract, retain and motivate the Directors of the Company.</p> <p>In this respect, the Board has formalised Remuneration Policy and Procedures applies to the Directors including Executive and Non-Executive Directors of the Company. The Remuneration Policy and Procedures are periodically reviewed by the Board to ensure that it continues to remain relevant and appropriate.</p> <p>Besides, the Remuneration Policy and Procedures for Senior Management will be governed under the Company's HR Policy.</p> <p>The Remuneration Policy and Procedures applied to each Director of the Company are as follows:</p> <ol style="list-style-type: none">1. Determination of remuneration of Directors remained a collective decision of the Board.2. The remuneration of Non-Executive Directors should be reflective of their experience, level of responsibilities and the contribution by each individual Director.3. All Directors are entitled to directors' fee that is subject to shareholders' approval.4. Other than directors' fee, Executive Directors shall be entitled to salary and bonus, benefits in-kind, statutory contribution and other allowances incidental to the performance of their duties.5. In determining the remuneration package of the Non-Executive Directors, the Executive Director concerns will be abstained from

	<p>the discussion.</p> <p>6. The Board may obtain independent professional advice in formulating the Directors' remuneration package.</p> <p>The procedure for setting policy on remuneration of Directors are as follows:</p> <ul style="list-style-type: none"> • Directors' fees and benefits payable to the Non-Executive Directors have been reviewed by the Board, thereafter, recommended to the shareholders for approval in the AGM in accordance with Section 230(1)(b) of the Companies Act 2016. • The Board will meet at least once in a financial year to formulate and review the remuneration policy and remuneration of members of the Board and Board Committee. <p>The policy is accessible on the Company's corporate website at www.pieib.com.my</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

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

Practice 7.2

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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board has established Remuneration Policy and Procedures, applicable to the Directors, including Executive and Non-Executive Directors of the Company. The policy and procedures are periodically reviewed to remain appropriate and fair. The Remuneration Policy and Procedures for Senior Management are governed by the Company's Human Resource Policy.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Notwithstanding the above, the Board has approved the establishment of the Remuneration Committee with effect from 13 February 2026, to provide recommendations to the Board on the remuneration of Directors (both executive and non-executive) and Key Senior Management of the Company and its subsidiary(ies) in all its forms such that the remuneration is structured to link rewards to corporate and individual performance.	
Timeframe	:	Others	Applied for FY2026

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	:	<p>In line with best corporate governance practice, the disclosure of the Directors' remuneration on a named basis has been made in the Annual Audited Financial Statements over the years.</p> <p>The remuneration breakdown of individual directors which includes the fees, allowance, salary, bonus, benefits in-kind and other emoluments for FY2025 is enumerated as follows:</p>

No	Name	Directorate	Company (RM '000)							Group (RM '000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Lim Chien Ch'eng	Independent Non-Executive Chairman	26	0	0	0	0	12	38	26	0	0	0	0	12	38
2	Dato' Mui Chung Meng (Retired w.e.f. 25 March 2026)	Executive Director	0	0	391	1,595	0	388	2,374	0	0	391	1,595	15	388	2,389
3	Lan, Kuo-Yi (Resigned w.e.f. 25 March 2026)	Executive Director	0	0	145	382	0	75	602	0	0	145	385	7	75	609
4	Wong Thai Sun	Independent Non-Executive Director	26	0	0	0	0	16	42	26	0	0	0	0	16	42
5	Koay San San	Independent Non-Executive Director	26	0	0	0	0	16	42	26	0	0	0	0	16	42
6.	Dato' Heng Huck Lee (Appointed w.e.f. 6 June 2025)	Independent Non-Executive Director	11	0	0	0	0	5	16	11	0	0	0	0	5	16
7	Lee Cheow Kooi (Resigned w.e.f. 6 June 2025)	Non-Executive Non-	0	0	0	0	0	7	7	0	0	0	0	0	7	7

		Independent Director														
8	Huang, Yi-Ling	Non-Independent Non-Executive Director	0	0	0	0	0	11	11	0	0	0	0	0	11	11

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 :	Applied					
Explanation : on application of the practice	The top five (5) Senior Management of the Group (who are not members of the board) whose total remuneration during the financial year fall within the following bands, is as follows:					
	Name of Senior Management	Range of Remuneration				RM950,001 – RM1,000,000
		RM250,001 – RM300,000	RM400,001 – RM450,000	RM550,001 – RM600,000	RM750,001 – RM800,000	
	Law Tong Han				√	
	Ong Tiew Ling			√		
	Liao, Yueh-Chen				√	
	Liang Zhao Qing		√			
Lim Soo Imm	√					
Explanation : for departure						
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>						
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 8.3 - 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	:	

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	:	<p>As at 31 December 2025, the AC comprises three (3) members, all of whom are INEDs.</p> <p>The Chairman of the AC is Mr Wong Thai Sun, while the Chairman of the Board is Mr. Lim Chien Ch'eng. The Chairman of the AC is not the Chairman of the Board to ensure the overall effectiveness and independence of the AC.</p> <p>Mr. Wong Thai Sun holds membership in both the Malaysian Institute of Accountants (MIA) and the Certified Practising Accountants (CPA), Australia.</p>
Explanation for departure	:	
<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

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	:	<p>The Board is committed to ensuring the effectiveness and independence of its AC. As at 31 December 2025, none of the AC members was a former key audit partner of the Company's auditors.</p> <p>In line with Practice 9.2 of the MCCG, the ToR of the AC has been updated to formalise the Company's policy that requires a former audit partner to observe a minimum cooling-off period of three (3) years before being eligible for appointment as a member of the AC. This policy is in line with best practices to preserve the independence and objectivity of the AC.</p>
Explanation for departure	:	
<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

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a ToR which stipulates the guidelines and procedures to be followed by the AC in assessing, reviewing and supervising the performance, suitability and independence of the external auditors.</p> <p>The Board maintains a transparent relationship with external auditors. Members of the AC meet the external auditors at least twice (2) a year without the presence of the executive Board members to discuss the results and concerns arising from their audit.</p> <p>Based on the above, the AC was satisfied with the suitability of Messrs. Deloitte Malaysia PLT based on the quality audit processes, adequate technical support and experience, and sufficient resources the external audit team provided to the Group and its audit independence and performance throughout its course of audit for the FY2025.</p> <p>The AC was also satisfied in its review that the provision of the non-audit services by Messrs. Deloitte Malaysia PLT to the Company for the FY2025 did not in any way impair their objectivity and independence as external auditors of the Company.</p> <p>A summary of work performed by the AC during the financial year under review is set out in the AC report of the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	As at 31 December 2025, the AC comprises three (3) members, all of whom are INEDs.

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	:	<p>The AC, under the leadership of Mr. Wong Thai Sun, a seasoned professional with over 41 years of public practice experience in accountancy both in Malaysia and overseas, plays a crucial role in ensuring financial oversight.</p> <p>Ms. Koay San San holds a Bachelor of Accounting from the University of Hertfordshire and a Master's Degree in International Business from the University of Sunderland. Dato' Heng Huck Lee being the CEO of Globetronics Technology Berhad for 25 years possesses relevant experience in the industry in which the Group operates.</p> <p>This diverse committee is characterised by its members possessing a well-rounded mix of skills, knowledge and experience. All members are financially literate and demonstrate a solid understanding of financial reporting, as well as internal and external audit reports. Moreover, they exhibit a comprehensive understanding of the Company's business.</p> <p>Recognising the dynamic nature of accounting and auditing standards, the AC is proactive in continuously developing and enhancing their knowledge to stay abreast of changes and developments in this ever-evolving field.</p> <p>The details of qualification, experience and training programmes attended stated in the Directors' Profile on the Annual Report.</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

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	:	<p>The Board has established an effective risk management and internal control framework as set out in the Statement on Risk Management and Internal Control (SORMIC) which has been reviewed by the external auditors provided on the Annual Report to ensure that the risks are managed within risk tolerance set by the Board.</p> <p>The level of risk tolerance of the Company is expressed through the use of a risk impact and likelihood matrix with an established risk tolerance boundary demarcating those risks that are deemed to be high risk, medium risk and low risk.</p> <p>In view of the inherent limitation in any system, our risk management and internal control system can only provide reasonable but not absolute assurance against material misstatements of management and financial information, financial frauds or losses, and unforeseen emerging risks.</p>
Explanation for departure	:	
<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

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The RMC assists the Board to oversee the risk management matters of the Group, which include identifying, quantifying, managing, monitoring and mitigating significant risks across the Group. The RMC is also responsible to manage the overall risk exposure of the Group.</p> <p>The RMC reviews and recommends for the Board’s consideration and approval, the risk management principles, frameworks and policies for managing risks within the Group. The framework and policies are reviewed periodically to ensure their continuous effectiveness and when there are significant regulatory changes.</p> <p>The AC evaluates the adequacy and effectiveness of the Group’s internal control systems by reviewing the actions taken on deficiencies identified in reports provided by both the internal and external auditors. The AC also reviews the internal and external auditors’ recommendations and management responses to those recommendations to ensure that they are working adequately and promptly.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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 10.3 - 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	:	Adopted
Explanation on adoption of the practice	:	As at 31 December 2025, the RMC comprises a majority of INEDs as follows:- <ol style="list-style-type: none">1. Ms. Koay San San Chairman / Independent Non- Executive Director 2. Mr. Wong Thai Sun Member / Independent Non- Executive Director 3. Mr. Lan, Kuo-Yi Member / Executive Director

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	:	<p>The Group has outsourced the Internal Audit Function to an independent professional firm, Finfield Corporate Services Sdn. Bhd. Finfield was appointed throughout FY2025 to review and monitor the effectiveness as well as the adequacy and integrity of the Group's systems of internal control. Its principal role is to provide independent assurance on the adequacy and effectiveness of governance and internal control processes.</p> <p>AC has unrestricted access to the internal auditor. Internal auditor reports directly to the AC the highlighting key issues and concerns arising from the audits conducted based on the internal audit plan approved by the AC. The results of the audits as disclosed in the Internal Control Review Reports were reviewed by the AC. The relevant Management members were made responsible for ensuring that corrective actions on reported weaknesses were taken within the required timeframes. Internal auditor conducted follow-up audits and AC keeps updates on key engagements to ensure that the corrective actions were implemented appropriately.</p> <p>To ensure that the responsibilities of Internal Auditor are fully discharged, the AC reviews:</p> <ul style="list-style-type: none">(a) the performance of the internal auditor, who has relevant experience and necessary competency to regularly review of the effectiveness of internal control and governance processes within the Group;(b) the adequate scope and sufficient resources of the internal audit function; and(c) the appraisal or assessment of performance of the internal audit function. <p>A brief statement on the internal audit function with a summary of its key activities is disclosed under the AC Report of the Annual Report.</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

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	:	<p>The existing outsourcing Internal Auditor, Finfield Corporate Services Sdn. Bhd. is independent from the Company.</p> <p>The internal audit engagement is led by Mr. Tan Yen Yeow. He is an approved company auditor, a Certified Internal Auditor (CIA) with The Institute of Internal Auditors (IIA) and a Chartered Accountant with Malaysian Institute of Accountants (MIA). He began his professional career with KPMG in 1990. He was an audit manager before leaving KPMG at end of 1999 to start his own professional practice.</p> <p>Tan Yen Yeow has been active in internal auditing since 2000. As part of internal audit assignments, he has participated in risk management exercises and making presentations to board of directors.</p> <p>In view of the above measures in place in developing the scope of the Internal Audit function, the AC is satisfied that:</p> <p>(a) the person(s) responsible for the internal audit has relevant experience, sufficient standing and authority to enable them to discharge their functions effectively; and</p> <p>(b) internal audit has sufficient resources and is able to access information to enable it to carry out its role effectively; and the personnel or firm assigned to undertake internal audit have the necessary competency, experience and resources to carry out the function effectively.</p>
Explanation for departure	:	
<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

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 :	<p>The Board ensures that its communication with the shareholders and various stakeholders (investors, employees, regulators, customers, suppliers, the Government and its agencies), etc. is effective, transparent, timely and with quality disclosure.</p> <p>The Board communicates and engages with its stakeholders through the following platforms or methods:</p> <p><u>Company's Corporation Website</u> The Company's Corporate Website www.pieib.com.my is accessible to the public and it provides easy access to comprehensive information on the Company. The Corporate Website has the following information with an aim to provide a better understanding of the Company's business to its stakeholders:</p> <ul style="list-style-type: none">• Corporate Information;• Group Structure;• Subsidiaries;• Board of Directors;• Code of Ethics;• Corporate Social Responsibility;• Board Charter;• Terms of Reference;• Risk Management;• Policies and Procedure of Remuneration;• Whistle Blowing Policy;• Anti-Bribery and Corruption Policy; and• Directors' Fit and Proper Policy. <p><u>Investor Relations</u> The name and contact number of the relevant personnel handling the investor relation related matter for the Group are also published under 'Investor Relations' section in the Company's website. The information includes all announcements made by the Company such as:</p>

	<ul style="list-style-type: none"> • Financial Highlights; • Stock Performance; • Announcements; • Corporate Governance Report; • Prospectus; • Shareholdings; and • Contact Person. <p><u>Annual Report</u> The Annual Report is one of the engagement tools applicable to all stakeholders as it is a one-stop information centre on the Company with respect to financial achievements, its Board and Senior Management, the Company’s strategies, operations and policies adopted.</p> <p><u>AGM</u> The AGM is used as the main forum of dialogue with shareholders and investors to gather their views and raise any matters of concern about the Group. The shareholders are encouraged to participate in the question and answer session during the AGM to seek clarification regarding the Group’s financial performance and business activities for effective and transparent communications. The Managing Director, Executive Director and Key Senior Management will be present at the AGM to answer queries in person and ensure all information disclosed remains succinct, current, relevant, and accurate.</p>
Explanation for departure :	
<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

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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the view that the existing Annual Report provides a holistic overview of the Group's business and operational activities as non-financial information are disclosed through the Sustainability Statement, Management Discussion & Analysis and the Audit Management Committee Report to complement the financial information.</p> <p>The Company's present Sustainability Statement has been prepared in accordance with the National Sustainability Reporting Framework (NSRF), which addresses the use of IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), reinforcing transparency and consistency in sustainability reporting.</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	:	The Company continues to assess the various available reporting frameworks to determine the most appropriate one for adoption, with particular consideration given to mandatory frameworks such as the National Sustainability Reporting Framework, to ensure alignment with evolving regulatory requirements and industry expectations.
Timeframe	:	Others

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	:	<p>To ensure the notice of AGM given to the shareholders at least 28 days prior to the meeting, PIE dispatched the notice of 28th AGM on 17 April 2025 which scheduled to be held on 16 May 2025.</p> <p>The Notice of AGM, which details the business to be transacted, is also published in a nationally circulated newspaper and announced to Bursa Securities.</p> <p>Shareholders are given sufficient time to consider the resolutions that will be discussed during the AGM and make arrangement to attend the AGM either in person or by corporate representatives, proxies or attorneys.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	<p>The date of AGM is scheduled and approved in advance, to ensure that all Directors are able to commit attend to the meeting.</p> <p>The Chairman of the Board, all the Directors and the Chairperson of the Board Committees attended the 28th AGM held on 16 May 2025 to engage directly with the Shareholders and to be accountable for their stewardship of the Company.</p> <p>In addition, the Management representatives and external auditor also attended the AGM, they were aware of their scope of responsibilities and come prepared to address any issues that the Shareholders may raise within their scope in order to give meaningful responses to the Shareholders' queries.</p> <p>During the AGM, the Chairman of the Board ensured that sufficient opportunities were given to shareholders and proxies to raise questions relating to the affairs of the Company and that adequate responses were given.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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	:	
Explanation for departure	:	<p>PIE does not intend to have voting in absentia and remote participation at the 28th AGM by shareholders for the following reasons:</p> <ul style="list-style-type: none">• the Company does not have a large number of shareholders;• shareholders are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his stead at a general meeting;• the Company has started leveraging technology to facilitate voting for the conduct of polls on all resolutions proposed;; and• the Company is using electronic devices to record voting counts instead of the conventional paper method. <p>During the AGM, the Company appointed Securities Services (Holdings) Sdn. Bhd as Polling Administrator to conduct the polling process and Commercial Quest Sdn Bhd as Independent Scrutineer to validate the votes cast.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	By conducting physical general meetings, the Company adhered to the Securities Commission's new requirement, as stated in its August 2024 media release, whereby all public listed companies must hold hybrid or physical general meetings effective 1 March 2025. However, the Company will continue to monitor the development of infrastructure and technical support for hybrid general meeting and interactive participation by shareholders. This includes assessing their feasibility in terms of practicality before deciding on the adoption of hybrid

	meetings.	
Timeframe	:	Others The Company intends to maintain the current practice of conducting physical general meetings.

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	During the 28 th AGM held on 16 May 2025, the Chairman gave ample time and encouraged all shareholders to pose questions before putting resolutions for poll voting. The questions relating to operational and financial matters raised by the Minority Shareholders Watch Group ("MSWG") were duly addressed by the Board and minuted.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
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 13.5

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>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
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 13.6

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>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 28 th AGM was duly confirmed by the Chairman of the Meeting and uploaded to the Company's corporate website at www.pieib.com.my within 30 business days from the date of the Meeting.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**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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