

CORPORATE GOVERNANCE REPORT

STOCK CODE : 3611
COMPANY NAME : PARAGON GLOBE BERHAD
FINANCIAL YEAR : March 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors ("Board") holds overall responsibility for the long-term success of the Paragon Globe Berhad ("Company") and its subsidiaries (collectively, "Group"), guiding its strategic direction and providing governance for its businesses and operations.</p> <p>The Board has established clear roles and responsibilities outlined in the Board Charter, which can be accessed on the Company's website at www.pgbgroup.com.my/board-charter/.</p> <p>Key responsibilities of the Board include:</p> <ul style="list-style-type: none">▪ Reviewing and adopting a strategic business plan for the Company, aligned to ensure obligations to shareholders and stakeholders are met;▪ Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed, the Board should therefore provide entrepreneurial leadership;▪ Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks – the Board should appraise the Company's major risks and oversee that appropriate risk management and internal control procedures are in place;▪ Reviewing the adequacy and the integrity of the Company's internal control systems; and▪ Reviewing the responsibilities of each Board Committee as and when required. <p>In order to ensure the effective discharge of specific powers, the Board delegates its authority to its Board Committees. The Board Committees comprise of Audit Committee ("AC"), Nomination Committee ("NC"), Risk Management Committee ("RMC") and Remuneration Committee ("RC").</p>

	<p>The roles and responsibilities of Board Committees are outlined in their respective terms of reference (“TOR”), also available on the Company’s website at www.pgbgroup.com.my.</p> <p>The Board ensures that sustainability is embedded in the development of the Group’s strategies, taking into account economic, environmental, social and governance (“ESG”) aspects of business operations. The Sustainability Steering Committee (“SSC”) oversees the implementation of business sustainability practices within the Group. Details of the Group’s related strategies are disclosed in the “Sustainability Statement” of the Company’s Annual Report 2024 (“AR 2024”).</p> <p>The Board, via the RMC, has put in place the Group Risk Management Framework and Policy to identify, analyse, evaluate, manage, report and monitor key risks that may impact the Group. Details of the Group Risk Management Framework and Policy and its related internal control system are set out in the Statement on Risk Management and Internal Control of the AR 2024.</p> <p>Additionally, the Board has ensured that the Group procedures in place to enable effective communication with stakeholders. Primary communication with shareholders occurs via the Annual General Meeting (“AGM”), where the Chairman invites present shareholders to engage in voting on resolutions. Moreover, the Group’s website https://pgbgroup.com.my/contact-us/ provides a platform for investors and shareholders to stay updated on the Group’s development, including financial and other announcements made to Bursa Malaysia Securities Berhad (“Bursa Securities”).</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	: Applied
Explanation on application of the practice	<p>The role and responsibilities of the Chairman of the Board ("Chairman") are clearly outlined in the Board Charter, which is available on the Company's website at www.pgbgroup.com.my/board-charter/.</p> <p>The Chairman is primarily responsible for:</p> <ul style="list-style-type: none">- Leadership and management of the Board;- Ensuring the integrity and effectiveness of the governance process of the Board and Board Committees function effectively;- Overseeing and evaluating the conduct and performance of the Group;- Ensuring the efficient functioning of the Board, ensuring procedural rules are followed and providing quality information to facilitate timely decision-making by Board members;- Bearing primary executive responsibility for the Group's business performance and managing the Group in alignment with the strategies and policies approved by the Board;- Leading the Executive Directors ("EDs") in making and implementing day-to-day decisions regarding business operations, resources management and risks mitigation to achieve Group's objectives; and- Bringing material and relevant matters to the attention of the Board, motivating employees and driving change, innovation and growth within the Group. <p>The Chairman facilitates Board meetings, ensuring that all Board members have ample time to deliberate without any one person dominating. He also ensures that decisions are well-informed by ensuring that the Board thoroughly considers all strategic and critical issues and that Directors receive the relevant information on a timely basis.</p> <p>Dato' Sri Edwin Tan Pei Seng ("Dato Sri Edwin Tan") was appointed as the Executive Chairman of the Board on 1 August 2020. As detailed in his profile in the AR 2024, Dato' Sri Edwin Tan possesses over ten (10) years of experience in property development and construction, leveraging his competencies in these fields.</p>

	<p>The Board believes that the Chairman is competent to provide effective leadership to the Group and to make independent judgment regarding the Group's performance while maintaining the highest standards of conduct and integrity. The Chairman ensures that high standards of corporate governance are practiced throughout the Group, discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The position of Chairman is currently held by Dato' Sri Edwin Tan. while the position of CEO remains vacant.</p> <p>The Board is led by an Executive Chairman and supported by two (2) Executive Directors, One (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors.</p> <p>The Executive Chairman is responsible for providing strong leadership to the Board, ensuring the integrity and effectiveness of the governance process and overseeing the effective functioning of the Board and Board Committees. The CEO, when filled, will hold responsibilities for providing executive leadership and implementing the strategies, objectives and decisions of the Board within the delegated authorities, values and policies.</p> <p>Dato' Sri Godwin Tan Pei Poh ("Dato Sri Godwin Tan") serves as the Group Executive Director, overseeing administration and strategic planning, including marketing, operations and financial management. He leads the Management in day-to-day operations within his expertise, playing a crucial role in driving the Group forward.</p> <p>The Board is of the opinion that there is satisfactory balance of power and authority on the Board as the roles of Executive Chairman and the Executive Directors are clearly defined and established. Decision-making is based on collective decisions, without any individual exercising significant power or influence and well balanced by the presence of strong elements of independence in the Board.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<p>In compliance with the enhanced MCCG updates introduced in April 2021, Dato' Sri Edwin Tan, the Executive Chairman, does not serve on Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC"). These Committees are chaired by different Independent Non-Executive Director and comprise a majority of Independent Non-Executive Directors except for AC, which comprise wholly independent Non-Executive Director.</p> <p>In addition, the Chairman is not invited to any meetings of the AC, NC, RC and RMC. This approach mitigates the risk of self-review and preserves the objectivity of the Chairman and the Board when deliberating on the observations and recommendations presented by the Board Committees.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	: Applied
Explanation on application of the practice	<p>The Board is supported by a qualified Company Secretary who is a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and is qualified to act as a company secretary under Section 235(2)(a) of the Companies Act, 2016. The Company Secretary brings vast knowledge and experience from their time in public practice and is further assisted by a dedicated team of company secretarial personnel.</p> <p>The primary responsibilities of the Company Secretary include:</p> <ul style="list-style-type: none">▪ Attending board meetings and other meeting as required;▪ Maintaining the required statutory registers and records;▪ Monitoring regulatory changes and corporate governance developments;▪ Guiding/assisting the Board and Management in applying of the Malaysian Code on Corporate Governance;▪ Playing an advisory role to the Board, particularly regarding the Company's Constitution and compliance with relevant rules and regulations;▪ Ensuring adherence to Board policies and procedures;▪ Highlighting any issues that should be brought to the Board's attention; and▪ Preparing precise minutes to document Board and Board Committees proceedings and ensuring accurate recording of conclusions. <p>The Company Secretary serves as advisor to the Board, leveraging their expertise to enhance the Board's operations and ensure compliance with procedures and regulations. She proactively identifies and bring attention to matters requiring the Board's consideration.</p> <p>Additionally, the Company Secretary prepares the agenda for Board and Board Committee meeting and attends all these meetings. She ensures that deliberations are clearly and comprehensively recorded as source documents.</p>

	<p>Directors may comment or request clarification before the minutes are tabled for confirmation and signed by the Chairman as a correct record of the proceedings. Minutes of the meetings confirmed as correct proceedings are circulated to all Board members from time to time for their notation.</p> <p>All Directors have direct access to the advice and services of the Company Secretary, both collectively as a full Board and individually, in discharging their duties.</p> <p>The appointment and removal of the Company Secretary is a matter for the Board as a whole.</p> <p>The Board expressed its utmost satisfaction with the performance and support rendered by the Company Secretary in the effectively discharging their functions for the benefit of the Board.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>In order to facilitate the Directors' scheduling and encourage attendance of the Board, the annual meeting schedule for the Board, Board Committees and AGM of the Company is prepared and circulated in advance to Directors and Management. This ensures Management has sufficient time to prepare meeting materials, enhance meeting effectiveness.</p> <p>Directors receive comprehensive Board papers, including agendas and relevant materials, at least five (5) business days ahead of each Board or Board Committee meeting. This allows Directors to have sufficient time for thorough review and effective participation in decision-making.</p> <p>The Board has unrestricted access to all relevant information within the Group and is supplied in a timely basis with information and reports through Board papers for informed decision making. These papers are meticulously prepared and cover various aspects such as Group financial performance, proposed policies and procedures, operational issues and regulatory updates. Meeting agendas are tailored to the complexity of the agenda items and purpose, facilitating in-depth deliberation.</p> <p>To support effective discharge of duties, the Board has complete and unhindered access to Senior Management and Company Secretary, enabling them to seek clarification and gain a deeper understanding of the Group's business affairs. External auditors and advisers may be invited to provide insights and professional views on specific agenda items. Senior Management is also invited for equal access to the latest updates and developments of business operations.</p> <p>Minutes of each Board and Board Committee meeting are circulated to Directors promptly after the meeting for review and adoption at the next meeting.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter serves as a primary guide for the Board members in fulfilling their duties and responsibilities. It clearly outlines the functions, roles and responsibilities of the Executive Chairman, Executive Directors, Non-Executive Directors and Senior Independent Non-Executive Director.</p> <p>It also delineates a formal schedule of matters reserved for the Board's deliberation and decision making, board remuneration and evaluation, directors' training, financial reporting duties and code of ethics. This ensures that all Board members understand their fiduciary duties, relevant legislations and regulations, and the importance safeguarding interests of the shareholders and other stakeholders while upholding high standards of corporate governance in their dealings on behalf of the Company.</p> <p>Directors are expected to allocate sufficient time to discharge their duties and responsibilities effectively. To stay abreast of the latest developments and enhance their skills, each Director must participate in mandatory accreditation programs sanctioned by Bursa Securities and other relevant training courses or seminars regularly.</p> <p>All Directors have completed the Mandatory Accreditation Programme ("MAP") for Directors of Public Listed Companies as required by Bursa Securities. In June 2023, Bursa Securities has introduced a new mandatory sustainability training for Directors (MAP II). By FY2024, all Directors had completed the MAP II, well ahead of the deadline 1 August 2025.</p> <p>In complement to these mandatory programmes, the Board, with support from the NC, accesses and identifies the training needs of its members. This ensures that Directors attend relevant training courses or seminars periodically to remain updated on developments in directors' oversight functions.</p>

	<p>Furthermore, the Company Secretary regularly updates Directors on the latest developments of the Main Market Listing Requirement (“MMLR”) issued by Bursa Securities during Board Meetings to enable them to stay informed about such developments and amendments. External auditors also provide briefings to Directors on any changes to the Malaysian Financial Reporting Standards (“MFRS”) affecting Group’s financial statements during the financial year under review.</p> <p>Details of the training programs and seminars attended by Directors during FY2024 are outlined in the “Corporate Governance Overview Statement” section of the AR 2024.</p> <p>The Board reviews the Board Charter and makes necessary amendments to ensure alignment with its objectives, prevailing law and practices. The Board Charter is publicly made available on the Company’s website at www.pgbgroup.com.my/board-charter/, with last reviewed on 22 November 2022.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.1

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

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

Application	: Applied
Explanation on application of the practice	<p>The Board has formalised and adopted a Code of Conduct ("the Code") to establish expectation for proper and ethical behaviour among Directors and the employees. The Code serves as a reference to uphold high standards of businesses ethics and integrity while working for or dealing with the Company.</p> <p>The Code outlines measures to:</p> <ul style="list-style-type: none">- ensure compliance with laws, rules and regulations;- handle actual or potential conflict of interest;- protect and ensure the proper use of the Group's assets and information; and- encourage the reporting of unlawful or unethical behaviour. <p>Directors and employees must read, understand, accept and abide by the Code. New staff received briefings on its requirements as part of the Company's induction programme.</p> <p>The Board reviews the Code as and when necessary to ensure that it continues effectiveness. The Code is accessible on the Company's website at https://pgbgroup.com.my/code-of-conduct/, with last reviewed on 26 April 2022.</p> <p>Furthermore, both the Board and the Company Secretary adhere to the ethical values outlined in the Code of Ethics for Company Directors and Company Secretaries issued by the Companies Commission of Malaysia. This Code of Ethics aims to establish standards of ethical conduct for Directors based on acceptable belief and values; promoting social responsibility and accountability in accordance with the applicable legislations, regulations and guidelines; and to instill professionalism amongst the Company Secretaries within the tenets of morality, efficiency and administrative effectiveness.</p>

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

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's dedication to upholding the highest standards of integrity, transparency and accountability in its business operations through the implementation of a comprehensive Whistleblowing Policy.</p> <p>The Whistleblowing Policy serves as a reliable mechanism for individuals to report observed violations or misconduct within the Group. It provides clear channel for whistleblowers to confidently disclose concerns without fear of reprisal and ensuring a culture of trust and transparency. Whistleblowers are encouraged to report in good faith, disclosing genuine concerns believed to be substantially true and without any personal gain as motivation.</p> <p>Furthermore, the Whistleblowing Policy ensures protection for whistleblowers, safeguarding them from retaliation, discrimination or victimization. This policy underscores the Group's commitment to promoting a safe environment for reporting and addressing potential improprieties.</p> <p>All allegations reported through the whistleblowing channel are thoroughly investigated and outcomes are reported at the Risk Management Committee ("RMC") meetings.</p> <p>The Board will review the Whistleblowing Policy and make any necessary amendments to ensure its relevancy and alignment with the prescribed requirements and best corporate governance practices. The Whistleblowing Policy is accessible on the Company's website at https://pbggroup.com.my/corporate-governance, with last reviewed on 26 May 2022.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, in collaboration with Senior Management, acknowledges the importance of integrating sustainability risks and opportunities into the company strategies, business plans, major actions, and risk management. To govern the sustainability management, the Sustainability Governance Framework has been established, outlining goals, strategies and governance structure approved by the Board.</p> <p>The Board holds the responsibility for overseeing the strategic management of material sustainability matters related to the economic, environmental, social, and governance ("ESG"). They ensure that risks and opportunities arising from these matters contribute to both financial and non-financial value creation.</p> <p>The sustainability governance structure includes the Board as the highest authority, supported by the Board Sustainability Committee ("BSC") and the Sustainability Steering Committee ("SSC"). The BSC comprising members from the RMC and AC, supervises sustainability strategies and provides recommendations to the Board. The SSC, led by the Sustainability Officer ("SO") and consisting of various heads of departments ("HODs"), executes approved sustainability strategies as directed by the Board. Sustainability initiatives are further supported by the Sustainability Working Committee ("SWC"), which manages and executes daily sustainability activities.</p> <p>This structure encourages a culture where sustainability is ingrained in the organisation, promoting the development of a desired mindset as the norm for the Group. Detailed information regarding the roles and responsibilities of the governance structure can be found in the "Sustainability Statement" section of the AR 2024.</p>

	<p>The SSC discusses material sustainability matters related to ESG risks and new opportunities, ensuring that RMC, AC and Board updated on these issues. In addition, SWC meets up monthly to update and track the progress for the implementation of Group's sustainability initiatives.</p> <p>By integrating sustainability considerations aligned with stakeholders' expectations, the Board ensures that the Group's strategies, business plans, major actions, and risk management practices address sustainability concerns. This approach enables the Group to maintain competitiveness, enhance resilience, and adapt to changes in the business landscape.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.2

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

Application	: Applied								
Explanation on application of the practice	<p>The Board engages with all internal and external stakeholders to gather a broader perspective on their interests, needs, concern and expectation for continual improvement. This engagement helps the Group focus and prioritise matters efficiently and appropriately. Building trust and confidence among stakeholders is fundamental for the Group and forms the foundation of good governance.</p> <p>We engage with our stakeholders through various platforms, which are appended below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Stakeholders</th> <th>Channel of Engagement</th> </tr> </thead> <tbody> <tr> <td>Shareholders and Investors</td> <td> <ul style="list-style-type: none"> ▪ Annual general meetings ▪ Annual reports ▪ Announcements of quarterly financial results ▪ Company website ▪ Corporate announcements ▪ Extraordinary general meetings ▪ Meetings ▪ Social media platforms </td> </tr> <tr> <td>Employees</td> <td> <ul style="list-style-type: none"> ▪ Corporate activities ▪ Engagement contract ▪ Employee handbook ▪ Employee survey ▪ Employee performance appraisals ▪ Learning and development trainings and workshops ▪ Meetings </td> </tr> <tr> <td>Customers</td> <td> <ul style="list-style-type: none"> ▪ Advertisement and marketing promotions ▪ Corporate and product brochures ▪ Company website ▪ Corporate announcements ▪ Customer feedback and service platforms ▪ Public events ▪ Project launches ▪ Social media platforms </td> </tr> </tbody> </table>	Stakeholders	Channel of Engagement	Shareholders and Investors	<ul style="list-style-type: none"> ▪ Annual general meetings ▪ Annual reports ▪ Announcements of quarterly financial results ▪ Company website ▪ Corporate announcements ▪ Extraordinary general meetings ▪ Meetings ▪ Social media platforms 	Employees	<ul style="list-style-type: none"> ▪ Corporate activities ▪ Engagement contract ▪ Employee handbook ▪ Employee survey ▪ Employee performance appraisals ▪ Learning and development trainings and workshops ▪ Meetings 	Customers	<ul style="list-style-type: none"> ▪ Advertisement and marketing promotions ▪ Corporate and product brochures ▪ Company website ▪ Corporate announcements ▪ Customer feedback and service platforms ▪ Public events ▪ Project launches ▪ Social media platforms
Stakeholders	Channel of Engagement								
Shareholders and Investors	<ul style="list-style-type: none"> ▪ Annual general meetings ▪ Annual reports ▪ Announcements of quarterly financial results ▪ Company website ▪ Corporate announcements ▪ Extraordinary general meetings ▪ Meetings ▪ Social media platforms 								
Employees	<ul style="list-style-type: none"> ▪ Corporate activities ▪ Engagement contract ▪ Employee handbook ▪ Employee survey ▪ Employee performance appraisals ▪ Learning and development trainings and workshops ▪ Meetings 								
Customers	<ul style="list-style-type: none"> ▪ Advertisement and marketing promotions ▪ Corporate and product brochures ▪ Company website ▪ Corporate announcements ▪ Customer feedback and service platforms ▪ Public events ▪ Project launches ▪ Social media platforms 								

Stakeholders	Channel of Engagement
Contractors and Suppliers	<ul style="list-style-type: none"> ▪ Briefings, updates and meetings ▪ Contract and legal discussions ▪ Company website ▪ Emails and letters ▪ Letter of awards ▪ Performance evaluations ▪ Sites visits and inspections ▪ Tender sessions
Government and Regulators	<ul style="list-style-type: none"> ▪ Audit and inspections ▪ Compliance reporting ▪ Emails and letters ▪ Industry associations and consultants ▪ Regulatory requirements reporting ▪ Seminars, workshops and training sessions
Local communities and non-governmental organisations	<ul style="list-style-type: none"> ▪ Company website ▪ Community initiatives and development programmes ▪ Corporate announcements ▪ Public events ▪ Social media platforms ▪ Sustainability and related programmes
Media	<ul style="list-style-type: none"> ▪ Advertisement and marketing promotions ▪ Corporate and product brochures ▪ Company website ▪ Corporate announcements ▪ Press release ▪ Public events ▪ Project launches ▪ Social media platforms
<p>The Company's annual Sustainability Statement provides a detailed overview of its sustainability strategies, performance and initiatives, catering the information needs for both internal and external stakeholders. It also covers various ESG topics, evaluates the management approach and highlights the outcomes.</p> <p>For more information on the Group's stakeholder groups, engagements and targets as well as performance against these targets, please refer to "Sustainability Statement" section of the AR 2024.</p>	
Explanation for departure :	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of staying abreast about sustainability issues. The Board, through the NC, assesses the training programmes attended by each Director annually to ensure they stay updated on industry developments and emerging sustainability issues relevant to the Group.</p> <p>The training programmes and seminars attended by each Director are disclosed in the “Corporate Governance Overview Statement” section of the AR 2024, promoting transparency and accountability regarding the Directors’ efforts to stay informed about sustainability matters.</p> <p>Additionally, the SO regularly updates the Board on ESG matters such as news articles or reports, keeping them informed about the latest developments and trends locally and globally.</p> <p>During the Annual Report preparation, the Board received a briefing on sustainability reporting, gaining insights into the integration of ESG matters into the Group’s business model and addressing sustainability-related risks and opportunities. The Board also stays updated on the progress of the Group’s sustainability priorities and initiatives through participation in the annual updates by RMC on Group Risk Management Report and annual approval of the Sustainability Statement.</p> <p>In the current financial year, the Group incorporated ESG-related risks into its risk register. This inclusion enables the Board to oversee these risks and develop appropriate mitigation measures, enhancing the Group’s resilience and long-term sustainability.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The NC conducts an annual board effectiveness evaluation to assess the performance and effectiveness of the Board as a whole, Board Committees and individual Directors. Performance evaluations of Senior Management are also conducted annually.	
		However, the current evaluation process does not consider their performance in addressing sustainability risks and opportunities. To address this gap, the Board will enhance its performance evaluation system to ensure effective monitoring of sustainability performance indicators and establish accountability among the Board and Senior Management to achieve the Group's sustainability goals.	
		Questions and assessments on sustainability oversight and performance indicators will be integrated into the performance evaluation of both the Board and Senior Management.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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.

<i>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.</i>	
Application	: Adopted
Explanation on adoption of the practice	: <p>The Sustainability Officer (“SO”) holds responsibility in managing sustainability strategies and initiatives within the Group.</p> <p>As the designated person responsible for sustainability, the SO chairs the SSC and collaborates with its members to establish sustainability strategies and priorities based on identified sustainability matters. Additionally, the SO monitors the progress of the SWC in implementing day-to-day sustainability initiatives and reports to the BSC.</p> <p>The primary roles and responsibilities of the SO include:</p> <ul style="list-style-type: none">▪ Monitoring the overall sustainability progress and efforts related to sustainability carried out by members of the SSC and SWC;▪ Providing reports to the BSC regarding the overall sustainability progress of the SSC and SWC;▪ Leading and overseeing the implementation of approved sustainability measures in the business strategy across the Group’s operations;▪ Reviewing any changes or new sustainability matters reported by respective heads of departments; and▪ Leading the sustainability education programmes and sharing insights into sustainability trends with various departments within the Group. <p>By fulfilling these responsibilities, the SO plays a pivotal role in driving the Group’s sustainability agenda, ensuring that sustainability considerations are integrated into the organisation’s operations, and fostering a culture of sustainability across the Company.</p>

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p><u>Board Composition</u></p> <p>The NC is responsible to assist the Board in the development and implementation of the policies on the nomination and appointment of Directors and Committee members in the Group, to achieve long-term sustainability of the organisation in accordance with the TOR of the NC.</p> <p>In this respect, the Board through the NC to oversees the composition of the Board, ensuring a balanced composition with diverse skills, experience, and competencies as well as refreshment of its members for optimal effectiveness. It acknowledges that an effective Board requires a diverse group of individuals with the right mix of skills, knowledge, experience, and independence aligned with the Company's objectives and strategic goals.</p> <p>The NC manages Board succession planning to ensure periodic refreshment, enabling the Board to effectively respond to challenges and deliver value. Accordingly, the appointment of Directors to the Board is subject to a formal, rigorous and transparent process. The appointment process is further detailed in Practice 5.5 of this report.</p> <p><u>Director's Retirement/Re-election</u></p> <p>In accordance with the Company's Constitution, one-third (1/3) of the Directors or, if their number is not three (3) or a multiple of three, then the number nearest one-third (1/3) shall retire from office and be eligible for re-election. An election of Directors shall take place each year provided always that all Directors including the Executive Chairman shall retire from office at least once in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the AGM at which he retires.</p>

The Constitution also stated that the Directors shall have power at any time, and from time to time, appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Constitution. Any Director so appointed shall hold office only until the next AGM, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

The schedule of retirement by rotation was determined by the NC and the Directors' eligibility to stand for re-election was also considered taking into account their tenure of service. In this respect, Dato' Sri Godwin Tan Pei Poh and Tee Boon Hin will retire in accordance with Article 106 of the Company's Constitution at the 77th AGM of the Company scheduled in August 2024.

Before recommending a director for re-election, the Board, supported by the NC, conducts an evaluation of the Director's contribution and performance to determine the eligibility of the Directors to stand for re-election at the AGM. This evaluation considers factors such as:

1. Level of Directors' contribution to the Board through each of their skills, experience and strength in qualities;
2. Level of independence demonstrated by each of the Non-Executive Directors ("**NEDs**") and their ability to act in the best interest of the Company in decision making to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company; and
3. Fit and proper criteria

By considering these factors, the NC can determine whether a director meets the necessary requirements and is eligible for re-election and recommend them for re-election if the outcome is satisfactory.

With the current Board size of seven (7), two (2) Directors are scheduled to retire as per Company's Constitution. During the year, the NC conducts an annual assessment of all the Directors, considering parameters such as attendance, contributions, quality of their input, and understanding of their roles and responsibilities.

	<p>Following the NC's assessment, it was determined that the retiring Directors had:</p> <ol style="list-style-type: none"> 1. Demonstrated satisfactory performance and made valuable contributions in fulfilling their duties, 2. Contributed effectively to the deliberations of the Board, 3. Demonstrated a satisfactory level of independence, with tenures less than nine (9) years, <p>meeting the criteria prescribed by Paragraph 2.20A of the MMLR of Bursa Securities.</p> <p>Upon the NC's recommendation, the Board accepted the re-election of Dato' Sri Godwin Tan Pei Poh and Tee Boon Hin. The Board reasonably believed that, given their vast experience, ability and exposure, they will be able to effectively fulfil their position and act in the best interests of the Company. Both of the retiring Directors consented to their re-election, abstaining from deliberations on their eligibility and suitability to stand for re-election at Board meeting.</p> <p>Profiles of the Directors subject for re-election, including their interests in the Company, whichever applicable, are provided in the "Board of Directors' Profile" section of the AR 2024.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.2

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

Application	:	Departure
Explanation on application of the practice	:	Please provide an explanation on how the practice is being applied.
Explanation for departure	:	<p>Currently, the Board comprises of seven (7) members, including one (1) Executive Chairman, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors (“INEDs”). This composition adheres to Paragraph 15.02(1) of the MMLR of Bursa Securities, which stipulates at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be independent.</p> <p>INEDs play a pivotal role in corporate accountability, offering independent and objective views, advice and judgment in strategy formulation, issues deliberation and major undertakings implementation to ensure stakeholders’ long-term interests are considered. INEDs refrain from involvement in day-to-day management and maintain independence from any business or other relationships that may compromise their ability to act in the Company’s best interest. All decisions are made through unanimous agreement after thorough deliberation.</p> <p>During the financial year, the NC conducted an annual evaluation of all Directors, including the INEDs. The process confirmed that the INEDs’ ability to act independently of Management, ensuring their independent views remained uncompromised. The Board is satisfied with the INEDs’ fulfilment of responsibilities, demonstrated through consistent independent judgement and valuable contributions to deliberations and decision-making processes, strengthening the Board’s governance structure and overall effectiveness.</p> <p>Additionally, the current Board has a well-balanced mix of professionals with expertise in various fields such as property development, accounting, secretarial, audit and taxation, ensuring fair representation and a balance of power and authority. This structure is designed to provide effective leadership and governance to achieve the Company’s mission, objectives, and business strategies, benefiting shareholders. Detailed profiles of each Director are available in the “Board of Directors’ Profile” section of AR 2024.</p>

	<p>The Board believes that the existing number of INEDs is adequate to facilitate objective deliberations and decisions, serving as an effective check and balance to safeguard minority shareholders' interests while maintaining high standards of conduct and integrity. The Board also considers its current Board composition to be optimal for the Group's current business profile, enabling effective leadership for future business growth.</p> <p>The Board will consistently assess and evaluate the Board's size to facilitate effective deliberation, encourage proactive involvement of all Directors and ensure the smooth functioning of various Board Committees without burdening Directors with excessive committee responsibilities.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Not applicable - No independent director(s) serving beyond nine (9) years
Explanation on application of the practice	:	<p>Currently, none of the INEDs have served for more than a cumulative terms of nine (9) years.</p> <p>According to the updated MCCG, an Independent Director who has completed a cumulative term of nine (9) years may continue serving on the Board, but he will re-designated as a NIED. In addition, Bursa Securities have also issued amendments limiting the tenure of an Independent Director to twelve (12) years.</p> <p>The NC has taken note of the Practice 5.3 of the MCCG whereby in the event the Board intends to retain the Director as an Independent Director after the latter has served a cumulative term of nine (9) years, the Board shall justify the decision and seek annual shareholders' approval through a two (2)-tier voting process. In justifying the decision, the NC is entrusted to assess the Director's suitability to continue as an Independent Director based on the criteria of independence.</p> <p>The Board is currently in the process of reviewing its governance-related policies and procedures, including the Board Charter, to incorporate the required changes, to the practicable extent, in upholding the best corporate governance practices while ensuring that the Board Charter and other governance related policies and procedures remain consistent with the Board's objectives, current law and practices.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of diversity in the Group's composition, recognising its significance in reflecting the broader perspectives and interests of stakeholders.</p> <p>To uphold this principle, the Board has adopted a formal Board and Senior Management Diversity Policy, accessible on the Company's website at www.pgbgroup.com.my. This policy aims to ensure that the mix and profiles of the Board and Senior Management members in terms of age, ethnicity and gender, provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and well-functioning management, facilitating sustainable growth for the Group.</p> <p>The Group believes that a truly diverse and inclusive Board and Senior Management will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity and gender, which will ensure that PGB retains its competitive advantage. With diversified opinions contributed by the Board and Senior Management, decision-making effectiveness and efficiency are enhanced as all viewpoints are considered, mitigating business risks during organisational changes.</p> <p><u>Board and Senior Management Diversity</u></p> <p>(i) Board Skills/ Experience</p> <p>The Board Skills Matrix has been developed based on Directors' self-assessment and is utilised as a reference for refreshing the Board and succession planning, complementing each another.</p>

The following Board Skills Matrix is based on the Board composition as at 31 March 2024:

No	Areas of Practice/ Experience/Skill/Expertise*	Percentage
1	Audit, accounting, financial reporting and taxation	82%
2	Corporate governance, corporate secretary, risk management and internal controls	88%
3	Human capital	89%
4	Information technology	75%
5	Legal and regulatory	88%
6	Sales and marketing	82%

* Individual Directors may fall into one or more categories

The current Board has a well-balanced mix of professionals with expertise in various fields such as property development, accounting, secretarial, audit and taxation, ensuring fair representation and a balance of power and authority. This structure is designed to provide effective leadership and governance to achieve the Company's mission, objectives, and business strategies, benefiting shareholders.

(ii) Diversity (age, gender, ethnicity and nationality)

(a) Board Diversity

As of 31 March 2024, the diversity within the existing Board encompasses variations in age, gender, ethnicity, and nationality as detailed below:

Age Group	Number of Director
40 - 49	3
50 - 59	1
60 - 69	3

Gender	Number of Director
Male	6
Female	1

Ethnicity	Number of Director
Chinese	5
Malay	2

Nationality	Number of Director
Malaysian	7

(b) Senior Management Diversity

As of 31 March 2024, the diversity within the existing Senior Management encompasses variations in age, gender, ethnicity, and nationality as detailed below:

Age Group	Number of Senior Management
40 - 49	1
50 - 59	1
60 - 69	1

Gender	Number of Senior Management
Male	1
Female	2

Ethnicity	Number of Senior Management
Chinese	3

Nationality	Number of Senior Management
Malaysian	3

The Group's commitment to non-discrimination extends to race, religion, and gender, with particular support for gender diversity in both the Board and Senior Management positions. Transparent and structured recruitment practices ensure equal opportunities for candidates who possess the necessary competencies, qualities and other qualities required for the Group's future needs.

As at 31 March 2024, the Group has achieved a 67% representation of female employees in Senior Management. However, the Board maintained a 14% representation of women director, which is falls below the 30% gender diversity guideline recommended by the MCCG. The Board is aware of this recommendation and will continue to seek suitable women candidates based on criteria relevant to the Group's businesses.

Policy and Procedure on Nomination and Appointment

1. The Board

The appointments of Directors to the Board follows a formal and transparent process, initiated by the NC. This process involves a thorough review of the existing Board composition including its size and diversity in terms of skills, experience, age, ethnicity, and gender. Based on this review, the NC determines selection criteria for new appointment, aimed at addressing any gap and strengthening the Board's composition.

Subsequently, the NC evaluates potential candidates from internal and external/independent sources, shortlisting individuals who meet the established criteria. Shortlisted candidates are required to complete “Prospective Directors Information Form” which includes a self-declaration of fit and proper status as per Directors’ Fit and Proper Policy. Additionally, candidates are expected to provide detailed curriculum vitae outlining their academic/professional qualifications, working experience, employment history and directorial roles in other companies.

Engagement sessions and fit and proper assessment are then conducted with shortlisted candidates, adhering to the guidelines outlined in the Director’s Fit and Proper Policy. This policy provides a transparent framework for the appointment, re-appointment and re-election of Directors. The fit and proper assessment considers various factors such as the candidate’s integrity and reputation, financial integrity, experience and competence, and time and commitment. For additional information on the Directors’ Fit and Proper Policy, please visit the Company’s website at <https://pqbgroup.com.my/corporate-governance/>, with last reviewed on 1 July 2022.

For Independent Directors, the NC evaluate their capacity to exercise independent judgement and uphold the associated values and principles, considering criteria outlined in the Code and the MMLR regarding independence in the appointment of Independent Directors.

Ultimately, the NC presents its final recommendation to the Board, which retains the authority to decide on the appointment of a director from the recommended candidates. Hence, all appointments are made based on a candidate’s background, qualifications, experience, and competency, aligning with job requirements and promoting workforce diversity while adhering to regulatory standards.

During the FY2024, the Board has not recommended any appointment of new director and re-appointment of director for retention as Independent Non-Executive Director to the shareholders for approval besides the re-election of Directors.

The NC is supported by the Company Secretary, ensures the thoroughness of fit and proper assessments, including relevant supporting documents. Company Secretary records the review and deliberation outcomes of candidate assessments during the NC meeting, as well as recommendations made by the NC for Board decision on appointments.

2. Senior Management

The appointments of Senior Management follow a formal and transparent process, initiated by the Executive Chairman (“EC”). Human Resource Department (“HRD”) shall source and shortlisted the candidates, perform due diligence check based on regulatory sources and public databases and domains and compile the relevant documents to submit to the EC.

The EC shall review, assess and interview shortlisted candidates and state the preferred candidate with justification.

The NC shall evaluate the shortlisted candidates based on knowledge, skill and experiences (including sustainability management) expected to be possessed for the Senior Management position, considering the justification provided by the EC regarding why the preferred candidate should be appointed.

Discussion between the EC and the NC shall be held in order to agree on a final candidate and propose to the Board for consideration and decision at its properly constituted and duly minuted meeting. After the Board accepts the proposed candidate, HRD shall proceed to hire the preferred candidate.

The Board remains fully committed in discharging their statutory duties and responsibilities, as evidenced in their consistent attendance at Board and Board Committee meetings throughout FY2024. Scheduled quarterly meetings are supplemented by additional sessions convened as needed, allowing Directors to effectively plan their engagements and allocate necessary time to discharge their duties. Comprehensive records of Directors’ meeting attendance are provided in the “Corporate Governance Overview Statement” of the AR 2024.

Despite some Directors holding multiple directorships, they actively engage with Management both formally and informally, ensuring diligent participation in Board and Board Committee meetings. Notably, no Director holds more than five (5) directorships in public listed companies during the financial year.

In addition, Directors are mandated to allocate sufficient time and attention to fulfilling their duties effectively through continuous education initiatives. The Board, with support from the NC, accesses and identifies the training needs of its members. This ensures that Directors attend relevant training courses or seminars periodically to remain updated on developments in directors’ oversight functions. Details of such training endeavors are documented in the “Corporate Governance Overview Statement” section of the AR 2024.

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

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>While the Board believes that its current composition and size are balanced and conducive to effective oversight and independent review, the Board, through the NC, remains proactive in identifying qualified individuals to meet the Company's future needs, considering diverse perspectives and insights.</p> <p>In sourcing suitable candidates for Directorship, the NC considers recommendations from existing Board members, Management and shareholders. In addition, the NC welcomes referrals from external sources, including industry databases, professional association and independent search firms.</p> <p>In adherence to Practice 5.9, the NC actively seeks qualified female candidates to fill the position of Independent Non-Executive Director, utilising both internal and external channels. The Company remains dedicated to its ongoing efforts to identify suitable candidates in alignment with this requirement.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of all Directors, including those standing for re-election, are disclosed in the AR 2024 and on the Company's website at www.pgbgroup.com.my. These profiles include details such as age, gender, position in the Company, qualifications, working experience, directorship in other public companies and/or listed issuers, any conflict of interest and family relationship with other Directors and/or major shareholder of the Company.</p> <p>Additionally, information regarding meeting attendance, training records, remuneration and shareholdings in the Company and its subsidiaries is provided in relevant sections of the AR 2024.</p> <p>The Board and the NC's assessment and recommendation on the re-appointment of retiring Directors is also disclosed in the notice of AGM and the statement accompanying the notice of AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied												
Explanation on application of the practice	:	<p>The NC is crucial for ensuring the effectiveness and integrity of the Board. The Board believes that appointing an Independent Director as the Chair of the NC ensures objectivity and independence in the committee's deliberations.</p> <p>Dato' Haji Ismail Bin Karim, an Independent Non-Executive Director, currently serves as the Chair of the NC, which comprises three (3) Non-Executive Directors, with a majority being Independent. The composition of the NC is as follows:</p> <table border="1"><thead><tr><th>Name</th><th>Position</th><th>Designation</th></tr></thead><tbody><tr><td>Dato' Haji Ismail Bin Karim</td><td>Chairman</td><td>Independent Non-Executive Director</td></tr><tr><td>Mr. Tee Boon Hin</td><td>Member</td><td>Senior Independent Non-Executive Director</td></tr><tr><td>Dato' Jeffrey Lai Jiun Jye</td><td>Member</td><td>Non-Independent Non-Executive Director</td></tr></tbody></table> <p>The key roles and responsibilities carried out by the NC are as follows:</p> <ol style="list-style-type: none">1. Overseeing the identification and selection process of Directors to ensure Board composition reflects the desired mix of skills, experience and core competencies required by the Group;2. Assisting the Board in reviewing and evaluating the effectiveness and performance of the Board, Board Committees and individual Directors annually;3. Recommending to the Board with regard any necessary adjustments to the structure, size and composition are made accordance with Practice 6.1 of the MCCG; and4. Assessing the training needs of Directors to ensure access to continuing education programmes. <p>In executing its duties, the NC operates under its TOR, approved by the Board and is available on the Company's website at https://pqbgroup.com.my/nomination-committee/. The Board reviews the TOR of NC and makes any necessary amendments to ensure consistency with the needs of the Group and to be in line with the MMLR and the MCCG.</p>	Name	Position	Designation	Dato' Haji Ismail Bin Karim	Chairman	Independent Non-Executive Director	Mr. Tee Boon Hin	Member	Senior Independent Non-Executive Director	Dato' Jeffrey Lai Jiun Jye	Member	Non-Independent Non-Executive Director
Name	Position	Designation												
Dato' Haji Ismail Bin Karim	Chairman	Independent Non-Executive Director												
Mr. Tee Boon Hin	Member	Senior Independent Non-Executive Director												
Dato' Jeffrey Lai Jiun Jye	Member	Non-Independent Non-Executive Director												

	<p>The NC shall meet at least once a year or as and when deem fit and necessary. In the current financial year, four (4) meetings were held with full attendance by the members as shown in the “Corporate Governance Overview Statement” section of the AR 2024.</p> <p>The matters deliberated by the NC during FY2024 included:</p> <ol style="list-style-type: none"> 1. Reviewed the effectiveness of the Board as a whole; 2. Assessed the size, structure and composition of the Board, ensuring the right mix of skills and experience and diversity; 3. Evaluated the overall performance of the Board, its sub-committee and members; 4. Reviewed the independence of independent directors and their ability to exercise independent judgement through a self-assessment by each Director; 5. Identified and addressed the training needs of each Director; 6. Evaluated the performance of External Auditors, Internal Auditors and Company Secretary; 7. Reviewed the fit and proper criteria for Directors seeking for re-election and/or re-appointment; 8. Assessed the performance of Executive Directors and Senior Management; and 9. Reviewed the evaluation forms for annual assessment of the Board, Board Committees, Company Secretary, Internal Auditor and External Auditor before undertaking the evaluation process. 	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Currently, the Board comprising a female Director out of seven (7) Directors, representing 14% women Director.</p> <p>The Board recognises the value of gender diversity and considers the perspectives of women Director essential for a well-functioning board. The Board is committed to appointing female directors who possess the appropriate qualifications, experience and competencies, ensuring their contributions benefit both the Board and the Company.</p> <p>The Company is striving to achieve the MCCG's recommendation of a 30% female representation on the Board. However, new appointments will prioritise merit and effective blend of skills, experience and knowledge relevant to the Company's needs. Although the Company does not set any specific targets for boardroom diversity, female candidates will be considered based on suitability.</p> <p>Furthermore, the Company promotes diversity in its management level which could potentially be a pipeline for future candidates to be appointed as Director or Senior Management.</p> <p>The Board, overseen by the NC, will continually assess the proportion of the female to male board members and the overall board composition and size, ensuring alignment with shareholder interests and diversity in skills, experience, cultural background, gender and age.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.10

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

Application	:	Departure
Explanation on application of the practice	:	Please provide an explanation for the departure.
Explanation for departure	:	<p>The Group has implemented the Board Diversity Policy to promote the diversity and gender equality across the Board's composition.</p> <p>However, it is worth noting that the Group does not have a formal gender diversity policy specifically tailored for Senior Management positions.</p> <p>Currently, the Board comprises of one (1) female Director out of seven (7) Directors, representing 14% of women Director. Additionally, it is noteworthy that the Group has already achieved a representation of 67% female employees at the Senior Management level.</p> <p>The Board acknowledges the importance of women's participation in both the Board and Senior Management, as well as the value of diversity, equity and inclusion in achieving effective strategic objectives for sustainable growth and better corporate governance. Consequently, subsequent to the financial year, the Group has expanded and renamed its Board Diversity Policy to the Board and Senior Management Policy, establishing guidelines for diversifying both the Board and Senior Management.</p> <p>This policy aims to ensure that the Board and Senior Management encompass a diverse mix of age, ethnicity, and gender, providing a wide range of perspectives, experiences, and expertise necessary for effective stewardship and management, promoting sustainable growth.</p> <p>The Group ensures transparent and equitable recruitment and selection practices for new appointment to the Board and Senior Management, providing equal opportunities to candidates with the required competencies, skills, experience, integrity, and other qualities needed for the Group's future requirements.</p>

	<p>The NC shall take steps to ensure the inclusion of suitable female candidates in its recruitment efforts. These include considering nominations from Board Committee members for the potential candidates, professional bodies, regulators, and/or other independent sources to complement the Board and Senior Management skills matrix.</p> <p>The Board and Senior Management Diversity Policy was duly reviewed and approved by the Board as of 23 May 2024. It is accessible on the Company’s website at www.pgbgroup.com.my, and disclosed in the “Corporate Governance Overview Statement” section of the AR 2024.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board through its NC, conducts an annual assessment of the Board, Board Committee and individual directors (collectively “Board Effectiveness Evaluation”). This evaluation aims to determine the overall performance and effectiveness of these entities, monitor directors’ fulfilment of their roles and responsibilities and identify areas for improvement.</p> <p>The Board Effectiveness Evaluation process is internally facilitated and conducted using prescribed evaluation forms that cover a range of assessment criteria set by the NC to fulfil its objectives. The criteria included in each assessment are as follows:</p> <ol style="list-style-type: none">1. Board and Board Committee Evaluation Factors considered include size, structure, skills mix, experience, meeting effectiveness and frequency, and decision-making quality. Other criteria encompass the nature of functions performed and information quality.2. Board Skills Matrix Form - Self Assessment Directors’ performance is evaluated based on character, experience, integrity, core competencies and contributions to Board deliberations. Executive Directors undergo additional assessment on business development, leadership and management skills, and target achievement.3. Independent Non-Executive Director Self Evaluation Director assesses their independence based on criteria defined under paragraph 1.01 of the MMLR of Bursa Securities, including background, economic relationship, family relationships, term of office, and directorship.

	<p>Each Director is given sufficient time to complete the evaluation forms before the NC and the Board meetings, allowing the Company to compile the results for review and reporting by the NC to the Board.</p> <p>The outcomes of the assessment are reviewed by the NC and subsequently presented to the Board. These outcomes guide the Board in identifying areas for improvement in operations, practices, individual skills and alignment with corporate objectives and strategy.</p> <p>The Board Effectiveness Evaluation for FY2024 was conducted in May 2024, by the NC, without engaging services of independent third party. This exercise consisted of the following assessments:</p> <ul style="list-style-type: none">(i) Board and Board Committees Evaluation;(ii) Board Skills Matrix Self-Assessment; and(iii) Independent Non-Executive Director Self Evaluation. <p>Based on the assessments conducted for the Board and Board Committee, the overall average ratings for the areas evaluated were above 2 on a 4-scale rating. This indicates that the performance of the Board, Board Committees, individual Directors and committee members during the assessment period was satisfactory ($2.00 < \text{average rating} \leq 4.00$) on a 4-scale rating, and therefore, demonstrating effective discharge of their functions, roles and duties. With respect to the Individual Directors' scorecards from the assessment, each Director met the performance criteria in the prescribed areas of assessments.</p> <p>Furthermore, all Directors complied with the MCCG requirements regarding independence, none of them holding more than five (5) directorships in listed issuers companies. They have exercised their independent judgment during the financial year under review and have properly carried out their duties as Independent Director. They also do not hold any shares in the Company and do not act as director for more than nine (9) years. These assessment results formed the basis of the NC's recommendations to the Board for the re-election of Directors at the 77th AGM of the Company.</p> <p>In addition, the NC highlighted key strengths of the Board and Board Committee in accordance with Guidance 6.1 of the MCCG. The Board works functionally as a team a mutually and dynamic working relationship that foster trust and esteem. Board meetings are conducted with open communication, allowing directors to contribute positively and effectively to address concerns.</p>
--	---

	<p>In accordance with Guidance 5.8 of the MCCG and the TOR of the NC, the NC Chairman led the annual review of Board effectiveness, ensuring independent assessment of each individual director and the Board Chairman’s performance. The NC extensively deliberated on feedback resulting from the assessment and discussed actions to address it. The outcomes of these assessments were generally satisfactory given the Company’s size, with identified areas for improvement.</p> <p>To enhance the Board’s governance practices and overall effectiveness, areas for improvement were identified based on feedback from Board members. In this respect, from the assessment results, the NC identified areas requiring ongoing attention for continuous improvement which were categorised as below:</p> <ul style="list-style-type: none"> (a) Organising relevant seminars and courses for Directors to better discharge their duties in light of economic and business developments; (b) Engaging actively and openly in discussions on Company’s issues with more relevant insightful information and timely reports; and (c) Continually reviewing and improving the Group’s sustainability practices. <p>Each Director also completed self-assessments to identify areas for further improvement. They took note of the weaknesses identified and committed to keeping themselves updated and actively improving in those areas.</p> <p>The collective view, based on ratings provided by the NC together with the meeting minutes, was thoroughly documented. The outcomes and summary results evaluating the effectiveness of the Board, Board Committees, individual Director’s contribution and the independence of the INEDs were presented to the NC for recommendation before reporting to the Board for notation and further consideration. The Board viewed that its current composition is sufficient to meet the needs, objectives and aspirations of the Company.</p> <p>The meeting attendance at Board and Board Committee meetings are evidenced by the attendance record in the “Corporate Governance Overview Statement” of the AR 2024.</p>
<p>Explanation for departure</p>	<p>:</p>

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

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has implemented a formal and transparent process to approve the remuneration of both Directors and Senior Management of the Company. The RC is responsible to formulate and review the remuneration policy to ensure it remains competitive, appropriate and aligned with prevailing market practices.</p> <p>The RC reviews the remuneration for Director and Senior Management annually before recommendation to the Board for approval. During this review, various factors such as demands, complexities, performance, skills and experiences are taken into consideration by the RC.</p> <p><u>1. Policy and Procedures for Executive Directors and Senior Management Remuneration</u></p> <p>For Executive Directors and Senior Management, remuneration packages are structured to link rewards to both corporate and individual performance, with comparisons made to similar packages at comparable companies. This approach ensures that remuneration levels are set to maintain market competitiveness, aiding in the attraction, retention and motivation of high caliber Executives to effectively manage the Company.</p> <p>Performance evaluation for Executive Directors and Senior Management is based on the achievement of annual key performance indicators ("KPIs"), comprising both qualitative and quantitative metrics. The RC assesses performance and rewards are granted accordingly, including annual bonus and salary increments.</p>

	<p>An annual remuneration review takes place during the last quarter of each calendar year. Overall remuneration outcomes and internal factors such as the Group’s performance, individual performance and the responsibilities of Directors and Senior Management will be presented to RC for consideration. The RC considered the compensation and benefits are commensurate with the Directors’ responsibilities and performance levels, while also considering the Group’s performance relative to the industry standards. Upon on the RC’s review, recommendations will be made to the Board for approval.</p> <p><u>2. Policy and Procedures for Non- Executive Directors’ Remuneration</u></p> <p>For Non-Executive Directors (“NEDs”), remuneration packages are determined based on their qualification, experience, time commitment and competence in fulfilling their responsibilities. This approach ensures remuneration structure aligns with the NEDs’ responsibilities at both the Board and Board Committee levels and is adequate to attract, incentive and retain quality NEDs.</p> <p>Remuneration for NEDs consists of fixed retainer fees, meeting allowances and other benefits. Each NED’s fees and benefits are reviewed individually and presented to shareholders for approval at the AGM of the Company on an annual basis.</p> <p>In accordance with proper governance practices, Directors and Senior Management abstained from participation in discussions or decisions regarding their individual remuneration package.</p> <p>The Board will review the Remuneration Policy and make any necessary amendments to ensure the remuneration of Directors and Senior Management is on par with other publicly listed companies. The Remuneration Policy is accessible on the Company’s website at https://pbggroup.com.my/corporate-governance, with last reviewed on 22 November 2022.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied												
Explanation on application of the practice	:	<p>The RC is crucial for ensuring the remuneration packages of Directors and Senior Management is fair, competitive and aligned with the Company's performance and industry standards, in order to attract and retain quality individuals.</p> <p>Mr. Tee Boon Hin, a Senior Independent Non-Executive Director, currently serves as the Chair of the RC, which comprises entirely of NEDs, with a majority being independent. The composition of the RC is as follows:</p> <table border="1"><thead><tr><th>Name</th><th>Position</th><th>Designation</th></tr></thead><tbody><tr><td>Mr. Tee Boon Hin</td><td>Chairman</td><td>Senior Independent Non-Executive Director</td></tr><tr><td>Dato' Haji Ismail Bin Karim</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Dato' Jeffrey Lai Jiun Jye</td><td>Member</td><td>Non-Independent Non-Executive Director</td></tr></tbody></table> <p>The key roles and responsibilities carried out by the RC are as follows:</p> <ol style="list-style-type: none">1. Establishing a formal and transparent remuneration policy; for Directors and Senior Management; and2. Reviewing and determining the remuneration packages and benefits for individual Directors and Senior Management on an annual basis. <p>In executing its duties, the RC operates under its TOR, approved by the Board and is available on the Company's website at https://pgbgroup.com.my/remuneration-committee-2/. The Board reviews the TOR of RC and makes any necessary amendments to ensure consistency with the needs of the Group and to be in line with the MMLR and the MCCG.</p>	Name	Position	Designation	Mr. Tee Boon Hin	Chairman	Senior Independent Non-Executive Director	Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director	Dato' Jeffrey Lai Jiun Jye	Member	Non-Independent Non-Executive Director
Name	Position	Designation												
Mr. Tee Boon Hin	Chairman	Senior Independent Non-Executive Director												
Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director												
Dato' Jeffrey Lai Jiun Jye	Member	Non-Independent Non-Executive Director												

The RC shall meet at least once a year or as and when deem fit and necessary. In the current financial year, two (2) meetings were held and the full attendance of the members as shown in the “Corporate Governance Overview Statement” section of the AR 2024.

The matter deliberated by the RC during FY2024 included:

1. Reviewed and discussed the performance of each Director with reference to the Board Effectiveness Evaluation conducted by the NC;
2. Reviewed and recommended the fees and benefits for NEDs for FY2024 to be tabled and approved by shareholders at the 76th AGM; and
3. Reviewed and assessed the salaries, annual bonuses and other emoluments of Executive Directors and Senior Management.

Detailed remuneration information for individual Directors and Key Senior Management is disclosed in the “Corporate Governance Overview Statement” of the AR 2024.

For Board

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders’ approval shall be sought at the forthcoming 77th AGM on the Directors’ remuneration in two (2) separate resolutions as follows:

1. **Resolution 3 to 6** on payment of Directors’ fee in respect of the financial year ending 31 March 2025 (“FY2025”); and
2. **Resolution 7** on the payment of Directors’ benefits from 76th AGM to the next AGM of the Company (“Relevant Period”).

(i) Directors’ fees

The RC assessed the fee levels and responsibilities of NEDs, who actively participated in various Board Committees subsequent to the financial year. The Board approved the RC’s recommendation to propose a nominal increase in Directors’ fees for FY2025 to in view of the performance of the Company and the current global economy.

The payment of the NEDS’ fees in respect FY2025 will only be made provided Resolution 3 to 6 to have been passed at the forthcoming 77th AGM.

	<p>(ii) Directors' benefits</p> <p>The benefits payable to the NEDs comprises the allowances and other emoluments.</p> <p>Benefits are to reimburse NEDs' travelling expenses to attend meetings of Company. In addition, benefits comprise meeting allowances that are payable to all the NEDs. Payment of benefits to the NEDs will be made by the Company as and when incurred, after they have discharged their responsibilities and rendered their services to the Company of the Relevant Period, based on the proposed benefits, if the proposed Resolution 7 is passed at the forthcoming AGM.</p> <p>The Board is of the view that it is just and equitable for the Directors to be paid the Directors' benefits (excluding Directors' fees) as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company in the respective financial year.</p> <p>The total amount of benefits payable to NEDs is estimated to be up to RM100,000 for the Relevant Period after taking into account of several factors including the number of scheduled meetings to be held during the Relevant Period.</p> <p>Based on the schedule of meetings held in FY2024, an amount of RM12,000 has been utilised to pay the benefits to the Directors.</p> <p>NEDs who are shareholders of the Company will abstain from voting on Resolution 7 at the forthcoming 77th AGM.</p> <p>(iii) Executive Directors and Senior Management</p> <p>The RC assessed the compensation and benefits of Executive Directors and Senior Management to ensure they commensurate with their level of responsibilities and performance, while also considering the Group's performance compared to industry standards.</p> <p>The Board endorsed the RC's recommendations for the proposed remuneration, which were deemed appropriate based on the expertise, experience, knowledge, responsibilities and individual contributions of the Executive Directors and Senior Management to the overall performance of the Group.</p>
<p>Explanation for departure</p>	<p>:</p>

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Directors' remuneration for FY2024 was reviewed by the RC and considered appropriate with due regard made to the market competitiveness and conditions, financial performance of the Group and performance of the Directors. It was recommended to the Board for approval and was subsequently approved by the Board without the participation of the respective Directors in determining their own remuneration.</p> <p>Pursuant to the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a General Meeting. The NEDs' fees and benefits in respect of FY2025 are subject to shareholders' approval at the forthcoming 77th AGM to be held in August 2024.</p> <p>In line with best corporate governance practice, detailed disclosure of Directors' remuneration for FY2024, including fees, salary, bonus, benefits in-kind and other emoluments, is provided on a named basis in the table below and in the "Corporate Governance Overview Statement" of the AR 2024.</p>

N o	Name	Directorate	Company							Group						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Sri Edwin Tan Pei Seng	Executive Director	-	-	900,000	150,000	35,200	127,158	1,212,358	-	-	900,000	150,000	35,200	127,158	1,212,358
2	Dato' Sri Godwin Tan Pei Poh	Executive Director	-	18,000	480,000	100,000	7,200	72,919	678,119	-	18,000	480,000	100,000	7,200	72,919	678,119
3	Mdm. Leong Siew Foong	Executive Director	-	23,861	216,000	15,000	9,910	31,743	296,514	-	23,861	216,000	15,000	9,910	31,743	296,514
4	Mr. Tee Boon Hin	Independent Director	66,000	3,000	-	-	-	-	69,000	66,000	3,000	-	-	-	-	69,000
5	Dato' Haji Ismail Bin Karim	Independent Director	66,000	3,000	-	-	-	-	69,000	66,000	3,000	-	-	-	-	69,000
6	Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Independent Director	66,000	3,000	-	-	-	-	69,000	66,000	3,000	-	-	-	-	69,000
7	Dato' Jeffrey Lai Jiun Jye	Non-Executive Non-Independent Director	60,000	3,000	-	-	-	-	63,000	60,000	3,000	-	-	-	-	63,000

Intended Outcome

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

Practice 8.2

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

Application	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
Explanation on application of the practice	:	<p>During FY2024, the Group comprised three (3) Senior Management personnel, including Finance Director and Senior General Manager and Project Director.</p> <p>Remuneration details for Senior Management members who are not members of the board for FY2024, in bands of RM50,000, are disclosed below and also outlined in the "Corporate Governance Overview Statement" of the AR 2024.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Mr. Tan Hui Boon	Senior General Manager & Director of all subsidiaries of the Company	200,001-250,000	0-50,000	0-50,000	0-50,000	0-50,000	250,001-300,000
2	Ms. Eileen Tey Yee Lin	Finance Director	200,001-250,000	0-50,000	0-50,000	0-50,000	0-50,000	300,001-350,000
3	Ms. Chew Sai Peng	Project Director	250,001-300,000	0-50,000	0-50,000	0-50,000	0-50,000	350,001-400,000
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee ("AC") is composed of three (3) Independent Non-Executive Directors. Mr. Tee Boon Hin, the Senior Independent Non-Executive Director of the Company, was appointed as the Chairman of the AC on 27 November 2017.</p> <p>He is a Chartered Accountant and a member of the Malaysian Institute of Accountants ("MIA"), complying with Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Securities.</p> <p>He is not the Chairman of the Board. The Chairman of the Board is Dato' Sri Edwin Tan Pei Seng. Hence, the Chairman of the AC is not the Chairman of the Board, in line with the requirements in Practice 9.1 of the MCCG.</p> <p>Moreover, the current Chairman of the Board is not an AC member, and none of the former Chairmen of the Board was ever an AC member, consistent with Practice 1.4 of the MCCG.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognise the importance of an independent and objective AC in safeguarding the integrity of the Group's financial reporting and accounting processes. Since the establishment of the AC, the Board has never appointed any former key audit partner as a member.</p> <p>The Board has formalised policies in the AC's TOR and the External Auditor Policy requiring any potential candidate who is a former key partner of external audit firm of the Company to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. This requirement ensures the objectivity, effectiveness and independence of the external auditors and applies to all former partners of the audit firm and its affiliate firm, including those involved in advisory services, tax consulting, and related areas.</p> <p>The TOR of the AC has undergone Board review, and detailed information is accessible on the Company's website at https://pqbgroup.com.my/audit-committee/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the AC, maintains a transparent and professional relationship with the external auditors, seeking their professional advice to ensure compliance with the accounting standards as well as the relevant regulations in Malaysia.</p> <p>In accordance with the AC's TOR, the AC is responsible for the assessment of the suitability, objectivity, independence and overall performance of the external auditors and makes subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditors.</p> <p>In respect of this, the Board has adopted an External Auditors' Policy which outlines the principles and guidelines governing the appointment, responsibilities, performance and independence evaluation of external auditors. The External Auditors' Policy is publicly made available on the Company's website at https://pbggroup.com.my/corporate-governance, with last reviewed on 18 July 2023.</p> <p>The AC is responsible for conducting an annual assessment of the performance, suitability and independence of the external auditors, as well as evaluating the effectiveness of the audit process through a prescribed evaluation form, by taking into consideration of the following factors:</p> <ul style="list-style-type: none">(i) Auditors' calibre(ii) Quality of audit services;(iii) Adequacy of resources;(iv) Independence, objectivity and professional skepticism;(v) Audit scope and planning;(vi) Audit fee; and(vii) Communication and interaction with Management and the Internal Auditors.

The assessment also considers information from the audit firm's Annual Transparency Report ("ATR") submitted to the Audit Oversight Board. If the audit firm is not required to issue an ATR, the AC is obliged to engage the audit firm on matters typically covered in the ATR, such as the audit firm's governance and measures taken to ensure audit quality and risk management.

Additionally, the AC ensures proper checks and balances to prevent conflict between non-audit services and the audit function, ensuring the independence and objectivity of the external auditors are not compromised. All engagements for non-audit services required AC approval based on the nature and extent of the services and the appropriateness of fees.

Upon satisfaction with the competence and independence of the external auditors, the AC recommends their re-appointment to the Board for consideration. The Board will then seek shareholders' approval for the re-appointment of the external auditors at the AGM.

1. BDO PLT ("BDO"), the external auditors of the Group, provides their opinion to the shareholders of the Company through the annual Audited Financial Statement ("AFS") regarding their audit on the financial statements for each year.
2. On 22 February 2024, BDO PLT ("BDO") presented their Audit Planning Memorandum to the AC, confirming their independence from the Group as external auditors in accordance with relevant professional and regulatory requirements for the FY2024 financial statements. Non-audit services provided by BDO did not conflict with their audit function or compromise their independence and objectivity.
3. Furthermore, the AC considered the information from BDO's Annual Transparency Report as of 31 December 2022 during their assessment of the external auditors' system of quality control and audit quality.
4. The AC met with BDO twice (2) per year without the presence of Executive Directors and the Management, allowing for independent discussion on relevant matters. No significant concerns arose, and BDO confirmed full cooperation from Management throughout the audit process, with no issues requiring escalation to the Board.
5. The evaluation of the BDO for FY2024 was conducted in May 2024, with no major concern had arisen from the assessment. The AC was satisfied with their performance, confirming their independence throughout the audit engagement as per professional and regulatory requirements.

	<p>6. The AC also reviewed the provision of non-audit services by BDO and its affiliates during FY2024 and concluded that they did not conflict with the BDO's audit services and did not compromise their independence and objectivity. These services mainly involved tax related services for the Company's subsidiaries and were handled by separate teams from BDO. Further details on the audit and non-audit fees paid or payable to the BDO and their affiliates for FY2024 are outlined in the "Additional Compliance Information" section of the AR2024.</p> <p>7. Considering all the evaluation criteria, the AC concluded that it continued to be satisfied with the performance of BDO and their objectivity and independence throughout the year were not impaired by nature of the non-audit services, related fees, or any other circumstances.</p> <p>8. The AC recommended the re-appointment of BDO as the Group's external auditors for the ensuing year. Based on this recommendation, the Board is satisfied that BDO remains to be effective, objective and independent in their role as external auditors. The Board has approved the AC's recommendation for BDO re-appointment, which will be presented for shareholder approval at the 77th AGM of the Company.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted												
Explanation on adoption of the practice	:	<p>The AC comprises solely Independent Non-Executive Directors, as outlined below:</p> <table border="1"><thead><tr><th>Name</th><th>Position</th><th>Designation</th></tr></thead><tbody><tr><td>Mr. Tee Boon Hin</td><td>Chairman</td><td>Senior Independent Non-Executive Director</td></tr><tr><td>Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Dato' Haji Ismail Bin Karim</td><td>Member</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>This inclusion of independent members allows the committee to exercise its judgement objectively and act in the best interest of the Company. Additionally, it enables the committee to communicate independently with external auditors regarding matters that require the attention of the AC.</p> <p>In executing its duties, the AC operates under its TOR, approved by the Board and is available on the Company's website at https://pqbgroup.com.my/audit-committee/. The Board reviews the TOR of AC and makes any necessary amendments to ensure consistency with the needs of the Group and to be in line with the MMLR and MCCG.</p> <p>The AC shall meet at least four (4) times a year or as and when deem fit and necessary. In the current financial year, five (5) meetings were held with full attendance by the members as shown in the "Corporate Governance Overview Statement" section of the AR 2024.</p> <p>Details on the key activities undertaken by the AC during FY2024 are set out in the "Audit Committee Report" of the AR 2024.</p>	Name	Position	Designation	Mr. Tee Boon Hin	Chairman	Senior Independent Non-Executive Director	Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Member	Independent Non-Executive Director	Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director
Name	Position	Designation												
Mr. Tee Boon Hin	Chairman	Senior Independent Non-Executive Director												
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Member	Independent Non-Executive Director												
Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director												

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures that shareholders receive clear and balanced insights into the Group's financial position and performance by issuing annual AFS and quarterly financial reports.</p> <p>The AC assists the Board in fulfilling its fiduciary responsibilities in terms of the Group's financial reporting processes and quality of its financial reporting. The AC reviews the quarterly financial reports and annual AFS to ensure compliance with the Companies Act 2016 and all applicable accounting standards.</p> <p>In accordance to the AC's TOR, all members must be financially literate, with at least one member of the AC fulfilling the following requirements:</p> <ul style="list-style-type: none">(a) Being a member of the Malaysian Institute of Accountants ("MIA"); or(b) If not an MIA member, having at least three (3) years of relevant working experience; and:<ul style="list-style-type: none">(i) Passing examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or(ii) Being a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or(c) Meeting other requirements as prescribed or approved by the Exchange. <p>In addition, in accordance with Paragraph 15.20 of the MMLR of Bursa Securities, the NC shall review the terms of office and performance of the AC and each of its members annually to determine whether the members have carried out their duties in accordance with the TOR.</p>

	<p>The AC currently consists of three (3) INEDs, each diverse professional backgrounds and expertise. Mr. Tee Boon Hin, the AC Chairman, is a qualified Chartered Accountants and a member of the MIA, fulfilling the requirement of Paragraph 15.09(1)(c) of the MMLR, which calls for one member of the AC to be a member of a professional accountancy body.</p> <p>AC members possess knowledge and skills from various industries, including accountancy, taxation, economics, property investment and development, complemented by their years of experience. They provide valuable advice to the Board on financial reporting, internal audit and the Group’s risk and internal control environment.</p> <p>The Board reviews the terms of office of the AC members and assesses the performance of the AC and its members through an annual Board Effectiveness Evaluation. Based on the outcome of the assessment, the Board is satisfied with the AC’s performance, noting the Chair and members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AC.</p> <p>All members are financially literate and are able to understand matters under the preview of the AC including the financial reporting process. Biographical Details of each member are set out in the “Board of Directors’ Profile” section of the AR2024.</p> <p>The AC members are expected to devote sufficient time to continue undertake professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. Details on the training courses attended by the AC members during FY2024 are as set out in the “Corporate Governance Overview Statement” section of the AR2024.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board affirms its responsibility to maintain a sound risk management and internal control system as a fundamental aspect of a good business management practice, ensuring they meet the Group's needs and safeguarding the interests of all stakeholders. This system is designed to manage risks within the parameters of the risk appetite and tolerance established by the Board. While it does not eliminate risks entirely, it provides reasonable assurance against the occurrence of any material misstatement, loss or fraud.</p> <p>Recognising that risk management is an ongoing process involving identification, assessment and response to significant risks that may affect the Group's performance, the Board has delegated governance oversight of risk management to the Risk Management Committee ("RMC").</p> <p>The Board, with the assistance of RMC, has established a structured Group Risk Management Framework ("GRMF") to ensure effective risk management across the Group. This framework is guided by ISO 31000:2018 - Risk Management – Guidelines. The GRMF serves as reference for managing risks, outlining governance structure, roles and responsibilities as well as processes used to manage risks within the organisation. It also incorporates the Group's risk appetite, tolerance levels and acceptable risks.</p> <p>The objectives of the GRMF include, but are not limited to:</p> <ul style="list-style-type: none">▪ Providing guidance for identifying, managing, reporting and monitoring risks;▪ Providing guidance for risk consideration within tolerable thresholds during business processes and decision-making; and▪ Clearly defining roles, responsibilities and reporting structures. <p>The Board reviews the GRMF as and when necessary to ensure it ongoing effectiveness. Details of the Group's Risk Management process flow is set out in the "Statement on Risk Management and Internal Control" section of the AR 2024.</p>

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

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the RMC, oversees risk management matters related to the Group's activities, which include identification, analysis, evaluation, treatment, monitoring, review and reporting of significant risks. The risk management process involves analysing and evaluating risks based on approved risk criteria, considering both likelihood and impact ratings.</p> <p>The Group conducts an annual risk review to identify and assess the risks from various perspectives, including strategic, governance, financial and operational perspectives. The findings, including key risks identified, relevant risk events, and management action plans, are compiled into the Key Risk Report, which is then presented to the RMC. The RMC reviews and assesses the Group's risk appetite and tolerance, subsequently reporting the result of such reviews to the Board for their final review and decision.</p> <p>Furthermore, the Board has provided comprehensive disclosure on the key features of the Group' risk management and internal control system in the "Statement on Risk Management and Internal Controls" section of the AR 2024. Additionally, an independent professional services company has been appointed by the Board to serve as the Group's Internal Auditors, tasked with reviewing the state of internal control and to identifying areas for management and operational improvement.</p> <p>Assurance has been received from the Executive Chairman and Finance Director attesting the adequacy and effectiveness of the Group's risk management and internal control systems in all material aspects. Moreover, the Statement on Risk Management and Internal Control has also been reviewed by the External Auditors.</p> <p>Based on the comprehensive information and assurance received, the Board is satisfied that the risk management and internal control systems in place during the year under review are adequate and effective in safeguarding interests of stakeholders.</p>

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

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	: Adopted												
Explanation on adoption of the practice	<p>The RMC comprises solely of Independent Non-Executive Directors as outlined below:</p> <table border="1"><thead><tr><th>Name</th><th>Position</th><th>Designation</th></tr></thead><tbody><tr><td>Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar</td><td>Chairman</td><td>Independent Non-Executive Director</td></tr><tr><td>Dato' Haji Ismail Bin Karim</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Mr. Tee Boon Hin</td><td>Member</td><td>Senior Independent Non-Executive Director</td></tr></tbody></table> <p>The key roles and responsibilities carried out by the RMC are as follows:</p> <ul style="list-style-type: none">(i) Overseeing the overall risk management matters of the Group;(ii) Reviewing the effectiveness of risk management framework in identifying and managing risks and internal processes; and(iii) Facilitating the implementation of actions plans for risk management. <p>In executing its duties, the RMC operates under its TOR, approved by the Board and is available on the Company's website at https://pgbgroup.com.my/risk-management-committee/. The Board reviews the TOR of RMC and make any necessary amendments to ensure consistency with the needs of the Group and to be in line with the MMLR and the MCCG.</p> <p>The RMC shall meet at least twice (2) a year or as and when deem fit and necessary. In the current financial year, three (3) meetings were held with full attendance by the members as shown in the "Corporate Governance Overview Statement" section of the AR 2024.</p>	Name	Position	Designation	Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Chairman	Independent Non-Executive Director	Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director	Mr. Tee Boon Hin	Member	Senior Independent Non-Executive Director
Name	Position	Designation											
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Chairman	Independent Non-Executive Director											
Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director											
Mr. Tee Boon Hin	Member	Senior Independent Non-Executive Director											

	Details on the key activities undertaken in relation to the risk management and internal control by the RMC during FY2024 are set out in the “Statement on Risk Management and Internal Control” section of the AR 2024.
--	--

Intended Outcome

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

Practice 11.1

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

Application	: Applied
Explanation on application of the practice	<p>To ensure an effective and independent internal audit (“IA”) function, the Company has engaged NeedsBridge Advisory Sdn Bhd (“NeedsBridge”), a professional external service firm.</p> <p>NeedsBridge assist the AC in managing the risks and establishing the internal control system and processes of the Group. They provide an independent assessment of the adequacy, efficiency and effectiveness of the Group’s risk management and internal control system and processes. NeedsBridge reports directly to the AC and is granted full and unrestricted access to all of the Group’s records, physical properties and personnel relevant to any engagement.</p> <p>Guided by the IA Charter, Internal Auditors must maintain independence from the activities and processes they audit. To ensure the Internal Auditors fulfil responsibilities effectively, the AC undertakes various tasks, include but not limited to the following:</p> <ul style="list-style-type: none">▪ Reviewing the engagement letter of the IA function;▪ Reviewing the adequacy of the scopes, functions, competency and resources, and setting performance standards for the IA function;▪ Reviewing the major findings of IA investigations and management’s response, ensuring appropriate actions are taken on the recommendations;▪ Reviewing any appraisal or assessment of the IA function members’ performance;▪ Reviewing the adequacy and effectiveness of the Group’s internal controls system established to manage key business risks through IA reports and other assurance functions (if any); and▪ Ensuring IA function discharge its duties in accordance with IA Charter. <p>The primary responsibility of Internal Auditors is to assist AC in discharging its duties by independently assessing the adequacy and effectiveness of the Group’s risk management, control and governance processes. They conduct audits throughout the financial year to evaluate the internal control system and provide assurance to the AC that no significant issues or major deficiencies have been identified that could pose a high risk to the overall internal control system.</p>

Internal Auditors operate based on an audit plan approved by the AC and in accordance with the International Professional Practices Framework (“IPPF”) issued by The Institute of Internal Auditors (“IIA”). They offer recommendations to address control weaknesses and enhance governance, risk management and control processes within the Group. The AC reviews the results of these audits as presented in the IA reports. Management is then responsible for taking corrective actions on reported weaknesses within specified timeframes, with follow-up reviews conducted by Internal Auditors to ensure proper implementation of these actions.

In meeting held in February 2024, the AC reviewed the Proposed Internal Audit Plan for the financial years ending 31 March 2025 and 2026 which, presented by NeedsBridge. This plan was developed based on the key risks of the Company and its key operating subsidiaries and also after taking into consideration the internal audit cycles which had been conducted. In addition, discussions had been held with the management to obtain management’s input regarding specific key risks which should be focused on in order to improve the management of risks and the Group’s operations. As such, the rationale behind this proposed plan aligns the IA function’s focus on high residual key risks which requires the Board and management’s immediate attention. The Board approved the plan with the understanding that it would be revise as needed to adapt to changes in the business operating environment and corresponding materiality and impact that require auditing.

Per Guidance 11.1 of the MCCG, the AC determines the scope and engagement for the IA function under its TOR, to ensure that the IA function is effective and is able to perform independently.

An Internal Audit Function Evaluation Form, guided by the Bursa Securities Corporate Governance Guide (4th edition), is used to assess the performance of Internal Auditors. In May 2024, the AC evaluated the IA function’s performance, which covered the areas of:

- service quality;
- resources adequacy;
- independence and objectivity; and
- audit scope and planning.

Upon evaluation, the AC is satisfied that the Internal Auditors possess adequate experience and resources to satisfy their responsibilities and provide quality services to the Group. The IA function operates independently from the Group’s operations, offering reasonable assurance regarding the effectiveness of the Group’s internal control system.

	<p>Throughout FY2024, the AC received two (2) internal audit reports and two (2) internal audit progress follow-up reports, covering assessment of the key functional areas of the Group. Areas for improvement were identified and reported to the AC, with ongoing monitoring for recommendations implementation. The internal auditors have assured the AC that none of the internal control weaknesses has resulted in any material losses, contingencies or uncertainties that would require disclosure in the AR2024.</p> <p>Further details of the IA function and key activities are set out in the “Statement on Risk Management and Internal Control” and the “Audit Committee Report” section of the AR2024.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>To uphold the independence and objectivity of the outsourced IA function, they report directly to the AC and shall meet with the AC, at least once annually, without the presence of the Management to promote free flow of information between AC and outsourced IA function.</p> <p>Specifically, the outsourced IA function is prohibited from:</p> <ul style="list-style-type: none"> (i) Acting on behalf of Management; (ii) Determining which, if any, recommendations for improving internal control should be implemented; (iii) Performing on-going internal control monitoring activities, except for follow up on progress of action plan implementation, or other control activities affecting transaction execution; (iv) Handling routine activities related to the Group’s operating processes; or (v) Authorising, executing or finalising transactions; or (vi) Preparing source documents for transactions; or (vii) Acting in any capacity equivalent to a member of Management or the employee of the Group. <p>As stipulated in Practice 11.1, the Group has entrusted its IA function to NeedsBridge. The engagement team from NeedsBridge maintains independence and objectivity, free from any relationship or conflict of interest or undue influence that could compromise their professional and business judgment.</p> <p>Throughout the financial year, NeedsBridge allocate sufficient resources to fieldworks, in accordance with the approved scope of internal audit work endorsed by the AC. The IA function was led by one (1) manager, supported by at least one (1) senior consultant and at least one (1) consultant for each audit engagement, under oversight of the engagement director.</p>

	<p>Mr. Pang Nam Ming, the engagement director of the outsourced IA function, holds professional member with the IIA, the MIA and is a fellow member of Association of Chartered Certified Accountants. He is also a Certified Internal Auditor and Licensed Goods and Services Tax Agent in Malaysia.</p> <p>The audit engagement of the outsourced IA function is governed by comprehensive engagement letter and the IA Charter, which outline the purpose, scope of work, responsibilities, authorities and reporting structure. These documents undergo review by the AC and approval by the Board.</p> <p>All auditing activities adhere to the guidelines outlined in the IPPF established by the Institute of Internal Auditors Global, i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for Professional Practice of Internal Auditing.</p> <p>Following the performance evaluation of the IA function in May 2024, the AC was satisfied with the outsourced IA function's maintenance of independence, objectivity, and the absence of relationships or conflicts of interest that could compromise their effectiveness.</p> <p>Further details of the IA function and key activities are set out in the "Statement on Risk Management and Internal Control" and the "Audit Committee Report" section of the AR2024.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of effective and transparent communication with stakeholders, including but not limited to shareholders, customers, employees, suppliers, regulators, media and local communities. The Board is fully committed to upholding the highest standards of transparency and accountability by disclosing relevant information pertaining to the Group.</p> <p>In compliance to MCCG and the Capital Markets and Services Act 2007 ("CMSA") requirements, the Board ensures transparent dissemination of all material events and information, thereby providing equitable access to all stakeholders without bias.</p> <p>Various communication channels are employed to engage with shareholders and other stakeholders, including but not limited to:</p> <p>(i) General Meetings</p> <p>The general meetings serve as an important communication channel for the Board to interact with shareholders, providing insights into the Group's business overview, financial performance and future developments.</p> <p>Shareholders are given opportunity and sufficient time to express views or raise questions in connection with the Company's financial performance, business operations, corporate governance, corporate proposals and other relevant matters. Directors, Senior Management as well as the auditors and advisers of the Company, where relevant, are present at the general meetings to respond to any questions raised by the shareholders. Minutes of these meetings are published on the Company's corporate website.</p>

(ii) Corporate Announcements

The Company ensures timely dissemination of public announcements and disclosures to Bursa Securities, covering quarterly financial results, significant transactions, changes in Directors/Substantial Shareholders' interests, corporate proposals, and other material information affecting the Company's securities and/or investor decisions.

Individual responsible for preparing conduct thorough due diligence and verification, ensuring efficient disclosure of material information to the investing public. All announcements made on Bursa Securities are subject to approval by the Board before release.

The Board oversees the timely release of quarterly financial results and announcements via the Bursa Link, annual reports and circulars to shareholders dispatched in a timely manner. This practice ensures shareholders and the investing public remain informed about the Group's performance and prospects throughout the year.

These announcements are accessible to shareholders, investors and the public on Bursa Securities' website at www.bursamalaysia.com and additional information is provided on the Company's website at www.pgbgroup.com.my, ensuring equitable access to material information for all stakeholders.

(iii) Annual Reports

Recognising the importance of timely financial information and updates, the Board facilitates shareholders and the public with comprehensive insights into the Group's performance and prospects through the annual report.

Serving as a crucial communication tool, the annual report offers detailed information on the Group's performance, operations, prospects and activities, along with disclosure of compliance with regulatory standards like MMLR, MCCG, and financial reporting requirements. By adhering to these standards and regulations, the Company demonstrates its commitment to transparency and accountability in providing accurate and reliable information to stakeholders.

(iv) Company's Website

The Company maintains an updated corporate website at www.pgbgroup.com.my, serving as a central hub for stakeholders to access organisational information, governance policies, charters, terms of reference and other corporate documents for a comprehensive understanding of the Company's operations and governance practices.

(v) Investor Relations Function

The corporate communications department engages with the media to communicate the Group's strategies, products and major developments. Additionally, the Group's Executive Chairman and/or Executive Directors actively participate in investor relations programme or media events to engage stakeholders.

Shareholders, investors and the public can contact the Company for inquiries using the following details:

- Tel: 607-278 6668
- Fax: 607-278 6666
- Email: enquiry@pgbgroup.com.my

(vi) Public Events

To enhance stakeholder engagement, the Company organises various events throughout the financial year. These events facilitate dialogue and interaction with stakeholders.

Corporate Disclosure Policy

The Board emphasises the importance of maintaining proper corporate disclosure procedures to provide stakeholders with timely, accurate, and comprehensive information. The Company ensures that confidential information is handled properly by Directors, Management, employees and relevant parties to avoid leakage and improper use of such information. Personnel and working team for preparing the disclosure will conduct due diligence and proper verification, as well as coordinate the efficient disclosure of material information to the investing public.

The Group adheres to a Corporate Disclosure Policy that outlines the requirements and approaches for disclosure, ensuring shareholders and investing public with comprehensive, accurate and quality information. This policy applies to all Directors, Management and the employees of the Group. The Board will review the Corporate Disclosure Policy and make any necessary amendments to ensure its relevancy and alignment with the prescribed requirements and best corporate governance practices. Details of this policy are available on the Company's website at <https://pgbgroup.com.my/corporate-governance>.

Stakeholders Engagement

In 2021, the Group conducted its first materiality assessment involving employees from all business segments to identify key sustainability topics material to both PGB and our stakeholders. This assessment was expanded in 2022 to include external stakeholders, ensuring that the material matters reflect evolving stakeholder priorities and their potential impact on sustainable value creation.

	Detailed information on the Group’s sustainability strategies, performance, initiatives and how the Company addresses stakeholder expectations regarding sustainability matters is available in the “Sustainability Statement” section of the AR 2024.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Notice of AGM is dispatched to shareholders at least twenty-eight (28) days before the AGM date, well in advance of the twenty-one (21) days requirement mandated by the Companies Act 2016 and MMLR of Bursa Securities.</p> <p>The Company has consistently complied with this timeline in sending out the Notice of AGM to shareholders over the years. This practice will continue for future AGMs, allowing shareholders ample time to prepare for attendance either in person or through proxies. The extended timeframe enables shareholders to review proposed resolutions thoroughly and make well-informed decisions when exercising their voting rights.</p> <p>The Notice of AGM includes detailed explanations for each proposed resolution, covering matters such as Directors' re-election, Directors' remuneration and auditors' appointment to facilitate the full understanding and evaluation of issues involved. An Administrative Guide accompanies the Notice of AGM, outlining AGM procedures, attendee entitlements, proxy appointment rights and proxy eligibility criteria.</p> <p>Notice of the 76th AGM held on 30 August 2023 and the Extraordinary General Meeting ("EGM") held on 11 March 2024, together with explanatory statement and proxy form, was disseminated to shareholders at least twenty-eight (28) days before the AGM and EGM.</p> <p>The Board, with the assistance of the Company Secretary, ensures that the Notice of AGM contains sufficient information related to the resolutions set out in the Notice. This information empowers shareholders to participate meaningfully in decision-making process.</p> <p>In addition, the Notice of AGM is published in a nationally circulated English daily newspaper, on the Bursa Securities website and the Company's website at www.pgbgroup.com.my to encourage shareholders' attendance and participation.</p>

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

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its responsibility to actively engage shareholders during general meetings and provide meaningful responses to their inquiries, ensuring equitable treatment for all shareholders and safeguarding the rights of minority shareholders.</p> <p>The AGM serves as the primary platform for the Board and Senior Management to engage with shareholders, offering updates on the Group's current developments. Additionally, EGM is convened as needed for shareholders' approvals are required on specific matters, obtaining shareholders' approval on specific matters, with comprehensive circulars dispatched within regulatory deadlines.</p> <p>As a standard practice, all Directors are required to attend every general meeting held throughout the financial year. This attendance is pre-scheduled and approved by the Board at the beginning of each year to ensure maximum participation. Chairpersons of various committees (AC, NC, RC and RMC) along with Senior Management are also present at these general meetings to address any shareholder queries.</p> <p>Both the 76th AGM conducted on 30 August 2023 and the EGM, were convened physically. All Directors were physically present at both general meetings, accompanied by the Company Secretary, Senior Management and External Auditors at the 76th AGM to respond on matters that were under the purview of the respective parties. Similarly, all Directors and the respective Principal Advisors, Legal Due Diligence Solicitors and Independent Valuers also attended the EGM.</p> <p>Throughout the meetings, the Chairman encourages shareholders to raise their concerns to the Company. Depending on the topic, he either address the question himself or directs them to the appropriate Director present.</p> <p>In line with the Paragraph 8.29A of the MMLR, any resolution sets out in the notice of any general meeting of the Company which is intended to be moved, will be voted by poll. The Board is cognisant of the advantages of poll voting at general meetings to ensure accurate, transparency and efficiency of the voting process and outcomes at general meetings. The Company advocates poll voting to remain consistent with the principle of "one share one vote".</p>

	<p>The Company engaged Tricor Investor & Issuing House Services Sdn Bhd as the Poll Administrator to conduct online electronic polling process and Sky Corporate Services Sdn Bhd was appointed as the Scrutineer for both general meetings. The Scrutineer verified and announced the poll results, upon which the Chairman declared that all the resolutions were carried.</p> <p>Announcement on poll results and outcome of the general meetings will be made to Bursa Securities after the close of business on the same day after the conclusion of the general meetings. Pursuant to Guidance 13.6 of the MCGG, the minutes of the general meetings was also available on the Company's website at www.pgbgroup.com.my with thirty (30) business days after the general meetings for the information of the public.</p> <p>Shareholders are encouraged to reach out to the Company with inquiries or questions outside of the general meetings through the following contact details:</p> <ul style="list-style-type: none"> ➤ Tel: 607-278 6668 ➤ Fax: 607-278 6666 ➤ Email: enquiry@pgbgroup.com.my <p>Suggestions and comments expressed by shareholders are carefully considered by both the Board and Management.</p>
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure
Explanation on application of the practice	:	Please provide an explanation on how the practice is being applied.
Explanation for departure	:	<p>Both the 76th AGM held on 30 August 2023 and the Extraordinary General Meeting (“EGM”) on 11 March 2024, were conducted physically at Level 2, Grand Paragon Hotel, No.18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor, Malaysia. This was made with careful consideration given to the shareholders' structure, accessibility of the meeting location and the objective of fostering direct engagement with shareholders.</p> <p>For physical general meetings, the Board prioritise venues that are easily accessible to shareholders, as evidenced by both general meetings being held in the city area of Johor Bahru.</p> <p>The Board is cognisant of the leverage on the technology or application which enabled remote shareholders' participation to encourage shareholders' participation in the general meetings. After taking into account the cost to conduct the AGM by combining physical and remote participation (hybrid format), the proposal has been kept in abeyance.</p> <p>The Company remains committed to exploring cost-effective technological solutions that enhance shareholder engagement during general meetings. Leveraging available technology, Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) was appointed as the Poll Administrator for both general meetings. Shareholders were provided with the option to vote remotely via Tricor's TIIH Online website at https://tiih.online, or appoint a proxy or the Chairman of the meeting as his/her proxy to vote on their behalf using Remote Participation and Voting (“RPV”) facilities. Tricor has put in place the necessary information security measures to prevent cyber threats and data breaches, which includes hosting RPV facilities on a secured cloud platform.</p>

	<p>On the meeting day, shareholders accessed the remote participation platform and were briefed through an e-voting tutorial video to ensure they could exercise their rights effectively.</p> <p>In line with the Paragraph 8.29A of the MMLR of Bursa Securities, all resolutions put to general meetings have been voted by e-poll with an independent scrutineer appointed to validate the votes casted at the general meetings. The voting outcomes were promptly disclosed to the market and made available on the Bursa Securities' website after the general meetings.</p> <p>Moving forward, the Company aims to leverage on technology to facilitate remote shareholders' participation at general meetings, taking into consideration the number of shareholders residing at remote locations the availability, affordability, accuracy and stability of such technologies and infrastructure, and age profile of the shareholders.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Company acknowledges the significance of general meetings as a vital platform for fostering dialogue and engagement between the Board and shareholders. The Chairman actively encourages shareholders participation, inviting them to raise questions or seek clarification on various topics, including the Group's financial and non-financial performance, long-term strategies, and other relevant concerns.</p> <p>During the 76th AGM, the Finance Director presented the Group's financial performance and project progress updates. This corporate presentation facilitated shareholders' understanding of the Group's activities, financial performance and future prospects, thereby allowing them to make informed decisions.</p> <p>Shareholders are encouraged to express their views directly to the Chairman or the respective Board Committees chairpersons. Additionally, shareholders may email their questions or inquiries to the Company at enquiry@pqbgroup.com.my before the general meetings. All queries, whether received via email or raised during the meeting, are addressed verbally.</p> <p>To facilitate effective communication, all the Directors and Senior Management are present at the general meetings to respond promptly to shareholder queries. The Chairman ensures ample time is allocated for shareholders to express their questions, and appropriate responses are provided to address their inquiries.</p> <p>The Company values shareholder input and feedback, and the Board is committed to addressing their concerns and providing meaningful responses during general meetings.</p>

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

Intended Outcome

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

Practice 13.5

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

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

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Pursuant to Guidance 13.6 of the MCCG 2021, minutes of the 76 th AGM and the EGM held on 11 March 2024 are published on the Company's website www.pgbgroup.com.my within thirty (30) business days upon conclusion of the general meeting.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

Not applicable
