CORPORATE GOVERNANCE REPORT

STOCK CODE : 7095
COMPANY NAME : P.I.E. Industrial Berhad
FINANCIAL YEAR : December 31, 2021

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	:	The Board of Directors (Board) of P.I.E. Industrial Berhad ("PIE" or the "Company") is guided by the Board Charter and the roles and responsibilities of the Board are included in the Board Charter, which is available on the Company's corporate website at www.pieib.com.my. To enable the Board to discharge its duties effectively whilst enhancing business and operational efficacy, the Board delegates certain responsibilities to three Committees, namely: • Audit Committee (AC); • Nominating Committee (NC); and • Risk Management Committee (RMC). Roles and responsibilities of the AC and NC in discharging its functions which had been delegated by the Board are set out in each respective Board Committees' Terms of Reference (ToR) while the RMC has worked out an Enterprise Risk Management (ERM) Framework to assess the various types of risks which might have an impact on the profitable operation of the Group. Both ToRs and risk management framework are available on Company's corporate website at www.pieib.com.my. The Chairman of the various Committees will report to the Board the outcome of their meetings and such reports are incorporated in the minutes of the Board meeting. The Board has overall responsibility for the sustainable growth and financial soundness of the Company and its subsidiaries (the Group). To ensure the Group operates as desired goals and objectives of the Company, the Board has the power to decide on all matters pertaining to the Company's business.

	1. The Board, together with the management is responsible for promoting good corporate governance (CG) 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 of other stakeholders. The Board understands that upholding CG values is not merely achieving the desired financial performance; but also reinforcing ethical, prudent and professional behaviour. The Code of Ethics for Directors includes principles relating to their duties, conflict of interest and dealings in securities are available at the Company's website. PIE is committed to ensuring that its business and operations are conducted in an ethical, moral and legal manner. In line with this commitment, PIE had implemented the Whistle blowing Policy to provide an avenue for employees or any external party to disclose any improper conduct or wrongdoing within the Group. The Whistle blowing Policy of PIE is available at its corporate website. 2. The Board plays an active role in the development of the Company's strategy, and monitoring of its performance and implementation of Management's proposals. Senior Management presents to the Executive Directors (EDs) its recommended strategy and proposed business plan for the following year during the management meeting. The EDs review and deliberate both the Management's proposals and its own points of view, challenge the Management's views and assumptions for the proposed targets and monitor their performance by setting Key Performance Indicators (KPIs), to obtain the best outcome for the benefit of the Company. 3. In ensuring that the strategic plan of PIE supports long-term value creation, the Board reviews the outcome of the Management's assessment and validates the material sustainability matters, namely economic, environmental and social considerations that are important to the Company's business and stakeholders. Detailed disclosure on the sustainability governance structure, scope of the sustainability strategies and management of material sustainability matters including key indicators are provided in the Sustainability Report in Annual Report 2021. 4. The Managing Director (MD) is responsible for the day-to-day management of the business and operation of the Group with respect to both of its regulatory and commercial functions. MD is supported by Senior Management and respective Department Heads or Section Heads. They reported to the MD

	who monitors the business performance of the Group bench-marked against the KPIs set during management meetings. The Management's performance under the leadership of the MD is monitored by the Board through quarterly results which is tabled to the Board during each reporting period. The Board continuously observes the external and internal business environment to ensure proper actions has been taken to address the environmental changes that might affect the Group's business. 5. The Board oversees the risk management framework of the Group and monitors the Group's risk profile with the assistance from its RMC. The RMC advises the AC and the Board on areas of high risk and the adequacy of compliance and control procedures throughout the organisation to ensure that all major risks are well managed. The AC reviews the internal controls of the Group to ensure the protection of its assets and its shareholders' investment. 6. The Board is assisted by the RMC to identify the principal risks of the Company's business and ensure the implementation of appropriate systems to manage these risks. The RMC assesses the Group's risk exposure and proposes implementation of action plans to manage the risks. The risk profiles and status of the action plans are reviewed by the RMC on a yearly basis. 7. The Board has reviewed and approved the ERM Framework, an overarching framework for 4 categories of enterprise risks namely Strategic, Operation, Reporting and Compliance. The RMC assists the Board in overseeing the adherence of established risk appetite/tolerance at the enterprise wide level in the ERM Framework. 8. The Management is requested by RMC to attend succession planning programme and Balanced Scorecard training which help in formulating succession policy for the Group's key personnel positions with a view to ensuring the Group's continued ability to sustain and compete effectively in the market. 9. To enable effective communication with stakeholders, the Board has identified the relevant personnel to handle investor relation related matter for the Group and their contacts are published in the Group's website. During the financial year ended 31 December 2021 (FY2021), the Company communicated material news on the Company's corporate affairs to its shareholders vide release of public

	announcement. 10. The Board emphasised the importance of embracing the integrity and ethical values across the organisation. The same applies to the Company's financial and non-financial reporting to ensure reliability, timeliness, transparency and compliance with the relevant standards.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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	:	The roles and responsibilities of the Chairman of the Board have been clearly specified in the Board Charter, which is available on the Company's corporate website at www.pieib.com.my. Mr. Wong Thai Sun was appointed as the Chairman of PIE on 14 February 2020 and followed by Mr. Lim Chien Ch'eng was appointed as Chairman of PIE on 1 April 2022. 1. The Chairman leads the Board by setting the tone at the top, and managing the Board's effectiveness by focusing on strategy, governance and compliance. In turn, the Board monitors the functions of the Board Committees in accordance with their respective ToR to ensure its own effectiveness. 2. The Chairman with the assistance of the Company Secretary sets the board agenda for each meeting based on the dates of scheduled Board meetings in the annual meeting calendar. The Chairman ensures that all Directors have full and timely access to information with an agenda on matters requiring Board's consideration. Agenda and documents relevant to the Board meetings are circulated at least 7 days in advance to the Directors for their review before the meetings to ensure the effectiveness of the Board meetings. 3. The Chairman leads the pace of the meeting and fosters discussion and deliberation to ensure effective decision making processes. 4. The Chairman encourages Board members to actively take part on the Board meetings and promotes an open environment to allow Board members to freely express dissenting views for discussion on the overall control, Management's performance and strategy development of the Company. 5. During deliberations at Board meetings, the Chairman provides his objective views and decisions to resolve situations when there are differing views between the Board Members

	and the Management. 6. At Annual General Meeting, the Chairman plays a role in fostering constructive dialogue between stakeholders and the Board to ensure that stakeholders' views are conveyed to the Board. 7. The Chairman leads the Board by ensuring that PIE adheres to all the relevant laws and regulations as well as champions good CG and ethical practices throughout the Group.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	The distinct and separate roles and responsibilities of the Chairman and MD are provided in the Board Charter, which is available on the Company's corporate website at www.pieib.com.my . The positions of Chairman and MD are held by two different individuals who are not related to each other. The Chairman is an Independent Non-Executive Director while the MD is an Executive Director of the Company. During the financial year, the Chairman, Mr. Wong Thai Sun leads and manages the Board by focusing on strategy, governance and compliance whereas the MD, Mr. Mui Chung Meng oversees the day-to-day business operations of the Company, implements the Group's policies and the Board's decisions as well as develops, coordinates and implements business and corporate strategies. There is a clear division of responsibilities between the Chairman and the MD to ensure balance of power and authority, increased accountability and greater capacity of the Board for independent decision making.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.			
Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	In FY2021, Mr. Wong Thai Sun was a Chairman of the Board and a member of the Audit Committee. However, following the appointment of Mr. Lim Chien Ch'eng as a Chairman of the Board on 1 April 2022, he is not a member of the Audit Committee, Nomination Committee and Risk Management Committee.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	The Board is supported by two Company Secretaries who are qualified to act as company secretaries under Section 235(2) of the Companies Act 2016. One of them is a member of Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), Ms. Hing Poe Pyng (MAICSA 7053526) whilst the other is a member of Malaysian Institute of Accountants (MIA), Ms. Wong Yee Lin (MIA 15898). 1. The Company Secretaries attend all Board and Board Committees meetings and support the Board by ensuring that all meetings are properly conducted and deliberations of issues discussed, decision and conclusions at the meetings are well captured and recorded in the minutes of the meetings. 2. The Company Secretaries are responsible for advising the Board of their obligations and duties, disclosure of their interest in securities, disclosure of any conflict of interest in a transaction involving the Company, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information. 3. The Company Secretaries assist the Board on orientation of new director(s). Newly appointed Director(s) undergo a formal induction on their roles and responsibilities and business nature of the Group. 4. The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in CG through attendance at relevant conferences and training programmes. They have also attended the relevant continuous professional development programmes held during FY2021 as required by the Companies Commission of Malaysia or MAICSA for practising company secretaries. The Company Secretaries play an advisory role to the Board on corporate disclosures and compliance with the relevant changes to the laws, rules and regulations.

	5. For Annual General Meeting (AGM) which is held on 21 May 2021, the Company Secretaries assist the Board in ensuring that the due processes and proceedings are in place and properly managed. During the meetings, the Company Secretaries minute the question raised by the shareholders, if any. 6. The Company Secretaries monitor the developments of CG and assist the Board in applying best practices to meet the Board's needs and stakeholders' expectations. The Company Secretaries advised the Board with the identified areas of the Company which required further improvement for adherence to the CG standards as promulgate under the MCCG. The Group's Anti-Bribery and Corruption Policy in compliance with the Section 17A of Malaysian Anti-Corruption Commission Act 2009 (MACC Act) had been brought to the Board's attention on 28 February 2020 and adopted by the Company on 1 June 2020. Section 17A MACC Act training was also conducted in Year 2021.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	The Board met five times in FY2021. To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated to all Directors before the beginning of every year. The calendar provides Directors with scheduled dates for the Board meetings, Board Committees meetings and AGM. The meeting calendar for the proposed Board meetings in the year 2021 was circulated on 1 November 2021. The Board has full and timely access to information with agenda and documents relevant to the meetings distributed in advance of meetings, at least seven (7) days prior to the meeting, to enable the Directors to obtain further explanation, where necessary, in order to be properly briefed before the meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each Board meeting. The Senior Management are invited to attend the Board meetings to present to the Board on major issues relating to their areas of responsibility as and when required. The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation. The minutes of the meetings will be circulated to the Board and confirmed by the respective Chairman at the subsequent meetings. The Company Secretaries will communicate to the relevant Management the Board's decisions/recommendations (as the case may be) via circulation of draft minutes of meetings for appropriate actions to be taken. The Company Secretaries will also follow up with the Management on status of actions taken with reference to the previous minutes of meetings for updating the Board. Action items would stay as matters arising in the minutes of meetings until they are resolved.
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board Charter serves as a primary reference for perspective and existing Board members of their fiduciary duties as directors of the Company, the responsibilities of the Board Committees and the leadership function of the Board. The roles and responsibilities of the Board, Chairman, MD, Senior Independent Non-Executive Director, Individual Directors, Company Secretary and Board Committees as well as a list of specific functions reserved for the Board are set out in the Company's Board Charter. The Company's Board Charter is subject to review periodically to ensure it remains consistent with the Board's objectives, current laws and CG practices. The Board Charter, last reviewed by the Board on 25 February 2022, is available on the Company's corporate website at www.pieib.com.my .
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board is mindful of its leadership in business ethics practices as one of the key elements of business sustainability. The principle of the Code of Ethics for Directors is based on principles of sincerity, integrity, responsibility and corporate social responsibility. This Code of Ethics provides guidance for establishing a standard of ethical behaviour for Directors and upholding the spirit of responsibility and social responsibilities. Employee handbook outlines the code of conduct components such as compliance with laws, rules and regulations, respect to colleague in the workplace, protection of Company's property, professionalism in all business practices and etc. which promotes integrity and ethical behaviour in all aspect of the Company's operations. 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. The Code of Ethics for Directors is available on the Company's corporate website at www.pieib.com.my . In compliance with the Section 17A of MACC Act on corporate liability for corruption offences, the Anti-Bribery and Corruption Policy has been adopted as part of the Company's commitment against all forms of bribery and corruption.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application :	Applied	
Explanation on application of the practice :	The Board is committed to ensure high standards of CG, business integrity and accountability in conduct of its business and operations. The Company's Whistleblowing Policy provides employees of the Company and any external party an internal channel/procedure to report alleged unethical behaviour, improper business conduct, any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines without fear of reprisal or victimisation. This policy provides protection to the individuals who have made the allegation or reported the misconduct. The Group did not receive any such report in FY2021. The above policy is available on the Company's corporate website at www.pieib.com.my.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

Practice 4.1
The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has established the Board Committees comprising the Audit Committee, Risk Management Committee and Nomination Committee to carry out its duties and responsibilities. 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.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	There are 4 priority areas covered by group which included market place, workforce, environmental and community. Detailed of sustainability report can be found in annual report of Group.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 4.3
The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The risk management process consists of applying policies, procedures, and practices to communication and consulting activities, as well as establishing the context for identifying, quantifying, responding, controlling, monitoring, and reviewing. The Board set strategy to achieve business target and mitigate risks.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	A detailed study is required for developing the benchmark for performance evaluations of the board and senior management in addressing the company's material sustainability risks and opportunities.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.		
Application	:	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	:	The Nomination Committee (NC) should review and recommend to its Board the overall composition of the Board to achieve long term sustainability of the organisation. The assessment of the Directors would consider the followings: 1. Review existing board composition such as gender, age, skills and experience. 2. The Director's performance and contribution through his skills, experience and strength.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	As of 31 December 2021, the Board comprises six (6) Directors i.e. three (3) Independent Non Executive Directors (INEDs), two (2) ED and one (1) Non-Independent Non-Executive Director (NINED). The Board is complied to paragraph 15.02 of the Main LR, which requires that at least two (2) Directors or one-third of the Board of the Company, whichever is the higher, are Independent Directors. All the three (3) INEDs satisfied the independence test under Main LR and they constitute 50% of the Board. A proposed appointment of INED is required to be supported by a declaration of independence as defined under Paragraph 1.01 of the Main LR. In addition, the assessment of independence of the INEDs is conducted annually through forms of declaration of independence by each INED to facilitate the process of determining the Director's independence. All Directors had given confirmations on an annually basis, as to whether he/she has any family relationship with any director and/or major shareholder of PIE, any convictions for offences within the past six (6) years other than traffic offences, any public sanction or penalty imposed by the relevant regulatory bodies, any conflict of interest with PIE and any securities held in PIE. This is one of the criteria to enable the Board/NC to assess the Directors' independence as and when any new interest or relationship develops.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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	:	Mr.Loo Hooi Beng was resigned as Independent Non-executive Director on 31 March 2022. The Board is presently of the view that there is no necessity to fix a maximum tenure limit for INEDs as there are significant advantages to be gained from the long-serving Directors who possess tremendous insight and knowledge of the Company's businesses and affairs. Similarly, the Board does not set a time-frame on how long an INED should serve on the Board, mainly for the following reasons: • The ability of a Director to serve effectively as an Independent Director is very much dependent on his calibre, qualification, experience and personal qualities, particularly his integrity and objectivity, and has no real connection to his tenure as an Independent Director. • NC would conduct an annual assessment of INEDs in respect of inter-alia their skills, experience and contributions, and whether the Independent Directors are able to discharge their duties with unbiased judgment. Furthermore, the NC also would review the Directors Profile of Independent Directors and assess its family relationship, interest of shareholdings in the Company and related party transactions with the Group (if any).	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.		
Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Practice 5.5
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

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

<table>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>The Board recognizes that diversity is important to enhance Board effectiveness as diversity broadens the debate within the Board by harnessing different insights and perspectives. The Board with a diversified background and collectively bring with them a wide range of experience and expertise in areas such as technology, marketing, industrial, corporate, accounting, finance, governance risk and compliance with relevant industry knowledge in which PIE currently operates in.

The Board and NC take into account the current diversity in the skills, experience, gender, ethnicity and age of the existing Board in seeking potential candidate(s). This helps to ensure an appropriate balance between the experience perspectives of the long term directors and new perspectives that bring fresh insights to the Board.

The Directors' profiles are provided on pages 5 to 8 of the Annual Report. As of 31 December 2021, the diversity in the age, ethnicity and gender of the Board were as follows:

<table>
<tr><th colspan="4">Age</th><th colspan="2">Ethnicity</th><th colspan="2">Gender</th></tr>
<tr><td>30-39</td><td>40-49</td><td>50-59</td><td>60-70</td><td>Chinese</td><td>Foreign</td><td>M</td><td>F</td></tr>
<tr><td>1</td><td>1</td><td>2</td><td>2</td><td>5</td><td>1</td><td>5</td><td>1</td></tr>
</table>

Following the appointment of Mr. Lim Chien Ch'eng as an Independent Non-Executive Director on 18 March 2022 and resignation of Mr. Loo Hooi Beng as an Independent Non Executive Director and 31 March 2022, the diversity in the age, ethnicity and gender of the Board as of the date of this report were as follows:

<table>
<tr><th colspan="4">Age</th><th colspan="2">Ethnicity</th><th colspan="2">Gender</th></tr>
<tr><td>30-39</td><td>40-49</td><td>50-59</td><td>60-70</td><td>Chinese</td><td>Foreign</td><td>M</td><td>F</td></tr>
<tr><td>1</td><td>1</td><td>1</td><td>3</td><td>5</td><td>1</td><td>5</td><td>1</td></tr>
</table>
</td></tr>
</table>

Besides, the appointment of Key Senior Management was also made with due regard for diversity in skills, experience, gender, ethnicity and age. The profiles of the Key Senior Management are furnished on pages 10 and 11 of the Annual Report. As of 31 December 2021, the diversity in the age, ethnicity and gender of the Key Senior Management were as follows:

Age		**Ethnicity**		**Gender**	
50-59	60-70	Chinese	Foreigner	M	F
4	2	4	2	5	1

While it is important to promote such diversity, the normal selection criteria of a Director or Senior Management, based on effective blend of competencies, skills, extensive experience and knowledge in relevant industry should remain priority so as not to compromise on the effectiveness in carrying out their duties and responsibilities and the achievement of the Group's goals and objectives.

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

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

Practice 5.6
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	:	The Board did not utilise independent sources to identify suitably qualified candidates. Through its own network and bearing in mind 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.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board did not provide a statement to support the reappointment of the directors.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	During the FY2021, the NC was chaired by Mr. Loo Hooi Beng, an INED of the Company. NC was then chaired by Ms. Koay San San, also an INED of the Company effective from 18 March 2022. Summary of activities carried out by the NC in FY2021 are as follows: • 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 restructuring of Board composition subsequent to the retirement and 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; • reviewed and recommend to the Board for re-appointment of Director who has served as an INED of the Company for a cumulative term of more than 9 years and to seek shareholders' approval at the AGM; • reviewed and recommended to the Board the re-election of Directors who retired in accordance with the relevant Articles of Constitution. The ToR of NC is available on the Company's corporate website at www.pieib.com.my .
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board comprises 1 women Directors out of 6 Directors, which represents 17% women directors.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	The 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. The Board has disclosed in its Annual Report 2021 the gender diversity for Board on page 22.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 6.1
The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

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

<table>
<tr><td colspan="3">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.</td></tr>
<tr><td>Application</td><td>:</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td>The NC established a set of valuation forms comprising the quantitative and qualitative performance criteria to evaluate the performance of each member of the Board, each Board Committee and reviewing the performance of the Board as a whole. The criteria for assessment of Directors shall include attendance record, intensity of participation at meetings, quality of interventions and special contributions.

Individual Director self evaluation, assessment of independency of Independent Directors, Board evaluation, Board Committee evaluation were carried out annually. The areas covered are as follows:

<table>
<tr><th>Annual Evaluation</th><th>Assessment Criteria</th></tr>
<tr><td>Individual Director self evaluation</td><td>• Professional qualification & skills
• Knowledge & experience
• Interaction with the Board / Management
• Participation and contributions during Board meetings
• Other traits / strengths
• Management skills & abilities</td></tr>
<tr><td>Assessment of independency of Independent Directors</td><td>As prescribed under Paragraph 1.01 and Practice Note 13 of Main LR.</td></tr>
<tr><td>Board evaluation</td><td>• Board structure
• Board operations
• Board roles & responsibilities
• Board Chairman’s role & responsibilities</td></tr>
<tr><td>Board Committee evaluation</td><td>Quality and composition, skills and competencies, meeting administration & conduct are evaluated by Chairman of the NC</td></tr>
</table>
</td></tr>
</table>

	On 26 February 2021, the above assessments were carried out in respect of the FY2021. The NC reviewed the result of the evaluation and agreed that the Company has the necessary mix of skill, experience and other necessary qualities to serve the Board and Board Committee effectively. The Board is satisfied with the existing board structure, effectiveness and the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. The Directors of PIE must not hold directorships of more than five (5) public listed companies to make sure they have sufficient time to fulfil their roles and responsibilities effectively and in line with the Paragraph 15.06 of the Main LR.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board is mindful that fair remuneration is critical to attract, retain and motivate the Directors of the Company. The Board has formalised Remuneration Policy and Procedures applies to the Directors including Executive and Non-Executive Directors of the Company. The Policy and Procedures are periodically reviewed by the Board to ensure that it continues to remain relevant and appropriate. The Remuneration Policy applied to each Director of the Company are as follows: 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, statutory contribution and other allowances incidental to the performance of their duties. 5. In determining the remuneration package of the Non-Executive Directors, the Director concerned will abstain from the discussion. 6. The Board may obtain independent professional advice in formulating the remuneration package of its Directors. The policy is available on the Company's corporate website at www.pieib.com.my

	As a procedure: • Directors' fees and benefits payable to the Non-Executive Directors have been reviewed by the Board, thereafter, recommends to the shareholders for approval in the annual general meeting 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. Whereas, the Remuneration Policy and Procedures for Senior Management will be governed under the Company's HR Policy.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

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

Practice 7.2
The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Given the present size of the Board, the Board has decided not to set up a remuneration committee as recommended by the Code.	
		Alternative practice: The Board formalised a policy for fixing remuneration packages of each Director as stated under Practice 6.1 of CG Report.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosures of remuneration breakdown of each Director for the FY2021 are as follows:

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	Wong Thai Sun	Independent Director	27	6	0	0	0	0	33	0	0	0	0	0	0	0
2	Mui Chung Meng	Executive Director	0	5	316	966	0	244	1531	0	0	453	988	16	265	1722
3	Lan, Kuo-Yi	Executive Director	0	5	135	106	0	29	275	0	0	135	106	7	29	277
4	Loo Hooi Beng	Independent Director	27	7	0	0	0	0	275	0	0	0	0	0	0	0
5	Koay San San	Independent Director	27	7	0	0	0	0	34	0	0	0	0	0	0	0
6	Lee Cheow Kooi	Non-Executive Non-Independent Director	0	6	0	0	0	0	6	0	0	0	0	0	0	0
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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

Intended Outcome

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

Practice 8.2

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

<table>
<tr><td>Application :</td><td colspan="2">Applied – the company discloses the remuneration of members senior management who are not members of the board</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The top five Senior Management of the Group whose total remuneration during the financial year fall within the following bands, is as follows:
<table>
<tr><th rowspan="2">Name of Senior Management</th><th></th><th colspan="4">Range of Remuneration</th></tr>
<tr><th>RM200,001 – RM250,000</th><th>RM350,001 – RM400,000</th><th>RM450,001 – RM500,000</th><th>RM500,001 – RM550,000</th><th>RM550,001 – RM600,000</th></tr>
<tr><td>Hong Yong Peng</td><td>√</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Law Tong Han</td><td></td><td></td><td></td><td>√</td><td></td></tr>
<tr><td>Ong Tiew Ling</td><td></td><td></td><td>√</td><td></td><td></td></tr>
<tr><td>Chen, Ming-Lung</td><td></td><td></td><td></td><td></td><td>√</td></tr>
<tr><td>Liao, Yueh-Chen</td><td></td><td>√</td><td></td><td></td><td></td></tr>
</table></td></tr>
<tr><td>Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.1
The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	Following by resignation of Mr. Loo Hooi Beng on 31 March 2022, Mr. Wong Thai Sun was appointed as the Chairman of the AC on 1 April 2022, is not the Chairman of the Board. Whilst this practice has always been adopted by PIE, the ToR of the AC has been amended and approved by the Board on 25 February 2022 to reflect the requirements in Practice 8.1 of the MCCG that "*The Chairman of the AC must not be the Chairman of the Board*".	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
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	:	PIE has always recognised the need to uphold independence. None of the members of the Board were former key audit partners within the cooling-off period of three (3) years. Hence, there is no such person being appointed as a member of the AC. It is noted that the "cooling-off" period is founded in the Provision 290.139 of the By-Laws (on Professional Ethics, Conduct and Practice) by the Malaysian Institute of Accountants. Whilst this practice has always been adopted by PIE, the ToR of the AC has been amended and approved by the Board on 26 February 2021 to reflect the requirements in Practice 8.2 of the MCCG and amendments to Main LR on strengthening the definition of independent directors that "*A former key audit partner shall observe a cooling-off period of at least 3 years before being appointed as a member of the AC or such other period stipulated under the By-Laws (on Professional Ethics, Conduct and Practice) by the Malaysian Institute of Accountants*".
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.3
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	The Board has adopted an External Auditors Assessment Policy 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. The Board appointed of Messrs. Deloitte PLT as the External Auditors of the Group with effective from 22 July 2020. The Board maintains a transparent relationship with external auditors. Members of the AC meet the external auditors at least twice a year without the presence of the executive Board members to discuss the results and concerns arising from their audit. Based on the above, the AC was satisfied with the suitability of Deloitte 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 FY2021. The AC was also satisfied in its review that the provision of the non-audit services by Deloitte PLT to the Company for the FY2021 did not in any way impair their objectivity and independence as external auditors of the Company. A summary of work performed by the AC during the financial year under review is set out in the AC report on pages 14 and 15 of the Annual report.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	AC comprised solely of INEDs throughout FY2021. As of the publication of this CG Report, the AC still comprised solely of INEDs. Whilst this practice has always been adopted by PIE, the ToR of the AC has been amended and approved by the Board on 26 February 2021 to reflect the requirements in Practice 8.4 of the MCCG that "*The AC shall comprise solely of Independent Directors*".

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	:	All AC members are financially literate to review and analyse Company's financial statement, possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AC. The qualification and experience of the individual AC members are disclosed in the Directors' Profile on pages 5 to 9 of the Annual Report. All AC members undertake continuous professional development to ensure that they are abreast of relevant developments in accounting and auditing standards, practices and rules to meet their requirements. The details training attended stated in Practice 2.1.
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	:	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 pages 16 to 19 of the Annual Report to ensure that the risks are managed within risk tolerance set by the Board. 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. 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.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Practice 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	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. 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. 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. Further details on the management and reporting of four (4) risk categories i.e. strategic risk, operational risk, financial risk, compliance risk, and the controls in place to mitigate and manage those risks are provided in the SORMIC on pages 16 to 19 of the Annual Report.
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 10.3 - 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	:	Following the appointment of Ms. Koay San San as Chairman of RMC and Mr. Lan, Kuo Yi and Mr. Wong Thai Sun as member of RMC on 1 April 2022, the Board has set-up a RMC comprising of a majority of independent directors. RMC is chaired by an INED and supported by an INED, to oversee the Company's risk management framework and policies.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	The Group has outsourced the Internal Audit Function to an independent professional firm, Finfield Corporate Services Sdn. Bhd. on 5 November 2018. Finfield was appointed throughout FY2021 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. 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. To ensure that the responsibilities of Internal Auditor are fully discharged, the AC reviews: (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. A brief statement on the internal audit function with a summary of its key activities is disclosed under the AC Report on pages 14 and 15 of the Annual Report.
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	The existing outsourcing Internal Auditor, Finfield Corporate Services Sdn. Bhd. is independent from the Company. 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. 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. In view of the above measures in place in developing the scope of the Internal Audit function, the AC is satisfied that: (a) the person(s) responsible for the internal audit has relevant experience, sufficient standing and authority to enable them to discharge their functions effectively; (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.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	PIE ensures that its communication with the shareholders and various stakeholders is effective, transparent, timely and with quality disclosure. The Company also actively engages all its stakeholders through various platforms including the announcements via Bursa LINK, disclosures on PIE's website and engagement through the investor relations function. PIE's website, www.pieib.com.my , is accessible to the public. To facilitate stakeholders' greater understanding to the Company's business and governance, "About Us" section provides PIE's corporate information, group structure, Board of Directors, Code of Ethics for Director, Board Charter, ToR of respective Board Committee, Risk Management Framework, Policies and Procedures to determine the Remuneration of Directors, Whistleblowing Policy and Anti-Bribery and Corruption Policy. "Investor Relations" section includes all announcements made by PIE though Bursa LINK such as quarterly financial results, change in boardroom, change in director's shareholding, outcome of the general meetings, dividend declaration and etc., financial highlights, Annual Reports, CG Reports of the Company and shareholdings. The Investor Relations function is established to enable continuous communication between the Company and its stakeholders. The name and contact number of the relevant personnel handling the investor relation related matter for the Group are also published in the PIE's website under "Investor Relations". In 2021, a number of briefings to provide updates on the Company's strategy, business development, financial and operational performance were held during the year to maintain an open communication with the investors, shareholders, intermediaries and regulators.
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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	:	PIE dispatched the notice of 24th AGM on 22 April 2021 for holding the said AGM on 21 May 2021. PIE dispatched the notice of AGM to shareholders at least 28 days before the AGM, which is in line with the said Practice. Shareholders are given sufficient time to make arrangement to attend the AGM of the Company which was conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting (RPV) Facilities either in person or by corporate representatives, proxies or attorneys. Moreover, further explanations for background information and relevant reports or recommendations will be provided on the ordinary resolutions proposed under special business to enable the shareholders to consider the resolutions thoroughly and make informed decision in exercising their voting rights during AGM.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	All the directors attended the 24th AGM held on 21 May 2021 to engage directly with shareholders. The Chairman of AC, NC and RMC as well as management representatives and external auditor also attended the AGM to give meaningful responses to the shareholders' queries addressed to them. The shareholders were invited to participate in the Question & Answer session conducted after the general meeting and the MD also presented the Company's operating and financial performance for 2021 during the session.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 13.3
Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied	
Explanation on application of the practice	:	As part of the initiatives and the safety measures to curb the spread of Coronavirus Disease 2019 (COVID-19), and having regard to the well-being and the safety of our shareholders, the 24th AGM of PIE was conducted on a fully virtual basis through live streaming and online remote voting via RPV facilities. Shareholders and proxies attended the 24th AGM remotely by using the RPV facilities according to the procedures as set out clearly in the Adminstrative Guide. During the 24th AGM held on 21 May 2021 at the Broadcast Venue of PIE's conference room, the Company had appointed SS E Solutions Sdn Bhd as Poll Administrator to conduct fully virtual general meeting, and Commercial Quest Sdn Bhd as Scrutineers to validate the votes cast.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.			
Application	:	Applied	
Explanation on application of the practice	:	The 24th AGM was a virtual meeting. Shareholders and proxies attended the 24th AGM remotely by using the RPV facilities according to the procedures as set out clearly in the Administrative Guide.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.5

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.

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.			
Application	:	Applied	
Explanation on application of the practice	:	In view of the COVID-19 pandemic, the Company's held its 2020 and 2021 AGM as virtual general meeting. The Company had appointed SS E Solutions Sdn Bhd as Poll Administrator to conduct fully virtual general meeting, and Commercial Quest Sdn Bhd as Scrutineers to validate the votes cast.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.6

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

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.			
Application	:	Applied	
Explanation on application of the practice	:	Minutes of the 24th AGM have been circulated to shareholders on 21 May 2021 after the AGM on its website at www.pieib.com.my	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
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.

Click or tap here to enter text.