

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 7095  
**COMPANY NAME** : P.I.E. Industrial Berhad  
**FINANCIAL YEAR** : December 31, 2023

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

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

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board of Directors (Board) of P.I.E. Industrial Berhad (PIE or the Company) adheres to the guidance provided in the Board Charter which outlines the roles and responsibilities of the Board. The Board Charter is accessible on the Company's corporate website at <a href="http://www.pieib.com.my">www.pieib.com.my</a>. It is noteworthy that the Board Charter was adopted and subsequently revised by the Board on 24 February 2023.</p> <p>To facilitate the effective discharge of its duties while enhancing business and operational efficacy, the Board delegates certain responsibilities to three (3) Committees, namely:</p> <ul style="list-style-type: none"><li>• Audit Committee (AC);</li><li>• Nominating Committee (NC); and</li><li>• Risk Management Committee (RMC).</li></ul> <p>The roles and responsibilities of the AC and NC in discharging functions delegated by the Board are detailed in each respective Committee's Terms of Reference (ToR). The RMC has developed an Enterprise Risk Management (ERM) Framework to assess various types of risks that might impact the profitable operation of the Group. Both ToRs and the risk management framework are accessible on the Company's corporate website. The Chairpersons of these Committees report the outcomes of their meetings to the Board and these reports are incorporated into the minutes of the Board meetings.</p> <p>The Board holds overall responsibility for the sustainable growth and financial soundness of the Company and its subsidiaries (the Group). The Board has the authority to decide on all matters pertaining to the Company's business to ensure the Group operates in line with the Company's goals and objectives.</p> <ol style="list-style-type: none"><li>1. The Board, in collaboration with the Management, is responsible for promoting a good Corporate Governance (CG) culture within the Group. This involves exercising reasonable</li></ol>

	<p>care over the Company and the Group’s resources to deliver long-term value to shareholders, considering other stakeholders. The Board recognizes that upholding CG values goes beyond achieving desired financial performance; it also involves reinforcing ethical, prudent and professional behavior.</p> <p>The Code of Ethics for Directors encompassing principles related to duties, conflict of interest and dealings in securities, is accessible on the Company’s corporate website.</p> <p>The Company is committed to conducting its business and operations in an ethical, moral and legal manner. In line with this commitment, the Company has implemented the Whistleblowing Policy, providing an avenue for employees or any external party to disclose any improper conduct or wrongdoing within the Group. The Whistleblowing Policy of the Company is accessible on Company’s corporate website.</p> <p>2. The Board actively participates in developing the Company’s strategy and monitoring its performance including the implementation of Management’s proposals.</p> <p>Senior Management presents its recommended strategy and proposed business plan for the following year during management meetings. The Executive Directors (EDs) review and deliberate on both the Management’s proposals and their own perspectives, challenging the Management’s views and assumptions for proposed targets. They monitor performance by setting Key Performance Indicators (KPIs) to obtain the best outcome for the benefit of the Company.</p> <p>3. To ensure that the strategic plan of the Company supports long-term value creation, the Board reviews the outcome of the Management’s assessment and validates material sustainability matters, including economic, environmental, governance and social considerations important to the Company’s business and stakeholders.</p> <p>Detailed disclosure on the sustainability governance structure, the scope of sustainability strategies and the management of material sustainability matters, including key indicators, is provided in the Sustainability Statement in the Annual Report 2023.</p> <p>4. The Managing Director (MD) is responsible for the day-to-day management of the business and operation of the Group, encompassing both regulatory and commercial functions. The MD is supported by Senior Management and respective Department Heads or Section Heads. They report to the MD, who monitors the business performance of the Group benchmarked against the KPIs set during management</p>
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meetings. The Management's performance under the leadership of the MD is monitored by the Board through quarterly results, which are tabled to the Board during each reporting period.

The Board continuously observes the external and internal business environment to ensure proper actions have been taken to address environmental changes that might affect the Group's business.

5. The Board oversees the risk management framework of the Group and monitors the Group's risk profile with assistance from its RMC. The RMC advises the AC and the Board on areas of high risk and the adequacy of compliance as well as control procedures throughout the organization to ensure that all major risks are well managed. The AC reviews the internal controls of the Group to ensure the protection of its assets and its shareholders' investment.
6. The Board is assisted by the RMC to identify the principal risks of the Company's business and ensure the implementation of appropriate systems to manage these risks.

The RMC assesses the Group's risk exposure and proposes the 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 with the most recent review and revision conducted on 24 February 2023.

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 or tolerance at the enterprise-wide level in the ERM Framework.
8. The Management is requested by the RMC to attend succession planning programs and Balanced Scorecard training which helps in formulating a 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 matters for the Group and their contacts are published on the Group's website.

During the financial year ended 31 December 2023 (FY2023), the Company communicated material news on the Company's corporate affairs to its shareholders via the release of public announcements.

	<p>10. The Management will assist the Board in understanding financial statements and forming a view on the information presented. The Board is encouraged to attend training courses to update themselves on financial statements if they feel required. If there are any particular accounting standards that the Directors wish to be informed about, the Management could arrange for a 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 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 relevant standards.</p> <p>The Board reviews the performance of the major operating units of the Group, risk management, sustainability report and compliance reports. The Board will ensure the true and fair presentation of the financial report prior to submission to Bursa Malaysia.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

## Intended Outcome

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

## Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Mr. Lim Chien Ch'eng, an Independent Non-Executive Director (INED) was appointed as Chairman of the Board and he has no familial relation to the Managing Director (MD). His profile is detailed under the Directors' Profile in the 2023 Annual Report. The roles and responsibilities of the Chairman of the Board include, but are not limited to, the following:</p> <ol style="list-style-type: none"><li>1. <u>Strategic Leadership</u> The Chairman guides the Board by establishing a leadership tone, focusing on strategy, governance and compliance. The Board, in turn, oversees the functions of Board Committees according to their respective Terms of Reference (ToR) to ensure overall effectiveness.</li><li>2. <u>Legal and Ethical Adherence</u> The Chairman ensures the Company complies with relevant laws and regulations while promoting for good corporate governance (CG) and ethical practices throughout the Group.</li><li>3. <u>Meeting Facilitation</u> Collaborating with the Company Secretary, the Chairman sets the agenda for each meeting based on the annual meeting calendar. The Chairman ensures Directors have timely access to comprehensive information with agendas and relevant documents circulated at least seven (7) days before meetings to facilitate effective decision-making.</li><li>4. <u>Meeting Leadership</u> The Chairman leads meetings, fostering discussions and deliberations to ensure an effective decision-making process.</li><li>5. <u>Encouraging Participation</u> The Chairman encourages active participation from Board members, fostering an open environment where dissenting views can be freely expressed. This supports discussions on overall control, Management's performance and strategy development for the Company.</li></ol>

	<p>6. <u>Objective Decision-Making</u> During Board meetings, the Chairman provides objective views and decisions to resolve situations when there are differing opinions between Board Members and Management.</p> <p>7. <u>Annual General Meeting (AGM) Role</u> At the AGM, the Chairman plays a crucial role in facilitating constructive dialogue between stakeholders and the Board, ensuring that stakeholders' views are effectively conveyed to the Board.</p> <p>These roles and responsibilities of the Chairman of the Board are detailed in the Board Charter, which is accessible on the Company's corporate website at <a href="http://www.pieib.com.my">www.pieib.com.my</a>.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>There is a deliberate division of responsibilities between the Chairman and the Managing Director (MD) to ensure a balance of power and authority, increased accountability and enhance the Board's capacity for independent decision-making. The Chairman, Mr. Lim Chien Ch'eng, serves as an Independent Non-Executive Director (INED), while the MD, Mr. Mui Chung Meng, holds the position of Executive Director (ED) within the Company.</p> <p>Mr. Lim Chien Ch'eng leads and manages the Board, directing focus towards strategy, governance and compliance. On the other hand, Mr. Mui Chung Meng, as MD, oversees the day-to-day business operations, executes the Group's policies and Board decisions and plays a pivotal role in developing, coordinating and implementing business and corporate strategies.</p> <p>The specific roles and responsibilities of both the Chairman and the MD detailed in the Board Charter, which is accessible on the Company's corporate website at <a href="http://www.pieib.com.my">www.pieib.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Chairman, Mr. Lim Chien Ch'eng, holds a distinct position within the Company and is not a member of the Audit Committee (AC) or Nomination Committee (NC). The Chairmanship of the AC is appointed to Mr. Wong Thai Sun, while Ms. Koay San San leads the NC.  This intentional separation of roles is designed to ensure a system of checks and balances, promoting an objective review by the Board. By not participating in these committees, the Chairman of the Board avoids potential conflicts of interest in decision-making related to audit and nomination matters, contributing to the transparency and fairness of the decision-making process. This structure reinforces the commitment to upholding a true and fair view in corporate governance practices.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

## Intended Outcome

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

## Practice 1.5

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is supported by two (2) qualified Company Secretaries, Ms. Hing Poe Pyng (MAICSA 7053526) and Ms. Wong Yee Lin (MIA 15898), both are eligible to act as company secretaries under Section 235(2) of the Companies Act 2016.</p> <p>The roles and responsibilities of a company secretary include, but are not limited to the following:</p> <ol style="list-style-type: none"><li><u>Meeting Support</u> The Company Secretaries attend all Board and Board Committee meetings, ensuring proper conduct and comprehensive documentation of deliberations, decisions and conclusions in the meeting minutes.</li><li><u>Governance Advisory</u> They advise the Board on obligations, duties, disclosure of interests in securities, conflict of interest in transactions and other relevant matters, promoting compliance with regulations and ethical standards.</li><li><u>Director Orientation</u> The Company Secretaries assist in the orientation of newly appointed Directors, providing formal induction sessions covering roles, responsibilities and the business nature of the Group.</li><li><u>Continuous Professional Development</u> Keeping abreast of changes in the capital market environment, regulatory landscape and corporate governance, the Company Secretaries attend conferences and training programs, fulfilling continuous professional development requirements.  They attend relevant continuous professional development programs as required by the Companies Commission of Malaysia or MAICSA for practicing company secretaries.</li><li><u>AGM Facilitation</u> For the AGM held on 19 May 2023, the Company Secretaries ensured the processes and proceedings were properly</li></ol>

	<p>managed. They recorded questions raised by shareholders during the meeting.</p> <p>6. <u>Corporate Governance Advisory</u> The Company Secretaries play an advisory role in corporate disclosures and compliance with the rules, laws and regulations. They monitor developments in corporate governance and assist the Board in applying best practices to meet stakeholder expectations.</p> <p>Advising the Board on identified areas for improvement to align with corporate governance standards as published under the Malaysian Code on Corporate Governance (MCCG).</p> <p>7. <u>Corporate Governance Advisory Platform</u> The Company Secretaries operate as a dedicated platform for stakeholders to communicate their needs particularly regarding corporate governance issues. This role underscores their commitment to facilitating effective and transparent communication between the organization and its stakeholders in matters related to corporate governance.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

## Intended Outcome

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

## Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board convened five (5) times in FY2023 and to aid Directors in time planning, an annual meeting calendar was prepared and circulated in advance each year. This calendar outlines scheduled dates for Board meetings, Board Committee meetings and the Annual General Meeting (AGM). The meeting calendar for proposed Board meetings in 2024 was distributed on 23 October 2023.</p> <p>To ensure effective preparation, the Board receives full and timely access to relevant information including agendas and documents at least seven (7) days prior to each meeting. This lead time enables Directors to seek further clarification when needed and ensuring they are adequately briefed to make informed decisions.</p> <p>Senior Management is invited to Board meetings as necessary, presenting on significant issues within their areas of responsibility.</p> <p>Deliberations and decisions at Board and Board Committee meetings are well documented in minutes including instances where Directors abstain from voting or deliberation. The minutes are circulated to the Board and confirmed by the respective Chairman at subsequent meetings.</p> <p>The Company Secretaries communicate the Board's decisions or recommendations via the circulation of draft minutes, prompting appropriate actions by relevant Management. They also follow up with Management on the status of actions referred to in previous meeting minutes ensuring updates are provided to the Board. Action items remain as matters arising until resolution.</p> <p>While the Board and Audit Committee (AC) meetings are held on the same day, they are organized in different time sessions. For the AC meeting, only Non-Executive Directors (NEDs) are invited and Executive Directors (EDs) are not part of the proceedings. This structure is in place to maintain the independence and effectiveness of the AC.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

## Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter serves as a 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>Key aspects covered in the Board Charter include:</p> <ol style="list-style-type: none"><li>1. <u>Purpose of Charter</u> Clearly defined the objectives and scope of the Board Charter.</li><li>2. <u>Board Authority</u> Defines the authority of the Board derived from the Company's Constitution and relevant laws.</li><li>3. <u>Board Composition</u> Outlines the structure and composition of the Board, emphasizing diversity and gender mix.</li><li>4. <u>New Appointment/Re-appointment/Re-election of Directors</u> Establishes procedures for the appointment and re-election of Directors, guided by merit and diversity.</li><li>5. <u>Independence of Director</u> Clarifies the criteria for Independent Non-Executive Director (INED) and the role of the Nomination Committee (NC) in assessing independence.</li><li>6. <u>Key Responsibilities of the Board</u> Defines the overarching responsibilities of the Board, emphasizing stewardship and governance.</li></ol>

	<p>7. <u>Roles of Chairman and Managing Director</u> Specifies the distinct roles and responsibilities of the Chairman and Managing Director (MD).</p> <p>8. <u>Role of Senior Independent Non-Executive Director</u> Highlights the specific role of the Senior Independent Non-Executive Director as a point of contact and intermediary.</p> <p>9. <u>Board Committees</u> Details the functions and responsibilities of Board Committees, including Audit Committee (AC), Nomination Committee (NC) and Risk Management Committee (RMC).</p> <p>10. <u>Board Meetings</u> Provides guidelines for the conduct of Board meetings, emphasizing agenda preparation and timely distribution of relevant documents.</p> <p>11. <u>Access to Information and Independent Professional Advice</u> Ensures all Directors have full and timely access to information, with provisions for seeking independent professional advice when necessary.</p> <p>12. <u>Directors' Remuneration</u> Establishes a remuneration policy for Directors, emphasizing fairness and subject to collective Board decision.</p> <p>13. <u>Board Evaluation and Performance</u> Outlines processes for Board evaluation and performance assessment.</p> <p>14. <u>Directors' Training and Continuing Education</u> Highlights the importance of ongoing training and education for Directors.</p> <p>15. <u>Company Secretaries</u> Defines the advisory role of Company Secretaries in relation to governance, policies and compliance.</p> <p>16. <u>Investor Relations and Shareholder Communication</u> Highlights the commitment to timely dissemination of material information and engagement with shareholders.</p> <p>17. <u>Code of Ethics</u> Communicates principles and guidelines in the Code of Ethics for Directors.</p> <p>18. <u>Review of the Board Charter</u> Expresses the periodic review process to ensure alignment with objectives, laws and governance practices.</p>
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	The complete Board Charter is accessible on the Company's corporate website at <a href="http://www.pieib.com.my">www.pieib.com.my</a> .	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is mindful of its leadership in business ethics practices as one (1) of the key elements of business sustainability. The Code of Ethics is formulated to enhance the standard of corporate governance and corporate behavior with the intention of achieving the following aims:</p> <ol style="list-style-type: none"><li>1. <u>Establish Ethical Standards</u> Create a standard of ethical behavior for directors based on trustworthiness and universally accepted values.</li><li>2. <u>Uphold Responsibility and Social Responsibility</u> Foster a spirit of responsibility and social consciousness in alignment with legislative, regulatory and guidelines governing corporate administration.</li></ol> <p>The Company Code of Ethics for Directors is grounded in the four (4) Fundamental Ethical Principles:</p> <ul style="list-style-type: none"><li>• Sincerity;</li><li>• Integrity;</li><li>• Responsibility; and</li><li>• Corporate Social Responsibility (CSR).</li></ul> <p>The directors should at all times observe the following codes when performing their duty:</p> <ol style="list-style-type: none"><li>1. <u>Corporate Governance</u><ul style="list-style-type: none"><li>• Understanding Company Aims;</li><li>• Effective Board Participation;</li><li>• Proper Company Management;</li><li>• Compliance and Informed Decision-Making;</li><li>• Informed Corporate Management;</li><li>• Directorship Limitations;</li><li>• Access to Company Secretary;</li><li>• Exercise Powers for Company Benefit;</li></ul></li></ol>

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

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company is committed to ensuring high standards of corporate governance, business integrity and accountability in its business and operations. The Company takes a serious view of any wrongdoings by any of the parties, especially regarding their obligations to the Company's interests.</p> <p>The Company's Whistleblowing Policy provides employees and external party with an internal channel to report alleged unethical behaviour, improper business conduct or any breach of law, regulation, business principles and the Group's policies without fear of reprisal.</p> <p>This policy ensures protection for individuals making allegation or reporting misconduct. The Company expects all parties to act in good faith and have reasonable grounds when reporting a whistleblowing complaint.</p> <p>Any party retaliating against someone reporting a wrongdoing in good faith may face appropriate action, including legal action where applicable. All complaints, including the whistleblowers' identities are treated with the highest level of confidentiality.</p> <p>The reporting channel is directed to the Chairman of the Audit Committee (AC). During FY2023, the Group did not receive any such reports. Reports can be submitted confidentially via email to <a href="mailto:piewhistle@pan-intl.com">piewhistle@pan-intl.com</a>. The detailed policy is accessible on the Company's corporate website at <a href="http://www.pieib.com.my">www.pieib.com.my</a>.</p>
<b>Explanation for departure</b>	:	
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<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, 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, social and governance considerations underpinning sustainability.</p> <p>In this respect, the Board with the assists by the Sustainability Working Group (SWG) and Head of Departments in overseeing the formulation, implementation and effective management of the Company's sustainability strategies.</p> <p>Stakeholder Engagement and Materiality Assessment were conducted by the SWG to create shared value by staying connected with all the internal and external stakeholders in the ongoing journey to be a more sustainable business entity.</p> <p>The Company is guided by the Sustainability Pillars of Economic Growth, Environmental Management, Social Contribution and Corporate Governance which integrated into the Company's strategy. With these Sustainability Pillars, the Company is committed to creating value for our business through innovation with accelerating human capital development while maintaining environmental friendly awareness and exhibiting responsible corporate governance behaviour.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.2**

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><b>Application</b></p>	<p>: Applied</p>
<p><b>Explanation on application of the practice</b></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 fourteen (14) material matters are categorised across four (4) main sustainability themes which included:</p> <p>Creating Value through Innovation</p> <ul style="list-style-type: none"> <li>• Financial Performance</li> <li>• Customer Satisfaction</li> <li>• Sustainable Manufacturing Programme</li> <li>• Sustainable Supply Chain Management</li> </ul> <p>Corporate Governance and Ethical Business Behaviour</p> <ul style="list-style-type: none"> <li>• Anti-Corruption</li> <li>• Data Privacy and Security</li> </ul> <p>Human Capital Development</p> <ul style="list-style-type: none"> <li>• Employee Management</li> <li>• Health and Safety</li> <li>• Community Contribution</li> </ul> <p>Environmental Friendly Awareness</p> <ul style="list-style-type: none"> <li>• Waste Management</li> <li>• Air Emissions</li> <li>• Noise Pollution Control</li> <li>• Energy Management</li> </ul>



	<ul style="list-style-type: none"> <li>• Water Management</li> </ul>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>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"> <li>1. Review financial report quarterly.</li> <li>2. Gather feedback and evaluate customer satisfaction from customers</li> <li>3. Adopt lean production process through Lean Manufacturing Programme</li> <li>4. Supervise and monitor the Group’s supply chain-related activities</li> <li>5. Recognize good CG practices and ethical business behaviour</li> <li>6. Implementing a policy to ensure employees' compliance with company guidelines</li> <li>7. Apply 3R strategy which represents “Recruit”, “Retain” and “Reinforce” for employee management approach</li> <li>8. Taking necessary steps to maintain a healthy and safe working place</li> <li>9. Take part in Corporate Social Responsibility (CSR) activities</li> <li>10. To have responsible of Waste Management Practices</li> <li>11. Engaged outsourcing consultant to carry out on site air emission and noise pollution monitoring</li> <li>12. Educate our employees to reduce electricity and water usage</li> </ol> <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>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<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 Economic, Environmental, Governance 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>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.5- 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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### Intended Outcome

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

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee (NC) holds the responsibility of assisting the Board among other duties, in the development and implementation of policies regarding the nomination and appointment of Directors and Committee members. This strategic focus aims to achieve the long-term sustainability of the organization.</p> <p>The NC conducts periodic reviews of the Board composition to ensure it comprises individuals with the right talent in terms of skills, experience and other qualities. This careful selection ensures the Board can effectively fulfil its roles and responsibilities. In the fiscal year 2023, the NC conducted an analysis of the Board Skills Matrix based on the existing composition, identifying any skills gaps that required attention.</p> <p>If any gaps in the Board composition are identified, the NC formulates selection criteria for new Independent Non-Executive Directors (INEDs) to fill these gaps and reinforce the Board composition in alignment with the Company's strategic direction.</p> <p>The NC also evaluates the performance of Directors who are up for re-election at the Annual General Meeting (AGM). Upon a satisfactory evaluation of a Director's performance and their contribution to the Board, the NC submits a recommendation to the Board. This recommendation includes tabling a resolution for the re-election of the Director, seeking shareholders' approval at the AGM.</p> <p>Furthermore, the Company adheres to 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 accessible on the Company's corporate website at <a href="http://www.pieib.com.my">www.pieib.com.my</a>.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

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

## Practice 5.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board composition as of 31 December 2023 is as follows:</p> <ul style="list-style-type: none"><li>• Three (3) Independent Non-Executive Directors (INEDs);</li><li>• Two (2) Executive Directors (EDs); and</li><li>• One (1) Non-Independent Non-Executive Director (NINED).</li></ul> <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 the Company, 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 the Company and any securities held in the Company. 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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

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

### Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As of now, none of the directors on the Board has served for more than nine (9) years, and thus, the Company is in compliance with this requirement.</p> <p>The Board holds the current view that there is no necessity to establish a maximum tenure limit for Independent Non-Executive Directors (INEDs). This perspective is rooted in the significant advantages derived from long-serving Directors who possess extensive insight and knowledge of the Company's businesses and affairs.</p> <p>Similarly, the Board has chosen not to set a specific time-frame for how long an INED should serve on the Board. This decision is based on the following considerations:</p> <ul style="list-style-type: none"> <li>• The effectiveness of a director serving as an Independent Director depends on factors such as their caliber, qualifications, experience, and personal qualities, particularly integrity and objectivity. This effectiveness is not strictly tied to the tenure as an Independent Director.</li> <li>• The Nomination Committee (NC) conducts an annual assessment of INEDs, evaluating their skills, experience and contributions. This assessment also includes an examination of the Independent Directors' profiles, considering family relationships, shareholdings in the Company and any related party transactions with the Group, if applicable.</li> </ul>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

*Note: To qualify for adoption of this Step-Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e., shareholders' approval to retain the director as an independent director beyond nine years.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied								
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the critical role of diversity in enhancing its effectiveness, recognizing that it broadens the debate by incorporating different insights and perspectives. With a diversified background, the Board collectively brings a wealth of experience and expertise spanning technology, marketing, industrial, corporate, accounting, finance, governance, risk and compliance, all within the relevant industry in which the Company operates.</p> <p>Both the Board and the Nomination Committee (NC) conduct an annual review of the Board's size and composition. The objective of this review is to ensure that the Board maintains an appropriate size and possesses the necessary diversity, including independence elements that align with the Company's objectives and strategic goals. Both the Board and the NC express satisfaction with the current size and composition.</p> <table border="1"><thead><tr><th>Directorate</th><th>Composition</th></tr></thead><tbody><tr><td>Independent Non-Executive Directors</td><td>3</td></tr><tr><td>Executive Directors</td><td>2</td></tr><tr><td>Non-Independent Non-Executive Director</td><td>1</td></tr></tbody></table> <p>In seeking potential candidates, the Board and NC consider the existing diversity in skills, experience, gender, ethnicity and age within the current Board. This approach aims to strike an appropriate balance between the seasoned directors' perspectives and the fresh insights brought by new perspectives.</p> <p>The skillsets of the Board as at 31 December 2023 is as follows:</p>	Directorate	Composition	Independent Non-Executive Directors	3	Executive Directors	2	Non-Independent Non-Executive Director	1
Directorate	Composition									
Independent Non-Executive Directors	3									
Executive Directors	2									
Non-Independent Non-Executive Director	1									

Directors	Designation	Background Experience
Lim Chien Ch'eng	Chairman / Independent Non-Executive Director	Technology
		Industrial
		Corporate
		Governance Risk and Compliance
Mui Chung Meng	Managing Director	Technology
		Marketing
		Industrial
		Corporate
Lan, Kuo Yi	Executive Director	Corporate
		Accounting and Finance
		Governance Risk and Compliance
Wong Thai Sun	Independent Non-Executive Director	Corporate
		Accounting and Finance
		Governance Risk and Compliance
Koay San San	Independent Non-Executive Director	Accounting and Finance
		Governance Risk and Compliance
Lee Cheow Kooi	Non-Independent, Non-Executive Director	Technology
		Marketing
		Industrial
		Corporate

The diversity in the age, gender, ethnicity and nationality of the existing Board as at 31 December 2023 is as follows:

Age				Ethnicity		Gender	
40-49	50-59	60-69	70-79	Chinese	Foreign	M	F
1	2	1	2	5	1	5	1

Furthermore, the appointment of Key Senior Management also prioritizes diversity in skills, experience, gender, ethnicity and age. As of 31 December 2023, the diversity in age, ethnicity, and gender of Key Senior Management is as follows:

Age		Ethnicity		Gender	
50-59	60-70	Chinese	Foreigner	M	F
2	3	4	1	4	1

	<p>The Board emphasizes the importance of promoting diversity while maintaining the traditional selection criteria for directors and senior management. This approach prioritizes an effective blend of competencies, skills, extensive experience and knowledge in the relevant industry to ensure the continued effectiveness in carrying out duties, responsibilities and achieving the Company's goals and objectives. The profiles of the Directors and Key Senior Management are furnished in the Annual Report.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board and Senior Management of the Company would have a better understanding of the board candidatures, taking into account factors, amongst others, qualification, skills, experience and personal attributes of the new directors for the industry in which it operates in and is subjected to fit and proper licensing requirements by the relevant regulators.</p> <p>Through its own network and the highly regulated industry in which the Company operates in, the Management would be in the best position to look for potential candidates with background which fits the criteria requirements. Hence, the Board did not utilise independent sources to identify suitably qualified candidates.</p> <p>In line with the recommendation of the Malaysia Code on Corporate Governance (MCCG), apart from referrals from Directors, major Shareholders and Management, the Board is open to utilising independent sources to identify suitably qualified candidates, where necessary.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognizes the critical nature of the appointment and re-appointment of directors in corporate governance, understanding its profound impact on the leadership of companies. In line with this, shareholders deserve the necessary information to make well-informed decisions regarding these appointments.</p> <p>The Nomination Committee (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 24 February 2023, the NC had recommended to the Board and Members the re-election of the following Directors who will retire at the forthcoming Annual General Meeting pursuant to the Article 102(1) of the Company's Constitution:</p> <ul style="list-style-type: none"><li>a) Mui Chung Meng (MCM)</li><li>b) Koay San San (KSS)</li></ul> <p>The NC recommended and the Board (with MCM and KSS abstaining from discussion and voting) resolved that MCM and KSS 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> <p>In addition, during the NC meeting on 23 February 2024, the NC also recommended to the Board and Members to appoint a new director. Ms. Huang, Yi-Ling, Assistant Manager from Pan-International Industrial Corporation.</p> <p>The profiles of each Director, including their age, gender, working experience, any conflicts of interest and shareholdings, are detailed in the Annual Report and on the Company's corporate website at <a href="http://www.pieib.com.my">www.pieib.com.my</a>.</p>



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

### Intended Outcome

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

### Practice 5.8

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nominating Committee (NC), led by Ms. Koay San San, an Independent Non-Executive Director (INED) of the Company, played a pivotal role in steering various initiatives throughout FY2023. The committee actively engaged in the following key activities:</p> <ul style="list-style-type: none"><li>• Reviewed the current composition of Board Committee;</li><li>• Reviewed the Board Charter of the Company;</li><li>• Reviewed the current structure, size and composition of the Board;</li><li>• Reviewed the required mix of skills, experience and other qualities of the Board;</li><li>• 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;</li><li>• Assessed the independence of each INED with each director abstaining from deliberation on his own assessment;</li><li>• Discussed the character, experience, integrity and competence of the Directors and Chief Financial Officer;</li><li>• Reviewed the terms of office and performance of the AC;</li><li>• Reviewed and deliberated on the proposed restructuring of Board composition subsequent to the retirement and resignation of former Directors;</li><li>• Reviewed the profile of proposed candidates, interviewed the proposed candidates and deliberated before recommending the shortlisted candidate for appointment as new Board member;</li><li>• 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;</li><li>• Reviewed and recommended to the Board the re-election of Directors who retired in accordance with the relevant Articles of Constitution; and</li><li>• Interview the proposed candidate for the position of INED of the Company.</li></ul> <p>Ms. Koay San San's profile is detailed in the Annual Report and on the Company's corporate website at <a href="http://www.pieib.com.my">www.pieib.com.my</a>.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>As of 31 December 2023, the Board comprises one (1) women Director out of six (6) Directors, which represents 17% women directors. Besides, there are 20% of women holding key positions in the management.</p> <p>They are:</p> <ol style="list-style-type: none"><li>1. Koay San San (Independent Non-Executive Director)</li><li>2. Liao, Yueh-Chen (Assistant Manager, Raw Wire &amp; Cable Division)</li></ol> <p>During the NC meeting on 23 February 2024, the NC proposed the appointment of a new woman director, Ms. Huang, Yi-Ling as Non-Independent Non-Executive Director. Following this appointment, the percentage of women directors increased to 29%. While this does not yet meet the requirement for the Board to comprise at least 30% women directors, it is considered a positive step.</p> <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 continue to 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, Liao, Yueh-Chen and Huang, Yi-Ling are accessible in the Annual Report and Company's corporate website at <a href="http://www.pieib.com.my">www.pieib.com.my</a>.</p> <p>When sourcing candidates for any future vacant Board position, the Board will consider suitably qualified female candidates in accordance with the recommendation of the MCCG.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.10

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<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>As at 31 December 2023, the Board 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 80% Malaysian and 20% Taiwanese. 40% of the them are between the ages 50 to 59 and 60% 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>During the NC meeting on 23 February 2024, the NC proposed the appointment of a new woman director, Ms. Huang, Yi-Ling as Non-Independent Non-Executive Director. Following this appointment, the percentage of women directors increased to 29%. While this does not yet meet the requirement for the Board to comprise at least 30% women directors, it is considered a positive step.</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 MCGG.</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>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>									
<b>Application</b>	: Applied								
<b>Explanation on application of the practice</b>	: <p>The Nominating Committee (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 was 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"> <li>• Professional qualification &amp; skills;</li> <li>• Knowledge &amp; experience;</li> <li>• Interaction with the Board / Management;</li> <li>• Participation and contributions during Board meetings;</li> <li>• Other traits / strengths; and</li> <li>• Management skills &amp; abilities.</li> </ul> </td> </tr> <tr> <td>Assessment of independency of Independent Directors</td> <td> <p>As prescribed under</p> <ul style="list-style-type: none"> <li>• Paragraph 1.01 Bursa Securities LR</li> <li>• Paragraph 13 of Main LR.</li> </ul> </td> </tr> <tr> <td>Board evaluation</td> <td> <ul style="list-style-type: none"> <li>• Board structure;</li> <li>• Board operations;</li> <li>• Board roles &amp; responsibilities; and</li> <li>• Board Chairman's role &amp; responsibilities.</li> </ul> </td> </tr> </tbody> </table>	Annual Evaluation	Assessment Criteria	Individual Director self-evaluation	<ul style="list-style-type: none"> <li>• Professional qualification &amp; skills;</li> <li>• Knowledge &amp; experience;</li> <li>• Interaction with the Board / Management;</li> <li>• Participation and contributions during Board meetings;</li> <li>• Other traits / strengths; and</li> <li>• Management skills &amp; abilities.</li> </ul>	Assessment of independency of Independent Directors	<p>As prescribed under</p> <ul style="list-style-type: none"> <li>• Paragraph 1.01 Bursa Securities LR</li> <li>• Paragraph 13 of Main LR.</li> </ul>	Board evaluation	<ul style="list-style-type: none"> <li>• Board structure;</li> <li>• Board operations;</li> <li>• Board roles &amp; responsibilities; and</li> <li>• Board Chairman's role &amp; responsibilities.</li> </ul>
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Individual Director self-evaluation	<ul style="list-style-type: none"> <li>• Professional qualification &amp; skills;</li> <li>• Knowledge &amp; experience;</li> <li>• Interaction with the Board / Management;</li> <li>• Participation and contributions during Board meetings;</li> <li>• Other traits / strengths; and</li> <li>• Management skills &amp; abilities.</li> </ul>								
Assessment of independency of Independent Directors	<p>As prescribed under</p> <ul style="list-style-type: none"> <li>• Paragraph 1.01 Bursa Securities LR</li> <li>• Paragraph 13 of Main LR.</li> </ul>								
Board evaluation	<ul style="list-style-type: none"> <li>• Board structure;</li> <li>• Board operations;</li> <li>• Board roles &amp; responsibilities; and</li> <li>• Board Chairman's role &amp; responsibilities.</li> </ul>								



	Board Committee evaluation	Quality and composition, skills and competencies, meeting administration & conduct are evaluated by Chairman of the Nomination Committee.
<b>Explanation for departure</b> :	<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 24 February 2023, the above assessments were carried out in respect of the FY20223. 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>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board 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"><li>1. Determination of remuneration of Directors remained a collective decision of the Board.</li><li>2. The remuneration of Non-Executive Directors should be reflective of their experience, level of responsibilities and the contribution by each individual Director.</li><li>3. All Directors are entitled to directors' fee that is subject to shareholders' approval.</li></ol>

	<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"> <li>• 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.</li> <li>• 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.</li> </ul> <p>The policy is accessible on the Company's corporate website at <a href="http://www.pieib.com.my">www.pieib.com.my</a></p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board has established Remuneration Policy and Procedures, applicable to the Directors, including Executive and Non-Executive Directors of the Company. The policy and procedures are periodically reviewed to remain appropriate and fairness. The Remuneration Policy and Procedures for Senior Management are governed by the Company's Human Resource Policy.	
		The Board shall set up a Remuneration Committee by 2nd half of 2024. In the meantime, the Board has formalised a policy for fixing remuneration packages of each director. The Remuneration Policy and Procedures is available on the Group's corporate website.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with best corporate governance practice, the disclosure of the Directors' remuneration on a named basis has been made in the Annual Audited Financial Statements over the years.</p> <p>The remuneration breakdown of individual directors which includes the fees, allowance, salary, bonus, benefits in-kind and other emoluments for the financial year ended 31 December 2023 is enumerated as follows:</p>

No	Name	Directorate	Company (RM'000)							Group (RM '000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Lim Chien Ch'eng	Independent Director	30.00	0	0	0	0	5.90	35.90	0	0	0	0	0	0	35.90
2	Mui Chung Meng	Executive Director	0	0	363.45	1,638.69	0	5.90	2,008.04	0	0	0	0	15.50	0	2,023.54
3	Lan, Kuo-Yi	Executive Director	0	0	154.78	275.87	0	5.90	436.55	0	0	0	0	6.60	0	443.15
4	Wong Thai Sun	Independent Director	30.00	0	0	0	0	7.10	37.10	0	0	0	0	0	0	37.10
5	Koay San San	Independent Director	30.00	0	0	0	0	7.10	37.10	0	0	0	0	0	0	37.10
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

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b> :	Applied – the company discloses the remuneration of members senior management who are not members of the board					
<b>Explanation on application of the practice</b>	The top five (5) Senior Management of the Group whose total remuneration during the financial year fall within the following bands, is as follows:					
	<b>Name of Senior Management</b>	<b>Range of Remuneration</b>				
		<b>RM200,001 - RM250,000</b>	<b>RM250,001 - RM300,000</b>	<b>RM500,001 - RM550,000</b>	<b>RM550,001 - RM600,000</b>	<b>RM700,001 - RM750,000</b>
	Law Tong Han				√	
	Ong Tiew Ling			√		
	Cheah Heng Lye		√			
	Hong Yong Peng	√				
	Liao, Yueh-Chen			√		
<b>Explanation for departure</b>						
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>						
<b>Measure</b> :						
<b>Timeframe</b> :						

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee (AC) comprises three (3) members, two (2) of them are Independent Non-Executive Directors (INEDs) and one (1) is a Non-Independent Non-Executive Director (NINED).</p> <p>The AC Chairman, Mr. Wong Thai Sun, holds membership in both the Malaysian Institute of Accountants (MIA) and the Certified Practising Accountants (CPA), Australia.</p> <p>Mr. Wong Thai Sun does not chair the Board, while the Chairman of Board is Mr. Lim Chien Ch'eng. This organizational structure aligns with Practice 1.4 of the Malaysian Code on Corporate Governance (MCCG).</p> <p>It is worth mentioning that the current Chairman of the Board is not a member of the AC and this practice is consistent with Practice 1.4 of the MCCG. Additionally, none of the former Chairmen of the Board has ever been a member of the AC.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company consistently acknowledges the importance of maintaining independence. None of the Board members served as former key audit partners within the cooling-off period of three (3) years. Consequently, no such individuals have been appointed as members of the Audit Committee (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 (MIA).</p> <p>In line with Practice 9.2 of the Malaysian Code on Corporate Governance (MCCG) and the amendments to the Main Listing Requirements (Main LR) aimed at fortifying the definition of independent directors, specifically regarding the cooling-off period for former key audit partners, the Company has revised and obtained approval for the Terms of Reference (ToR) of the AC.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Term of Reference (ToR) which stipulates the guidelines and procedures to be followed by the Audit Committee (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 FY2023.</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 FY2023 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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee (AC), under the leadership of Mr. Wong Thai Sun, a seasoned professional with over 37 years of public practice experience in accountancy both in Malaysia and overseas, plays a crucial role in ensuring financial oversight.</p> <p>Ms. Koay San San holds a Bachelor of Accounting from the University of Hertfordshire and a Master's Degree in International Business from the University of Sunderland. Mr. Lee Cheow Kooi, a mechanical and manufacturing engineering expert with an advanced diploma from Tunku Abdul Rahman College, specializes in implementing cost-effective business plans.</p> <p>This diverse committee is characterized by its members possessing a well-rounded mix of skills, knowledge and experience. All members are financially literate and demonstrate a solid understanding of financial reporting, as well as internal and external audit reports. Moreover, they exhibit a comprehensive understanding of the Company's business.</p> <p>Recognizing the dynamic nature of accounting and auditing standards, the AC is proactive in continuously developing and enhancing their knowledge to stay abreast of changes and developments in this ever-evolving field.</p> <p>The details of qualification, experience and training programmes attended stated in the Directors' Profile on the Annual Report.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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

### Practice 10.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board 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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Risk Management Committee (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 Audit Committee (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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>As at 31 December 2023, the Risk Management Committee (RMC) of the Board is constituted by three (3) members, consisting of two (2) Independent Non-Executive Directors and one (1) Executive Director:</p> <ol style="list-style-type: none"><li>1. Ms. Koay San San Chairman / Independent Non- Executive Director</li><li>2. Mr. Wong Thai Sun Member / Independent Non- Executive Director</li><li>3. Mr. Lan, Kuo-Yi Member / Executive Director</li></ol> <p>It is noteworthy that two (2) out of three (3) RMC members are Independent Non-Executive Directors, thereby aligning with the principles of Practice 10.3 of the Malaysian Code on Corporate Governance (MCCG). This composition ensures a majority of Independent Directors within the RMC throughout FY2023.</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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 FY2023 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>Audit Committee (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"><li>(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;</li><li>(b) the adequate scope and sufficient resources of the internal audit function; and</li><li>(c) the appraisal or assessment of performance of the internal audit function.</li></ul> <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>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

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

## Practice 11.2

The board should disclose–

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

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

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board 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 or methods:</p> <p><u>Company's Corporation Website</u> The Company's Corporate Website <a href="http://www.pieib.com.my">www.pieib.com.my</a> 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"><li>• Corporate Information;</li><li>• Group Structure;</li><li>• Subsidiaries;</li><li>• Board of Directors;</li><li>• Code of Ethics;</li><li>• Corporate Social Responsibility;</li><li>• Board Charter;</li><li>• Terms of Reference;</li><li>• Risk Management;</li><li>• Policies and Procedure of Remuneration;</li><li>• Whistle Blowing Policy;</li><li>• Anti-Bribery and Corruption Policy; and</li><li>• Directors' Fit and Proper Policy.</li></ul> <p><u>Investor Relations</u> The Company's Investor Relations, an essential part of the Company's Corporate Governance framework, ensures the domestic and international investment community receive relevant, timely and comprehensive information about the Company by practicing an effective and transparent two-way communication. The name and</p>

	<p>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"> <li>• Financial Highlights;</li> <li>• Stock Performance;</li> <li>• Announcements;</li> <li>• Corporate Governance Report;</li> <li>• Prospectus;</li> <li>• Shareholdings; and</li> <li>• Contact Person.</li> </ul> <p><u>Annual Report</u> 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><u>AGM</u> 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><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</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.

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

### Intended Outcome

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

### Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To ensure the notice of Annual General Meeting (AGM) given to the shareholders at least 28 days prior to the meeting, PIE dispatched the notice of 26<sup>th</sup> AGM on 19 April 2023 which scheduled to be held on 19 May 2023.</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 26<sup>th</sup> AGM provides detailed explanations for each resolution proposed.</p> <ul style="list-style-type: none"><li>• to approve Directors' remuneration comprising fees and benefits;</li><li>• to re-elect/re-appoint of Directors;</li><li>• to appoint auditors;</li><li>• to authority Directors to allot and issue shares pursuant to Section 75 &amp; 76 of the CA,2016;</li><li>• to approve authority to purchase Company's own share; and</li><li>• to approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 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 26<sup>th</sup> AGM held on 19 May 2023 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 &amp; Answer session and the Managing Director replied all the questions raised by the Shareholders.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>PIE does not intent to have voting in absentia and remote participation at the 26<sup>th</sup> AGM/EGM by shareholders for the following reasons:</p> <ul style="list-style-type: none"><li>• the Company does not have large number of shareholders;</li><li>• shareholders are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his stead at a general meeting; and</li></ul> <p>The Company has started leveraging technology to facilitate voting for the conduct of polls on all resolutions proposed, starting from its 26th AGM held on 19 May 2023 and EGM held on 12 January 2024. The Company is using electronic devices to record voting counts instead of the conventional paper method.</p> <p>During the AGM, the Company 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. For the EGM, the Company appointed Securities Services (Holdings) Sdn. Bhd as Polling Administrator to conduct the polling process and Commercial Quest Sdn Bhd as Independent Scrutineer to validate the votes cast.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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 13.4

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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>At the commencement of the 26th AGM, the Company Secretary confirmed the presence of a quorum. Subsequently, Mr. Lim Chien Ch'eng, the Chairman of the AGM, extended a warm welcome to all members and proxies in attendance.</p> <p>The Chairman addressed written queries received from the Minority Shareholder Watch Group (MSWG), projecting the Company's responses on the screen for members' reference. Copies of both the queries and responses were distributed to shareholders.</p> <p>In adherence to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Chairman informed members that all resolutions outlined in the Notice of the 26th AGM would be voted by poll. Additionally, the Company appointed Agriteum Share Registration Services Sdn. Bhd as the Polling Administrator and Symphony Corporate Services Sdn Bhd as the Independent Scrutineer to oversee the polling process and validate the poll results, respectively.</p> <p>Shareholders were informed that the polling process would be conducted on the conclusion of the deliberations of each resolution on the agenda. The Chairman briefed the members and proxies presented on their right to ask questions and vote on the resolutions set out in the Notice of the 26th AGM dated 19 May 2023.</p> <p>Under Agenda 1, Shareholders were informed by the Chairman that the Audited Financial Statements (AFS) were for discussion purposes only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require members' approval for the AFS. Therefore, this item would not be put forward for voting.</p> <p>Throughout the AGM, three (3) questions were raised by shareholders, and MD Mr. Mui Chung Meng provided comprehensive responses. To further encourage engagement between the Directors and</p>

	<p>Shareholders, Shareholders had been invited to submit questions after the meeting via the Company's corporate website at <a href="http://www.pieib.com.my">www.pieib.com.my</a>.</p> <p>For the EGM held on 12 January 2024, Mr. Wong Thai Sun, the Chairman of the EGM, extended a warm welcome to all members and proxies in attendance. It was duly noted that Mr. Lim Chien Ch'eng sent his apologies for his physical absence in this Meeting due to a prior commitment scheduled before the finalization of this Meeting. Subsequently, the Company Secretary confirmed the presence of a quorum.</p> <p>The Chairman then informed the members that, in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the EGM are to be voted. The Chairman also informed the members that the Company had appointed Securities Services (Holdings) Sdn. Bhd as Polling Administrator and Commercial Quest Sdn Bhd as the Independent Scrutineer to conduct the polling process and verify the poll results, respectively.</p> <p>Shareholders were informed that the polling process would be conducted on the conclusion of the deliberations of each resolution on the agenda. The Chairman briefed the members and proxies presented on their right to ask questions and vote on the resolutions set out in the Notice of the EGM dated 12 January 2024.</p> <p>The Chairman informed the meeting that interested shareholders, interested directors, major shareholders, and persons connected are deemed interested and have abstained from voting.</p> <p>Throughout the EGM, no questions were raised by shareholders and the Chairman concluded the meeting by expressing gratitude.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### Intended Outcome

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

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Not applicable – only physical general meetings were conducted in the financial year
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	



**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The minutes of the 26th AGM and EGM were duly confirmed by the Chairman of the Meeting and uploaded to the Company's corporate website at <a href="http://www.pieib.com.my">www.pieib.com.my</a> within 30 business days from the date of the Meeting.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

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

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

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