

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7095
COMPANY NAME : P.I.E. Industrial Berhad
FINANCIAL YEAR : December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>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.</p> <p>To enable the Board to discharge its duties effectively whilst 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);• Nominating Committee (NC); and• Risk Management Committee (RMC). <p>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. 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.</p> <p>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.</p> <ol style="list-style-type: none">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

	<p>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.</p> <p>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.</p> <p>The Company is committed to ensuring that its business and operations are conducted in an ethical, moral and legal manner. In line with this commitment, the Company 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.</p> <p>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.</p> <p>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.</p> <p>3. In ensuring that the strategic plan of the Company 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.</p> <p>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 Statement on Annual Report 2022.</p> <p>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 benchmarked against the KPIs set during management meetings. The Management’s performance under the leadership of the MD is</p>
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	<p>monitored by the Board through quarterly results which is tabled to the Board during each reporting period.</p> <p>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.</p> <ol style="list-style-type: none"> 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. <p>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.</p> <ol style="list-style-type: none"> 7. The Board has reviewed and approved the ERM Framework, an overarching framework in accordance with ISO 31000: 2018 Risk Management - Guidelines. 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. <p>During the financial year ended 31 December 2022 (FY2022), the Company communicated material news on the Company's corporate affairs to its shareholders vide release of public announcement.</p>
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	<p>10. The Management will assist the Board to understand financial statements and form a view on the information presented, the Board is encouraged to attend training courses to update themselves on financial statements if they felt required. If there are any particular accounting standards that the Directors wish to be informed, the Management could arrange for presentation. The Management would circulate updates on accounting standards and any other relevant subjects as and when required.</p> <p>11. The Board emphasizes the importance of embracing the integrity and ethical values across the organization. The same applies to the Company's financial and non-financial reporting to ensure reliability, timeliness, transparency and compliance with the relevant standards.</p> <p>The Board reviews the performance of the major operating of the Group, risk management, sustainability report and compliance reports. The Board will ensure the true and fair of financial report prior to submit to Bursa Malaysia.</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>		
<p>Measure</p>		
<p>Timeframe</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>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.</p> <p>Mr. Wong Thai Sun was appointed as the Independent Non-Executive Chairman of the Company on 14 February 2020 and followed by Mr. Lim Chien Ch'eng was appointed as Independent Non-Executive Chairman of the Company on 1 April 2022.</p> <ol style="list-style-type: none">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 leads the Board by ensuring that the Company adheres to all the relevant laws and regulations as well as champions good CG and ethical practices throughout the Group.3. 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 seven (7) days in advance to the Directors for their review before the meetings to ensure the effectiveness of the Board meetings.4. The Chairman leads the pace of the meeting and fosters discussion and deliberation to ensure effective decision-making processes.5. 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.

	<p>6. 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.</p> <p>7. 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.</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>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.</p> <p>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. The Chairman is an Independent Non-Executive Director while the MD is an Executive Director of the Company.</p> <p>During the financial year, the Chairman, Mr. Wong Thai Sun redesignated as Independent Non-Executive Director and Mr. Lim Chien Ch'eng had been appointed as Independent Non-Executive Chairman to the Board on 1 April 2022.</p> <p>Mr. Lim Chien Ch'eng 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.</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 is not the member of Audit Committees nor Nomination Committee nor Remuneration Committee. The Chairman of Audit Committee is Mr. Wong Thai Sun while the Chairman of Nomination Committee is Ms. Koay San San.</p> <p>To ensure there is check and balance as well as objective review by the board, the Chairman of the Board should not be involved in these committees. With such appointments, there is no conflict of interest in regards of Audit, Nomination and Remuneration decision-making in true and fair view.</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) Company Secretaries who are qualified to act as company secretaries under Section 235(2) of the Companies Act 2016. One (1) 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).</p> <ol style="list-style-type: none">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) undergoes 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 FY2022 as required by the Companies Commission of Malaysia or MAICSA for practicing company secretaries. <p>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.</p>

	<p>5. For Annual General Meeting (AGM) which is held on 20 May 2022, 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.</p> <p>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.</p> <p>The Directors' Fit and Proper Policy to ensure a formal, rigorous and transparent process for the appointment and re-election of Directors and Senior Management has been adopted by the Board on 29 June 2022.</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>The Board met five (5) times in FY2022. 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 2023 was circulated on 31st October 2022.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Although the Company held the Board and Audit Committee meeting on the same day, however, both meetings were organized in different time session. For the Audit Committee meeting, the Executive Directors will not be invited and only Non-Executive Directors were invited to the Audit Committee meeting.</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

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 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.</p> <p>The Board Charter sets out the roles and responsibilities of the Board, Board Committees, individual Directors and Management in upholding sound corporate governance standards and practices.</p> <p>The Board Charter covers the following key areas:</p> <ul style="list-style-type: none"> • Board Composition • New Appointment/Re-appointment/Re-election of Directors • Key Responsibilities of the Board • Roles of Chairman and Managing Director • Board Committees • Board Meetings • Board Evaluation and Performance • Directors’ Training and Continuing Education <p>The Board Charter is subject to review periodically to ensure it remains consistent with the Board’s objectives, current laws and CG practices.</p> <p>The Board Charter is available on the Company’s corporate website at www.pieib.com.my.</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 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 of the key elements of business sustainability.</p> <p>The Company Code of Ethics for Directors is encapsulated in the following four Fundamental Ethical Principles:</p> <ul style="list-style-type: none">• sincerity,• integrity,• responsibility• corporate social responsibility. <p>The following policies are in place to establish a standard of ethical behaviour for Directors and upholding the spirit of responsibility and social responsibilities:</p> <ul style="list-style-type: none">• Corporate Governance• Relationship with Shareholder, Employees, Customers, Creditors and other Stakeholders• Social Responsibilities and the Environment <p>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.</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>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>

Explanation for departure	: The Code of Ethics, Anti-Bribery and Corruption Policy are available on the Company's corporate website at www.pieib.com.my .
<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 3.2

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 ensure high standards of CG, business integrity and accountability in conduct of its business and operations. The Company takes a serious view of any wrongdoings by any of the Parties, in particular with respect to their obligations to the Company's interests.</p> <p>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.</p> <p>This policy provides protection to the individuals who have made the allegation or reported the misconduct. The Company expects all Parties to act in good faith and have reasonable grounds when reporting a Whistleblowing complaint.</p> <p>Any party that retaliates against someone who has reported a wrongdoing in good faith may be subjected to appropriate action, up to and including legal action, where applicable. All complaints, including the identity of the whistleblowers will be dealt with highest level of confidentiality at all times.</p> <p>The Group did not receive any such report in FY2022. Any report can be submitted confidentially via email to piewhistle@pan-intl.com. The above policy is available 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 (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 economic, environmental and social 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 and Social Contribution 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.</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 4.2

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 thirteen (13) material matters are categorised across three (3) main sustainability themes which included:</p> <p>Creating Value through Innovation</p> <ul style="list-style-type: none"> • Financial Performance • Customer Satisfaction • Corporate Governance and Ethical Business Behaviour • Sustainable Manufacturing Programme • Sustainable Supply Chain Management <p>Human Capital Development</p> <ul style="list-style-type: none"> • Employee Management • Health and Safety • Community Contribution <p>Environmental Friendly Awareness</p> <ul style="list-style-type: none"> • Waste Management • Air Emissions • 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. Gather feedback and evaluate customer satisfaction from customers 2. Recognize good CG practices and ethical business behaviour 3. Adopt lean production process through Lean Manufacturing Programme 4. Supervise and monitor the Group’s supply chain-related activities 5. Apply 3R strategy which represents “Recruit”, “Retain” and “Reinforce” for employee management approach 6. Taking necessary steps to maintain a healthy and safe working place 7. Take part in Corporate Social Responsibility (CSR) activities 8. To have responsible of Waste Management Practices 9. Engaged outsourcing consultant to carry out on site air emission and noise pollution monitoring 10. 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	:		
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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 and the Senior Management have performed their respective roles in addressing material sustainability risks and opportunities.</p> <p>The Board has Key Performance Indicators in relation to Sustainability Pillars of Environmental, Economic and Social Contribution as well as setting the Company’s sustainability strategies, priorities and targets.</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 responsible to assist the Board (among other things) in the development and implementation of the policies on the nomination and appointment of Directors and Committee members in the Company, to achieve long-term sustainability of the organisation.</p> <p>In this respect, the NC reviews its Board composition periodically to ensure that the Board comprises the right talent in terms of skills, experience and other qualities, in order to effectively carry out the Board's roles and responsibilities.</p> <p>In FY2022, the NC conducted an analysis of the Board Skills Matrix based on the Board composition to determine the skills gaps that may be needed to be filled. If there is any gap in the Board composition, the NC identifies the selection criteria for the new INED(s) with the view to close the gap and to strengthen the Board composition with reference to the strategic direction of the Company.</p> <p>The NC reviews the performance of Director who is subjected to re-election at the AGM and upon satisfactory evaluation of the Director's performance and his/her contribution to the Board, recommendation will be submitted to the Board for decision to table the resolution on the re-election of the Director and to obtain shareholders' approval at the AGM.</p> <p>In addition, the Company has been adopting the Directors' Fit and Proper Policy to ensure a formal, rigorous and transparent process for the appointment and re-election of Directors and Senior Management. The policy is available 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 5.2

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 2022 is as follows:</p> <ul style="list-style-type: none">• three (3) Independent Non-Executive Directors (INEDs)• two (2) Executive Directors (EDs)• one (1) Non-Independent Non-Executive Director (NINED) <p>The Board is compiled to Paragraph 15.02 of Main LR, 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 Independent Directors of the Company are constituting 50% of the Board and one (1) out of six (6) of the directors is a woman.</p> <p>A proposed appointment of INED is required to be supported by a declaration of independence as defined under Paragraph 1.01 of Bursa Securities LR and Paragraph 13 of Main LR. All the three (3) INEDs satisfied the independence tests.</p> <p>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 (1) of the criteria to enable the Board/NC to assess the Directors' independence as and when any new interest or relationship develops.</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 5.3

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>After serving twelve (12) years (with Board approval) as Independent Non-Executive Director, Mr. Loo Hooi Beng decided to resign from the position on 31 March 2022.</p> <p>Currently, none of the directors in the Board serving more than nine (9) years, therefore, the Company complying to this requirement.</p> <p>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.</p> <p>Similarly, the Board does not set a time-frame on how long an INED should serve on the Board, mainly for the following reasons:</p> <ul style="list-style-type: none">• 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.

Application	:	Applied																																										
Explanation on application of the practice	:	<p>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 the Company currently operates in.</p> <p>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.</p> <p>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, the diversity in the age, ethnicity and gender of the Board as of the date of this report were as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <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>1</td> <td>2</td> <td>2</td> <td>1</td> <td>5</td> <td>1</td> <td>5</td> <td>1</td> </tr> </tbody> </table> <p>Besides, the appointment of Key Senior Management was also made with due regard for diversity in skills, experience, gender, ethnicity and age. As of 31 December 2022, the diversity in the age, ethnicity and gender of the Key Senior Management were as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2">Age</th> <th colspan="2">Ethnicity</th> <th colspan="2">Gender</th> </tr> <tr> <th>50-59</th> <th>60-70</th> <th>Chinese</th> <th>Foreigner</th> <th>M</th> <th>F</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>3</td> <td>4</td> <td>2</td> <td>5</td> <td>1</td> </tr> </tbody> </table>	Age				Ethnicity		Gender		40-49	50-59	60-69	70-79	Chinese	Foreign	M	F	1	2	2	1	5	1	5	1	Age		Ethnicity		Gender		50-59	60-70	Chinese	Foreigner	M	F	3	3	4	2	5	1
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3	3	4	2	5	1																																							

	<p>The profiles of the Directors and Key Senior Management are furnished in the Annual Report.</p> <p>The Board strongly views that the 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 Company's goals and objectives.</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 5.6

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 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 and is subjected to fit and proper licensing requirements by the relevant regulators.	
		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.	
		In line with the recommendation of the 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.	
<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 5.7

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 understand the important of appointment and re-appointment of directors is a critical aspect of corporate governance, which has an impact on the leadership of companies. As such, shareholders should have the information they require to make an informed decision on these appointments as below.</p> <p>The NC had assessed the Directors' eligibility for re-election and appointment 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>During the NC Meeting on 25 February 2022, the NC had</p> <ol style="list-style-type: none">1. Recommended to the Board and Members the re-appointment of the following Directors who will retire at the forthcoming Annual General Meeting pursuant to the Article 102(1) of the Company's Constitution: -<ol style="list-style-type: none">a) Lee Cheow Kooi (LCK)b) Wong Thai Sun (WTS) <p>The NC recommended and the Board (with LCK and WTS abstaining from discussion and voting) resolved that LCK and WTS be recommended to shareholders for their re-election as Directors of the Company pursuant to the Company's Constitution at the forthcoming AGM of the Company.</p> <ol style="list-style-type: none">2. Recommended to the Board on the retention of Mr. Loo Hooi Beng (LHB) who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years to continue to act as an Independent Non-Executive Director of the Company. <p>The NC recommended and the Board (with LHB abstaining from discussion and voting) resolved that LHB be recommended to shareholders for his retention as Independent Non-Executive</p>

	<p>Director of the Company at the forthcoming AGM of the Company, with the following justification: -</p> <ul style="list-style-type: none"> i. He had fulfilled the criteria under the definition of an Independent Director as stated in the Main LR; ii. He had demonstrated throughout the terms of their office to be independent by exercising independent judgment when a matter is put before him for decision. Thus, he would be able to function as check and balance, provide broader view and brings an element of objectivity to the Board; iii. He had participated actively and contributed positively during deliberations or discussions at Board Meetings; iv. He had performed his duty diligently and in the best interest of the Company and provided a broader view, independent and balanced assessment of proposals from the Management. <p>However, LHB decided to resign and the Board resolved to accept the resignation of LHB during the Board’s meeting.</p> <p>The profile of each Director is set out in the Annual Report and Company’s corporate website at www.pieib.com.my. These include their age, gender, working experience and any conflict of interest as well as their shareholdings.</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>	
<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 5.8

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

Application	: Applied
Explanation on application of the practice	<p>During the FY2022, the NC was chaired by Mr. Loo Hooi Beng, an INED of the Company until 18 March 2022. Subsequently, the NC was then chaired by Ms. Koay San San, also an INED of the Company effective after the departure of Mr. Loo Hooi Beng.</p> <p>Summary of activities carried out by the NC in FY2022 are as follows:</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 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 nine (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;• Interview the proposed candidate for the position of INED of the Company. <p>The profile of Ms. Koay San San is set out in the Annual Report and 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 2022, the Board comprises one (1) women Director out of six (6) Directors, which represents 17% women directors. Besides, there are 17% of women holding key positions in the management.</p> <p>They are:</p> <ol style="list-style-type: none">1. Koay San San (Independent Non-Executive Director)2. Liao, Yueh-Chen (Factory Manager, Raw Wire & Cable Division) <p>Numerous studies have proven the business case for board diversity, in particular the participation of women on boards. The Board will endeavour to top talent from human capital market from time to time with the aim to have the right mix of woman participation in its Board in future.</p> <p>The Board also review the participation of women in senior management to ensure there is a healthy talent pipeline.</p> <p>The profile of Ms. Koay San San and Liao, Yueh-Chen are available in the Annual Report and Company's corporate website at www.pieib.com.my.</p>
<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 5.10

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>As disclosed in Practice 5.5, the Company practises non-discrimination in any form, whether based on age, gender, ethnicity or religion, throughout the organisation.</p> <p>The Board currently comprises five (5) male Directors and one (1) female Director. The composition of the Board is 83.3% Malaysian and 16.7% Taiwanese. 50.0% of the Directors are between the ages of 40 to 59 and 50.0% are above 60 years old.</p> <p>Besides, the composition of the Key Senior Management of the Company is 66.7% Malaysian and 33.3% Taiwanese. 50% of the them are between the ages 50 to 59 and 50% are above 60 years old.</p> <p>The Board understands the participation of women in decision-making positions should not be focused on board positions alone but should be broadened to include members of Senior Management as the same benefits apply.</p> <p>The Board would take into consideration suitably qualified female candidates for any vacant Board and Senior Management position in future, in line with the recommendation of the MCCG.</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	:	
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.

<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 established a set of valuation forms comprising the quantitative and qualitative performance criteria to evaluate the performance of each member of the Board and reviews 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.</p> <p>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:</p> <table border="1"> <thead> <tr> <th>Annual Evaluation</th> <th>Assessment Criteria</th> </tr> </thead> <tbody> <tr> <td>Individual Director self-evaluation</td> <td> <ul style="list-style-type: none"> • 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> <p>As prescribed under</p> <ul style="list-style-type: none"> • Paragraph 1.01 Bursa Securities LR • Paragraph 13 of Main LR </td> </tr> <tr> <td>Board evaluation</td> <td> <ul style="list-style-type: none"> • Board structure • Board operations • Board roles & responsibilities • Board Chairman's role & responsibilities </td> </tr> </tbody> </table>	Annual Evaluation	Assessment Criteria	Individual Director self-evaluation	<ul style="list-style-type: none"> • Professional qualification & skills • Knowledge & experience • Interaction with the Board / Management • Participation and contributions during Board meetings • Other traits / strengths • Management skills & abilities 	Assessment of independency of Independent Directors	<p>As prescribed under</p> <ul style="list-style-type: none"> • Paragraph 1.01 Bursa Securities LR • Paragraph 13 of Main LR 	Board evaluation	<ul style="list-style-type: none"> • Board structure • Board operations • Board roles & responsibilities • Board Chairman's role & responsibilities
Annual Evaluation	Assessment Criteria								
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Board evaluation	<ul style="list-style-type: none"> • Board structure • Board operations • Board roles & responsibilities • Board Chairman's role & responsibilities 								

	Board Committee evaluation	Quality and composition, skills and competencies, meeting administration & conduct are evaluated by Chairman of the NC
Explanation for departure :	<p>The Directors of the Company 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.</p> <p>On 25 February 2022, the above assessments were carried out in respect of the FY2022. 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.</p> <p>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.</p>	
<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. The remuneration package should take into account the complexity of the company's business and the individual's responsibilities. In addition, the remuneration should also be aligned with the business strategy and long-term objectives 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 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 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.

	<p>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.</p> <p>5. In determining the remuneration package of the Non-Executive Directors, the Executive Director concerns will be abstained from 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 available 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>	
<p>Measure :</p>	
<p>Timeframe :</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 understands that to establish a committee to assist the Board in developing and administering a fair and transparent procedure for setting policy on remuneration of directors and senior management is important because this would ensure that remuneration packages are determined on the basis of the Directors' and Senior Management's merit, qualification and competence, while having regard to the company's operating results, individual performance and comparable to market statistics	
		Although, the Board has decided not to set up a Remuneration Committee as recommended by the Code. However, the Board has formalised a policy for fixing remuneration packages of each Director as disclosed in Practice 7.1.	
<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 8.1

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 CG 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 the financial year ended 31 December 2022 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 (Appointed w.e.f. 18 March 2022)	Independent Director	22.50	0	0	0	0	5.50	28.00	0	0	0	0	0	0	28.00
2	Mui Chung Meng	Executive Director	0	0	338.47	1,345.02	0	5.90	1,689.39	0	0	0	0	15.50	0	1704.89
3	Lan, Kuo-Yi	Executive Director	0	0	144.14	233.25	0	5.90	383.29	0	0	0	0	6.60	0	389.89
4	Wong Thai Sun	Independent Director	30.00	0	0	0	0	6.70	36.70	0	0	0	0	0	0	36.70
5	Koay San San	Independent Director	30.00	0	0	0	0	7.30	37.30	0	0	0	0	0	0	37.30
6	Lee Cheow Kooi	Non-Executive Non-Independent Director	0	0	0	0	0	6.90	6.90	0	0	0	0	0	0	6.90
7	Loo Hooi Beng (Resigned w.e.f. 31 March 2022)	Independent Director	7.50	0	0	0	0	2.60	10.10	0	0	0	0	0	0	10.10

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 – the company discloses the remuneration of members senior management who are not members of the board					
Explanation on application of the practice	The top five (5) Senior Management of the Group whose total remuneration during the financial year fall within the following bands, is as follows:					
	Name of Senior Management	Range of Remuneration				
		RM200,001 -	RM350,001 -	RM500,001 -	RM600,001 -	RM650,001 -
		RM250,000	RM400,000	RM550,000	RM650,000	RM700,000
	Hong Yong Peng	√				
	Law Tong Han					√
	Ong Tiew Ling			√		
	Chen, Ming-Lung				√	
Liao, Yueh-Chen		√				
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	:	Mr. Wong Thai Sun was appointed as the Chairman of the AC on 1 April 2022 after the resignation of Mr. Loo Hooi Beng. Mr. Wong Thai Sun doesn't chair the Board, while the Chairman of Board is Mr. Lim Chien Ch'eng, this separation is consistent with Practice 1.4 of the MCCG. To reflect the requirements in practice 9.1 of the MCCG that "The Chairman of the AC must not be the Chairman of the Board", the Company has been amended and approved the TOR of the AC on 25 February 2022.
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

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 Company has always recognised the need to uphold independence. None of the members of the Board was 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.</p> <p>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.</p> <p>To reflect the requirements in Practice 9.2 of the MCGG 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" the Company has been amended and approved the TOR of the AC on 26 February 2021.</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

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 Term of Reference (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 appointed of Messrs. Deloitte PLT as the External Auditors of the Group with effective from 22 July 2020.</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 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 FY2022.</p> <p>The AC was also satisfied in its review that the provision of the non-audit services by Messrs. Deloitte PLT to the Company for the FY2022 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	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC is chaired by Mr. Wong Thai Sun, a member of the Malaysian Institute of Accountants and the Certified Practising Accountants, Australia. He has public practice experience in accountancy for over 36 years in Malaysia and oversea.</p> <p>The AC members, Ms Koay San San has graduated from University of Hertfordshire with Bachelor of Accounting and subsequently obtained her Master Degree in International Business from University of Sunderland.</p> <p>Mr. Lee Cheow Kooi, who has graduated from Tunku Abdul Rahman College with advanced Diploma in Mechanical and Manufacturing Engineering. He is a professional expert in implementing comprehensive business plans to facilitate achievement by planning cost effective operations.</p> <p>The AC is made up by members possessing appropriate mix of skills, knowledge and experience. They are all financially literate and have sound knowledge and understanding of financial reporting and internal and external audit reports. In addition, they also possess sufficient understanding of the Company's business.</p> <p>The AC is aware of the need to continuously develop and increase their knowledge in the area of accounting and auditing standards, given the changes and development in this area from time to time.</p> <p>The details of qualification, experience and training programmes attended stated in the Directors' Profile on in 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 :		

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	:	
<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 10.2

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	:	<p>As at 31 December 2022, the RMC of the Board comprises three (3) members, two (2) of whom are Independent Non-Executive Directors and one (1) of whom is Executive Director, namely:</p> <ol style="list-style-type: none">1. Ms. Koay San San Chairman / Independent Non- Executive Director2. Mr. Wong Thai Sun Member / Independent Non- Executive Director3. Mr. Lan, Kuo-Yi Member / Executive Director <p>There are two (2) out of three (3) of the RMC are Independent Non-Executive Directors. Hence, the AC comprised majority of Independent Directors throughout FY2022 which is compiled to the Practice 10.3 of MCGG.</p>

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. on 5 November 2018. Finfield was appointed throughout FY2022 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;</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	:	
<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

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>Depending on stakeholder type and objective, the Board customises its engagement approaches and communicates with its stakeholders through appropriate platforms/methods:</p> <p>Company's Corporation Website</p> <p>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• Directors' Fit and Proper Policy <p>Investor Relations</p> <p>The Company's Investor Relations, an essential part of the Company's Corporate Governance framework, ensures the domestic and</p>

	<p>international investment community receive relevant, timely and comprehensive information about the Company by practicing an effective and transparent two-way communication. The name and contact number of the relevant personnel handling the investor relation related matter for the Group are also published in this section. 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 • Contact Person <p>Annual Report</p> <p>The Annual Report is a powerful engagement tool 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>AGM</p> <p>AGM is an important platform for interaction between Company’s Directors and Senior Management to its Shareholders. At the AGM, the Managing Director presented a comprehensive review of the Company’s financial performance as well as the outlook and strategies going forward. Shareholders were allowed to raise questions to the Board, the Board and Senior Management place much emphasis to answer as many questions as possible posed with concise answers.</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>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
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 13.1

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 25th AGM on 20 April 2022 which scheduled to be held on 20 May 2022.</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> <p>To enable Shareholders to make informed decisions in exercising their voting rights, the explanatory notes in the Notice of the 25th AGM provides detailed explanations for each resolution proposed.</p> <ul style="list-style-type: none">• to approve Directors' remuneration comprising fees and benefits• to re-elect/re-appoint of Directors• to appoint auditors• to authority Directors to allot and issue shares pursuant to Section 75 & 76 of the CA,2016• to approve authority to purchase Company's own share• to approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature
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>All the Directors attended the 25th AGM held on 20 May 2022 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 Shareholders were invited to participate in the Question & Answer session and the MD replied all the questions raised by the Shareholders.</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 intent to have voting in absentia and remote participation at 25th AGM by shareholders since:</p> <ul style="list-style-type: none">• the Company does not have 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.• Malaysia was in endemic stage during the AGM. <p>The Company has started to leverage on technology to facilitate voting for the conduct of poll on all resolutions proposed started from its 25th AGM held on 20 May 2022. The Company using the electronic devices to record the voting counts instead of the conventional paper method.</p> <p>During the AGM, the Company had appointed Agriteum Share Registration Services Sdn Bhd as Polling Administrator to conduct the polling process, and Symphony Corporate Service 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	:	
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.

<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	: <p>At the commencement of the 25th AGM, the Chairman of the Meeting, Mr. Lim Chien Ch'eng welcomed all members and proxies presented. Subsequently, Company Secretary confirmed the quorum was presented. Thereafter, the Chairman briefed the members and proxies presented of their right to ask questions and vote on the resolutions set out in the Notice of the 25th AGM dated 20 May 2022.</p> <p>Under Agenda 1, Shareholders were informed by the Chairman that the said Audited Financial Statements (AFS) were for discussion purposes only as the provision of Section 340(1)(a) of the Companies Act 2016 do not require members' approval for the AFS. Therefore, this item would not be put forward for voting.</p> <p>During the AGM, three (3) questions were raised by Shareholders, and the MD Mr. Mui Chung Meng was fully engaged in responding to those questions.</p> <p>To further encourage engagement between the Directors and Shareholders, Shareholders had been invited to submit questions after the meeting via 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	:		
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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 25 th AGM was duly confirmed by the Chairman and uploaded on 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 PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

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