



CORPORATE GOVERNANCE REPORT

STOCK CODE : 8273
COMPANY NAME : Public Packages Holdings Berhad
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied																
Explanation on application of the practice	:	The Board’s role is to lead and control the Group’s business and affairs on behalf of shareholders whilst enabling the company to achieve long term sustainability. The Board takes into consideration interests of all stakeholders in their decision making so as to ensure the Group’s objective of creating long term shareholder value. The Board operates under a Board Charter. The roles and responsibilities of the Board are clearly defined in the Board Charter. The Board delegates the authority and responsibility of managing day-to-day operations of the Group to the Management Team led by the Group Managing Director and followed by Executive Chairman. Several Board Committees were established in discharging of Board’s duties and responsibilities. The Board Committees are as below: - a. Audit and Risk Management Committee (“ARMC”); b. Nominating Committee (“NC”); c. Remuneration Committee (“RC”); and d. Scheme Committee (“SC”). Each Board Committee is governed by its terms of reference which sets out the Terms of Reference (“TOR”) of the Committee. During the year under review, five (5) meetings were held. The details of Directors’ attendance are as below: - <table><tr><th>Name of Directors</th><th>Number of meetings attended</th></tr><tr><td>Koay Chiew Poh</td><td>5 out of 5</td></tr><tr><td>Koay Chiew Kang</td><td>5 out of 5</td></tr><tr><td>Koay Teng Liang</td><td>5 out of 5</td></tr><tr><td>Koay Teng Kheong</td><td>5 out of 5</td></tr><tr><td>Nurjannah Binti Ali</td><td>5 out of 5</td></tr><tr><td>Ng Thim Fook</td><td>5 out of 5</td></tr><tr><td>Ong Eng Choon</td><td>5 out of 5</td></tr></table>	Name of Directors	Number of meetings attended	Koay Chiew Poh	5 out of 5	Koay Chiew Kang	5 out of 5	Koay Teng Liang	5 out of 5	Koay Teng Kheong	5 out of 5	Nurjannah Binti Ali	5 out of 5	Ng Thim Fook	5 out of 5	Ong Eng Choon	5 out of 5
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Ong Eng Choon	5 out of 5																	

	Tang Boon Lee (appointed on 29 November 2021)	1 out of 5
	In discharging the overall responsibilities, the Board undertook the following activities: - a. Reviewed, approved and monitored implementation of the strategies and business plans of the Group that supports long-term value creation by incorporating sustainability - environment, social and governance (“ESG”) elements. b. <u>Monitored and evaluated performance of the Group’s business operations and adequacy and integrity of the internal control and management information systems.</u> The Board is assisted by the ARMC in ensuring financial reporting processes are effective and comply with applicable laws, regulations, rules, directives and guidelines. The ARMC reviewed the quarterly financial reports prior to its recommendation to the Board for approval and announcements to Bursa Securities. The Group Accountant and Head of Internal Audit presented their reports on quarterly basis, which covered the following aspects: - (i) Overall group performance and performance of each divisions; (ii) Updates on statutory payments to relevant authorities; (iii) Recurrent related party transactions (“RRPT”) of revenue or trading nature; (iv) Updates on material litigations; (v) Allocation of share options to eligible person; (vi) Internal audit findings together with corrective actions; and (vii) Risk Management issues together with corrective actions. These quarterly reporting had enabled the Board to monitor and keep track on management performance. c. <u>Oversee the conduct of the Group’s business, to ensure that affairs were carried out ethically and in full compliance with relevant laws and regulations.</u> The Group adopts a zero-tolerance approach to all forms of fraud, bribery and corruption in execution of their duties and functions. Board of Directors, employees and business associates of the Group are required to strictly comply with this policy. The Head of Internal Audit is responsible to report all findings on these areas to the ARMC prior to its report to the Board.	

	The Board reviewed and monitored the conducts of business on quarterly basis. d. <u>Identified principal risks and ensuring execution of appropriate Risk Management and Internal Control procedures.</u> The team, which is led by Group Management and assisted by the Senior Management, identified and evaluated potential risks during the periodic Internal Unit Meetings. Significant matters and relevant mitigation plans are then reported by Head of Internal Audit to ARMC and the Board on quarterly basis. e. Reviewed Senior Management performance against the Key Performance Indicator (“KPI”) and various areas such as qualification, knowledge, experience and competencies. f. <u>Supervised the implementation of shareholders’ communication policy</u> The Board strive to ensure there are regular communications with all stakeholders through timely releases of quarterly financial results, circulars, corporate announcements and annual reports. The information of the Company can be obtained by accessing to Group website, www.pph.com.my. Shareholders may also communicate with the Group on investor relation matters by emailing b_m@pph.com.my. The Company will endeavour to reply to enquires in the shortest possible time.	
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	:	Mr. Koay Chiew Poh is the Executive Chairman of the Group. He acts as a spokesperson for the Board and represents the Group to the shareholders. In fulfilling this role, the Chairman has: - (a) Provided leadership for the Board so that the Board can perform its responsibilities effectively; (b) Set the Board agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues; (c) Led Board meetings and discussions; (d) Encouraged active participation and allows dissenting views to be freely expressed; (e) Managed the interface between Board and Management; (f) Ensured appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; (g) Facilitated the effective contribution of Non-Executive Directors in particular; and (h) Led the Board in establishing and monitoring good corporate governance practices in the Company. On 25 February 2022, the Board had assessed and satisfied with the Chairman's roles and performances. The Board supports the continuation of Mr. Koay Chiew Poh as the Executive Chairman and is of the view that the Chairman's invaluable contribution, extensive experience along with his detailed knowledge on the Group's business activities and strategic directions renders him the most befitting candidate. The roles and responsibilities of the Chairman are clearly defined in the Board Charter.
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	The position of Chairman and Group Managing Director are held by different individuals. Mr. Koay Chiew Poh, the Executive Chairman acts as a spokesperson for the Board and represents the Group to the shareholders. He is responsible for the overall strategic direction of the Group and takes a leading role in creating an effective corporate governance system, setting the tone at the top of practising and promoting ethical practices, good governance, as well as legal and regulatory compliances. He is also responsible for managing the boardroom dynamics, promoting a culture of openness and debate to build a high-performance board and effectuate robust decision making. Mr. Koay Chiew Kang, the Group Managing Director, is accounted for day-to-day management of the Group. The Group Managing Director form part of Senior Management Team and have an overall responsibility over the business operations, organisational effectiveness and efficiencies, formulation of strategies and implementation of Board policies and decisions. He is also responsible for fostering relationships with regulators and stakeholders. In light of his technical expertise and knowledge of the business and its industry, he adds value to the Board's decision-making process by offering an intimate view of workings within the Group as well as the strategic plan in action. The roles and responsibilities of the Chairman and Group Managing Director are set out in the Board Charter which is available on Group website, www.pph.com.my.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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	:	Departure		
Explanation on application of the practice	:			
Explanation for departure	:	The chairman of the Board, Mr. Koay Chiew Poh, is a member of RC. The matters within the RC are part of matters reserved for unanimous decision of the Board. As such, the Board is of the view that having the Board Chairman as a member of RC creates adequate check and balance during the discussion. Furthermore, the existence of Board Chairman is to ensure that remuneration packages appropriately reflect individual merit, qualification and competence, with reference to the Company's operating performance. The recommendations by RC are tabled to the Board for discussion and approval. The Board Chairman is not involved in deciding his own remuneration.		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td>Others</td> <td>Please specify number of years.</td> </tr> </table>	Others	Please specify number of years.
Others	Please specify number of years.			

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	The Joint Company Secretaries, Mr. Lee Peng Loon and P'ng Chiew Keem are qualified Chartered Secretaries. Their roles and responsibilities include the following: - a. Manage all Board and Committee meeting logistics, attend and record minutes of all Board and Committee meetings and facilitate Board communication; b. Advise the Board on its roles and responsibilities; c. Facilitate the orientation of new Directors and assist in Director Training and Development; d. Advise the Board on corporate disclosures and compliance with company and securities regulations and listing requirements; e. Manage processes pertaining to the annual shareholder meeting; f. Monitor corporate governance developments and assist the Board in applying governance practices to meet Board's needs and stakeholders' expectation; and g. Serve as a focal point for stakeholders' communication and engagement on corporate governance issues. During the year under review, the Joint Company Secretaries have performed, among others, the following tasks: - a. Served notices on close period to the Directors notifying them of the close periods for trading of shares, pursuant to the MMLR; b. Attended all Board meetings and ensured meetings are properly convened; c. Ensured accurate recording of minutes of proceedings and proper maintenance of secretarial records; d. Supported the Board in ensuring adherence to Board policies and procedures; and e. Facilitated the provision of information as requested by the Directors.

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

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	Members of the Board are supplied with unrestricted and timely information to enable effective discharge of their duties and responsibilities. Relevant agendas and board papers containing management and financial information are distributed at least five (5) business days in advance to members of the Board. This is to enable the Board to study and evaluate the matters to be discussed and indirectly, encourages active participation during meetings. The deliberations and conclusions of matters discussed in the Board and Board Committees are duly recorded in the minutes of the Meeting. The minutes of meetings will be circulated to the Board and Board Committees for their review prior to confirmation at the following 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	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board Charter delineates the Board's strategic intent and sets out key values and principles of the Group. It defines the roles, powers and responsibilities of the Board, its Board Committees and its Directors. It acts as a source of reference and primary induction literature for prospective Board members, as well as assisting the Board in assessment of its collective performance and that of each individual director. The Board Charter is reviewed at least once every year, reflecting changes in regulations and best practices, and to update its relevance and effectiveness. A copy of the Board Charter can be accessed from the Group's website – www.pph.com.my. The Board Charter was reviewed on 5 April 2022.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	A Code of Ethics and Conduct with the objective of creating an ethical corporate climate had been adopted by the Group. It provides guidance on the standards of behaviours expected from the directors and employees, who represent the Group in execution of their duties and functions. A copy of the Code of Ethics and Conduct is published on the Group’s website. The code is subject to regular review.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	The Board has established and put in place the policies and procedures on whistleblowing within the Group. The main objective of the Whistleblowing Policy and Procedures (“WPP”) is to provide an avenue for Directors, employees and any external parties to report their concerns on improper conduct and malpractice. Any person who knows of or suspects a violation of the Code of Ethics and Conduct is encouraged to lodge report with the Managing Director of the Group or email to dedicated whistleblowing email address, b_m@pph.com.my. The violation may include fraud, criminal, misuse of confidential information etc. The Group will treat all information received confidentially and will protect the identity and interest of all whistle-blowers. The ARMC is responsible for overseeing the implementation of the WPP within the Group whilst duties relating to the day-to-day administration of WPP are performed by the Head of Internal Audit. The WPP is subject to yearly assessment and review to ensure that it continues to remain relevant and appropriate. There have been no reported incidents pertaining to whistle-blowing during the year.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board takes into account various sustainability considerations, including the economic, environment and social ("ESG") performance of the Group, in the development and implementation of the Group's business strategies and operations in order to maximise long-term value creation. The Board is supported by the Group Managing Director and assisted by Senior Management in managing sustainability-related matters. The team is responsible for advising on and recommending good business strategies, in terms of sustainability, for adoption by the Board. The team meets monthly to review and discuss on sustainability matters. The identified sustainability matters will be then reported by the Group Managing Director to the ARMC and the Board during the annual assessment. The Team conducts annual material assessment to identify the most material ESG issues of the Company. The results of the materiality assessment will be approved and endorsed by the Board. The material issues identified will then be clearly spelt out in the Sustainability Statement. The details of the sustainability governance structure are set out in pages of 16 to 19 PPHB's annual report 2021.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	The Board approves the Group's Sustainability Report every year prior to publication. The Sustainability Report, which comprises of the Group's sustainability strategies, priorities or targets, and performance are communicated to its internal and external stakeholders regularly via: - - Internal – intranet and emails; and - External – company website (www.pph.com.my).
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has appraised and provided their views and opinions during the presentation of sustainability matters in Board meetings.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The current performance reviews for Senior Management take into account their performance in addressing the Group's sustainability risks.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	A team, which comprises of the Group Managing Director and Senior Management, is tasked to manage sustainability-related matters. The team acts as a focal point to coordinate information and monitor targets and progress. It is responsible to advise on and recommend good business strategies, in terms of sustainability, for adoption by the Board. It is also responsible to implement the strategies and initiatives approved by the Board.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	The NC is responsible to assist the Board in the development and implementation of policies on nomination and appointment of Directors and Committee members in PPHB, to achieve long-term sustainability in accordance with the Term of Reference of NC. In this respect, the following activities had been carried out to ensure the Board remains effective and fits the Company's objective: - <i>Appointment of new Independent Non-Executive Director ("INED")</i> On 29 November 2021, the NC undertook the process for appointment of a new INED, Mr. Tang Boon Lee, in view of the re-designation of Puan Nurjannah Binti Ali as an Executive Director of the Group. On the same day, Mr. Ng Thim Fook was re-designated as a Non-Executive Chairman of the ARMC, NC and RC in place of Puan Nurjannah Binti Ali, who had voluntarily tendered her resignations as chairman of the relevant Committees. <i>Board, Board Committees, Director and Senior Management assessment</i> NC assessed the performance of the Board, Board Committees, Directors and Senior Management annually. On 25 February 2022, the NC undertook an evaluation process involving the Board, Board Committees, Directors and Senior Management via questionnaires. The effectiveness of the Board and Board Committees were evaluated in terms of composition, conduct, accountability and responsibility in accordance with the Terms of Reference set out in the Board Charter. The Directors and Senior Managements were evaluated based on mix of skills, experience and ability to contribute to the Group's development and towards the Board's effectiveness. The Board had also evaluated the independence of Independent Directors based on the criteria "independence" as prescribed by the MMLR. <i>Independent Director with tenure more than 9 years</i> As at date of this statement, Mr. Ng Thim Fook and Mr. Ong Eng Choon has served for tenure more than nine (9) years. On 25 February 2022, NC assessed and was satisfied that they fulfilled the criteria "independence" as prescribed by the MMLR. Based on the

	outcome of the NC’s review, the Board resolved to approve the proposal on re-election of Mr. Ng Thim Fook and Mr. Ong Eng Choon as INEDs at the forthcoming AGM of the Company. <i>Director’s retirement/re-election</i> On 25 February 2022, the following directors had been identified to retire from the office and are eligible for re-election in accordance with Article 99 of the Company’s Constitution at the forthcoming Annual General Meeting (“AGM”) of the Company: - a) Mr. Koay Teng Kheong b) Mr. Ong Eng Choon	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board comprises five (5) Executive Directors and three (3) Independent Non-Executive Directors, in compliance with paragraph 15.02 of the MMLR where at least one third (1/3) of the Board members must be Independent Directors.	
		Although less than half of the Board comprises Independent Directors, the composition of the Board is balanced by the presence of INEDs who are professional in their approach and who exercise independent judgement in the best interest of the Company without being beholden to the Executive Directors or the management. The INEDs act independently of the management, do not participate in any business dealings and are not involved in any other relationship with the Group that may impair their independent judgement and decision-making. The Board is satisfied with the healthy boardroom dynamics and tone of the top set by the Board Chairman.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board shall increase the number of Independent Director as and when there is suitable and qualified candidates are identified.	
Timeframe	:	Others	Please specify number of years.

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	:	Departure																											
Explanation on application of the practice	:																												
Explanation for departure	:	Two (2) of the three (3) INEDs have served the Board for more than 9 years. As at the date of this report, the INEDs, Mr. Ng Thim Fook and Mr. Ong Eng Choon have served the Board for more than nine (9) years. In line with the MMLR and MCGG recommendations, the Company had sought for shareholders' approval during the last AGM via two-tier voting for continuation of these directors to serve as INEDs of the Company. The poll results during the last AGM held on 22 September 2021 are as set out below: - <table border="1"> <thead> <tr> <th>Directors</th><th>Tier 1 – Large Shareholders</th><th>Tier 2 – Other holders</th></tr> </thead> <tbody> <tr> <td><i>Mr. Ng Thim Fook</i></td><td></td><td></td></tr> <tr> <td>- For</td><td>100%</td><td>100%</td></tr> <tr> <td>- Against</td><td>-</td><td>-</td></tr> <tr> <td>- Abstain</td><td>-</td><td>-</td></tr> <tr> <td><i>Mr. Ong Eng Choon</i></td><td></td><td></td></tr> <tr> <td>- For</td><td>100%</td><td>100%</td></tr> <tr> <td>- Against</td><td>-</td><td>-</td></tr> <tr> <td>- Abstain</td><td>-</td><td>-</td></tr> </tbody> </table> On 25 February 2022, the NC had assessed and are satisfied that the Directors: - - Have fulfilled the criteria of independence as per definition set out under Chapter 1 of the MMLR; - Have committed sufficient time and exercised due care during their tenure, actively participating in board meetings and discussions with appropriate professional scepticism; - Are able to capitalise on their familiarity, insights and knowledge of the Group's operations and contribute positively towards	Directors	Tier 1 – Large Shareholders	Tier 2 – Other holders	<i>Mr. Ng Thim Fook</i>			- For	100%	100%	- Against	-	-	- Abstain	-	-	<i>Mr. Ong Eng Choon</i>			- For	100%	100%	- Against	-	-	- Abstain	-	-
Directors	Tier 1 – Large Shareholders	Tier 2 – Other holders																											
<i>Mr. Ng Thim Fook</i>																													
- For	100%	100%																											
- Against	-	-																											
- Abstain	-	-																											
<i>Mr. Ong Eng Choon</i>																													
- For	100%	100%																											
- Against	-	-																											
- Abstain	-	-																											

	deliberations and decision-makings of the Board without being subjected to undue influence; d. Have discharged their professional duties in good faith and in the best interest of the Group and shareholders; e. Have vigilantly safeguarded the interest of minority shareholders, as well as stakeholders of the Group; and f. Have the calibre, qualifications, experience and personal qualities to challenge the management in an effective and constructive manner and possess sufficient confidence to stand up for their independent point of view. Based on the outcome of NC's review, the Board supported the continuation of Mr. Ng Thim Fook and Mr. Ong Eng Choon as INEDs of the Company and resolved to proposed them for re-election at the forthcoming AGM of the Company.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: The Board is currently actively sourcing for suitable INEDs.
Timeframe	: Within 1 year

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	:	PPHB has put in place recruitment processes for selection and appointment of Directors and the processes were stated clearly in the Board Charter. The NC will review and consider the candidate based on: - a) Skills, knowledge and working experience; b) Professionalism; c) Time commitment; d) Integrity; and e) Independence, for appointment of Independent Directors. While identifying the suitable candidate, the NC is also responsible to review the existing composition of the Board, identifying the gaps and subsequently review and recommend to the Board a suitable candidate with relevant skills, expertise and experience. The newly-appointed Directors will undergo the Group's onboarding programme. In addition, for first-time Director, he/she is required to attend the Mandatory Accreditation Programme ("MAP") designated for directors of public listed issuer in Malaysia as prescribed under the MMLR. He/she will stand for election at the next AGM in accordance with the Constitution of the Company. The appointment of Senior Management was delegated to the Group Managing Director and Group's Human Resources Manager. They will assess the candidate based on working experience, skills, competencies, integrity and commitment before recommending to the Executive Chairman for consideration, approval and appointment.

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	:	The NC does not solely rely on recommendations from existing directors, management or major shareholders in identifying candidates for appointment as directors. Candidates are thoroughly assessed based on core competencies and attributes such as mix of skills, competencies, experiences, integrity, time commitment and any potential conflict of interest. The NC will also perform additional verifications prior to the appointment, which includes background checks on the individual's character and bankruptcy search.
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	:	The profiles of Directors are published in the Annual Report and on the Company's website, www.pph.com.my. These include their respective age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in PPHB, if any. The performances of the retiring Directors were assessed by NC and Board pursuant to Article 99 of the Company's Constitution before recommendation is made to the shareholders for considerations. The evaluation was based on the attendances, knowledge and experiences as well as contributions to Board during the discussion. As for independent directors, other than performances, the NC had also assessed their relationship with the executives that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the Group. Based on the outcome of the assessments, the Board supported the continuation of retiring Directors and INEDs of the Company and resolved to proposed for re-election at the forthcoming AGM of the Company.
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	:	The NC is chaired by Mr. Ng Thim Fook, an INED of the Company.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board currently has one (1) female director, in compliance with paragraph 15.02(1)(b) of MMLR.	
		Considering the size and nature of the Group’s business as well as the background of existing Directors, the Board is of the opinion that its current size and composition is optimal for discharging its duties and responsibilities in the best interest of the Group.	
		The Board acknowledges the recommendation of the Malaysian Code on Corporate Governance (“MCCG”) pertaining to the establishment of Boardroom gender diversity policy. As at date of this Annual Report, the Group has not adopted any formal gender diversity policy in the selection of new Board candidates and does not have specific policies on setting target for female candidates in the workforce. The evaluation of suitability of candidates as new Board member or as a member of workforce is based on the candidates’ competency, skills, character, time commitment, knowledge, experience and other qualities in meeting needs of the Group, regardless of gender. The Board is of the view that such criteria should remain a priority and vital consideration.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board shall increase number of women board participation as and when suitable and qualified candidates are identified.	
Timeframe	:	Others	Please specify number of years.

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board is the view that suitability of candidates as new Board member or as a member of workforce is based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting needs of the Group, regardless of gender. The Board is of the view that such criteria should remain a priority and vital consideration.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board has one (1) female director, in compliance with paragraph 15.02(1)(b) of MMLR. The Board shall increase the number of women board participation as and when suitable and qualified candidates are identified.	
Timeframe	:	Others	Please specify number of years.

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.

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.

Application	:	Applied
Explanation on application of the practice	:	On 25 February 2022, the Nominating Committee undertook an evaluation process involving the Board, Board Committees and Directors self and peer assessment. The assessments were conducted using questionnaires. The evaluation process is as set out below: - a) The questionnaires were distributed to all Directors. b) Each Director was required to complete the questionnaires. c) The completed questionnaires were collected and submitted to the Nomination Committee for evaluation. d) Nomination Committee reviewed the results of the completed questionnaires based on the assessment criteria approved by the Board. e) Evaluation and findings from the Nomination Committee were presented to the Board for deliberation. The Directors' evaluation assessment covered the mix of skills, experiences, time commitment and individual director's ability to contribute to the development of the Group and towards Board effectiveness. The Board and its Committees were assessed in the areas of Board mix and balance, composition, compliance and governance, conducts at the meeting, skills and competencies and performance. On the same day, the Committee had also evaluated the independence of Independent Directors based on criteria of "Independence" as prescribed by the MMLR. Based on the results of evaluations, the Board are satisfied with the level of commitments given by the Directors towards fulfilling their roles and responsibilities.

	The Board does not have the practice of engaging independent experts to determine the effectiveness of the Board, its committees and each individual director.			
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	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

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	:	Remuneration plays a vital role in attracting and retaining highly skilled Directors. The Group's remuneration policies reflect the level of responsibility of the Directors and are aligned with the business strategy and long-term objectives of the Group. The Group's remuneration policies for Directors are as follows: - (a) Components of remuneration packages and link between the remuneration and business strategy are as follows: - (i) Remuneration package of Executive Directors The remuneration package of the Executive Directors consists both fixed and performance-linked elements. The performance of Executive Directors is reviewed annually by taking into consideration: - 1. The remuneration package that supports Group's objective and strategies; 2. Accountability and responsibility; and 3. Yearly performance. (ii) Fees for Non-Executive Directors The fees of directors, including Non-Executive Directors, are endorsed by the Board for approval by the shareholders of the Company at the AGM. All Non-Executive Directors are paid annual fixed director fees for serving as members of the Board. The director fee reflects the experience, level of responsibilities and contribution, and the time spent in attending to the Group matters.;

	(b) Nature of commitments In determining the appropriate level of remuneration for directors, the Board has taken into consideration the Company's performance in managing material sustainability risks and opportunities. The remuneration policies and procedures are reviewed annually.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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	:	The members of the Remuneration Committee are as follows: - Mr. Ng Thim Fook <i>(Chairman, Independent Non-Executive Director)</i> Mr. Ong Eng Choon <i>(Member, Independent Non-Executive Director)</i> Mr. Tang Boon Lee <i>(Member, Independent Non-Executive Director)</i> Mr. Koay Chiew Poh <i>(Member, Executive Chairman)</i> The specific responsibility of the Remuneration Committee is to review the remuneration policy and procedures for the Board and Senior Management and to recommend the same to the Board for approval. The remuneration of directors is set at levels that would enable the Company to attract and retain directors with relevant expertise and the experience necessary to manage the Group effectively. Directors do not participate in decisions regarding their own remuneration packages. The remuneration package of the Executive Chairman is approved by the full Board on the recommendation of the Remuneration Committee. Existence of an Executive Director in the Committee is to ensure that the remuneration packages appropriately reflect individual merit, qualification and competence, with reference to the Company's operating performance. In this regard, the Executive Director is not involved in deciding his own remuneration.
Explanation for departure	:	

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

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The details disclosure is disclosed as follows: -

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Mr. Koay Chiew Poh	Executive Director	-	-	-	-	-	-	-	-	1	60	-	10	12	83
2	Mr. Koay Chiew Kang	Executive Director	-	-	-	-	-	-	-	-	105	300	228	26	110	769
3	Mr. Koay Teng Liang	Executive Director	-	-	-	-	-	-	-	-	197	300	118	19	132	766
4	Mr. Koay Teng Kheong	Executive Director	-	-	-	-	-	-	-	-	129	192	168	27	102	618
5	Mr. Koay Chue Beng	Executive Director	-	-	-	-	-	-	-	-	126	220	168	26	84	624
6	Puan Nurjannah Binti Ali	Executive Director	48	-	-	--	-	-	48	-	-	-	-	-	-	-
7	Mr. Ng Thim Fook	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Mr. Ong Eng Choon	Non-Executive Non-Independent Director	30	-	-	-	-	-	30	-	-	-	-	-	-	-
9	Mr. Tang Boon Lee	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board opted not to disclose the remuneration of Senior Management on named basis.	
		Detailed of the remuneration of top five (5) senior management in each successive band of RM50,000 during the financial year 2021 is as below: -	
		Remuneration Range	Number of Senior Management Staff
		Between RM350,001 – RM400,000	2
		Between RM400,001 – RM450,000	-
		Between RM450,001 – RM500,000	2
Between RM500,001 – RM550,000	1		
		The Board assures that there is a robust internal process to ensure that the remuneration of Senior Management is fair and competitive when benchmarked internally, for equitability and externally, of the market.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	In view of sensitivity nature of the information, the Board believe that disclosure of remuneration bands is sufficient to meet the objective of MCCG 2021.	
Timeframe	:	Others	Please specify number of years.

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee, Mr. Ng Thim Fook, is not the Chairman of the Board.	
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	:	The Group has always recognised the need to uphold independence. None of the members of the Board were former key audit partners within the cooling-off period of three (3) years. Hence, there is no such person being appointed as the member of Audit Committee.	
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	:	The Audit Committee undertakes annual assessment of the suitability, objectivity and independence of External Auditors. On 5 April 2022, the Audit Committee has performed its annual assessment of the performance of the External Auditor, Messrs. Grant Thornton Malaysia PLT based on criteria as below: - (a) The competence, audit quality and resources capacity of the External Auditor in relation to the audit. (b) The appropriateness of audit fees to support a quality audit. (c) The nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and (d) Obtaining written assurance from the External Auditor confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. During the course of assessment, the Audit Committee considered the information presented in the Annual Transparency Report ("ATR") of the audit firm. The Committee was in the opinion that the audit engagement should include matters covered in ATR, which are audit firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks. The Audit Committee was satisfied with the suitability of Grant Thornton Malaysia PLT based on the independence and performance of the external audit team provided to the Group. On the same day, the Audit Committee obtained written assurance from the External Auditors confirming their independence throughout the conduct of the audit engagement for the financial year prior recommending their re-appointment to the Board. Shareholders' approval will be sought at the forthcoming AGM.

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	:	The Audit Committee comprises wholly of Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	The members of Audit Committee have the relevant accounting or related experience and expertise in financial service industry to effectively discharge its duties in accordance with the Term of Reference of the Audit Committee. One of the Audit Committee members, Mr. Ong Eng Choon is a fellow member of Malaysian Institute of Accountant (MIA), an Associate Member of Malaysian Institute of Chartered Secretaries and Administrator (MICSA) and a fellow member of Malaysian Institute of Taxation (MIT), thus fulfilling the Paragraph 15.09 (1)(c) of the MMLR. All members of the Audit Committee had undertaken continuous professional development to ensure that they are abreast of relevant developments in accounting and audit, standards, practices and rules. The type of trainings attended by the Audit Committee during the year are disclosed below: - (a) Mr. Ng Thim Fook - GEM Indonesia – InagriTech Webinar - Asialink Business (b) Ong Eng Choon - National Tax Conference 2021 - Seminar Percukaian Kebangsaan 2021 - BDO – Global Tax Conference 2021

	(c) Tang Boon Lee	
	- Mandatory Accreditation Programme (MAP) – ICDM Virtual Classroom	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board acknowledges its responsibility for maintaining an effective Risk Management Framework and Internal Control System of the Group to safeguard shareholder's interests and the Group's assets. The Audit and Risk Management Committee ("ARMC") was established on 26 February 2018 to oversee and ensure the effectiveness implementation of the Risk Management and Internal Control of the Group. The Risk Management Framework was also established, which provides an on-going process to identify, evaluate, control, monitor and manage the Group's risk within an acceptable level. Based on the risk identified, appropriate Internal Control System is embedded into the Group's standard operating procedures for on-going control purposes. The monitoring of risk management of the Group is further enhanced by the internal audit department, which carried out audit in accordance with the internal audit plan approved by the ARMC. The ARMC meets at least once every quarter with the Group Managing Directors to deliberate on the findings and recommendations of the risk assessments performed by the team.	
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	:	The Board is assisted by the ARMC to oversee the effectiveness of implementation of the Group's Risk Management and Internal Control system. The Group Risk Management activities are delegated to a Risk Management Team which is led by the Group Managing Director and assisted by the Senior Management Team. They are responsible to identify, evaluate, control and monitor the potential risks based on Risk Management Framework of the Group. The ARMC will meet with the Group Managing Director to deliberate on the findings and recommendations of the risk assessments performed by the team quarterly. The ARMC will also regularly review and evaluate the external and internal auditor's recommendations and management responses to ensure that they are working adequately and promptly. The Board received assurance from the Group Managing Director that the Group's Risk Management and Internal Control System is operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of this statement.
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	:	The ARMC comprises wholly of Independent Non-Executive Directors.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board established an in-house Internal Audit (“IA”) function for the Group, which reports directly to the Audit Committee on quarterly basis. The Head of IA has direct access to Audit Committee on all internal controls and audit issues. The role of the Head of IA is to assist the Audit Committee in reviewing, examining and evaluating the effectiveness of the Group’s internal control system whilst ensuring that there is an appropriate balance of controls and risks in achieving its business objective. The Head of IA carried out its activities based on the annual internal audit plan approved by Audit Committee. The findings and recommendation were submitted to the head of subsidiaries in which the audit was carried out. The management of the audited subsidiary is responsible for ensuring that corrective actions on reported weaknesses were taken within the required timeframes. The Head of IA conducted follow-up audit to ensure that the corrective actions were implemented accordingly. The Audit Committee held private meetings with the IA on a quarterly basis, without presence of the Executive Directors and Senior Management Team, to discuss on audit findings that should be brought to the Committee’s attention. As at to-date, there were no concern raised by the IA.
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 have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	The Group's Internal Auditors are free from any relationships or conflicts of interest or undue influence of others which could override their professional and business judgement, or impair their objectivity and independence. The independence of the Group's internal audit function is derived from direct reporting and unencumbered access to the Audit Committee. The Head of IA reports directly and functionally to the Audit Committee and ultimately to the Board. The Head of IA, Ms. Lee Suet Fong, a Malaysian, age 56, graduated with a Diploma in Engineering from Tunku Abdul Rahman College and a Master in Science from University of Portsmouth, United Kingdom. She has over three (3) years internal audit experience. She joined the Group in year 1992 as Quality Assurance Manager. She was promoted to her current position in September 2016 and has been involved in finance audits and quality control audits since her appointment. The Head of IA carried out its activities based on the annual internal audit plan approved by Audit Committee. The findings and recommendation were submitted to the head of subsidiaries in which the audit was carried out. The management of the audited subsidiary is responsible for ensuring that corrective actions on reported weaknesses were taken within the required timeframes. The Head of IA conducted follow-up audit to ensure that the corrective actions were implemented accordingly. On 25 February 2022, the Audit Committee conducted annual assessment of the performance of the IA function. The Audit Committee was satisfied with the competency, experience and resources of the IA functions for discharging its role and responsibilities.
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board recognised the importance of being transparent and accountable to the Company's investor and stakeholders. As such, various channels were created to maintain communication with them. Corporate information, quarterly financial results and Annual Reports, circulars to shareholders, as well as announcements made to Bursa Securities can be accessed from dedicated sections on the Group's website. All information made available to Bursa Malaysia are immediately uploaded to the Company's website at www.pph.com.my. In addition, the AGM serve as primary forum for dialogue and interaction with both institutional and individual shareholders. Various contact details are provided to address queries from customers, shareholders and the general public.
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	:	The notice of AGM to shareholders is dated 20 August 2021, which is 28 days’ notice prior to the meeting.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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	:	The 34th AGM of PPHB was held virtually via online meeting platform provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at https://tiih.online. All Board members and company secretary were present virtually. The External Auditors were also present to provide their professional and independent clarification on issues and concerns raised by shareholders. A total of 76 shareholders and proxies attended the 34th AGM. To further foster the engagement between the Directors and shareholders, the shareholders were invited to use the query box facility to submit questions pertaining to business outlook, Company's financial statements and other matters for adoption during the meeting or prior to the meeting. The queries raised by the shareholders were answered prior to voting process.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Applied
Explanation on application of the practice	:	In light of pandemic and part of safety measures and control, PPHB had leveraged technology by conducting the 34th AGM on a fully virtual basis via online meeting platform provided by Tricor via its TIHH Online website at https://tihh.online. All the resolutions set out in the notice of general meetings were voted on using e-polling system. Tricor was appointed as Poll Administrator to conduct the pooling process, whereas Braxton Consulting Sdn. Bhd. as an independent Scrutineers to verify the pool results of the meeting. Scrutineer verified the pool results for each resolution. Upon verification by Scrutineer, the pool results detailing the number of votes cast for and against each resolution were displayed on the screen for viewing by the participants. The secretary then declared that all the resolutions were carried based on the results shown on the screen. The poll results were also announced via BURSA LINK on the same day for the benefit of all shareholders. PPHB had sought confirmation from Tricor on their cyber hygiene practices to ensure data privacy and security to prevent cyber threats, in line with MCCG 2021. To this, Tricor had confirmed that it has implemented an Information Technology and Information Security Policy, endpoint controls and data classification for cyber hygiene practices of the staff. Stress test and penetration testing had been performed on TIHH Online in May 2021 to test its resiliency. To provide further assurance to the public, Tricor Malaysia is ISO27001 certified in October 2021. In addition to this, the TIHH Online is hosted on a secure cloud platform and the data centre is ISO27001 certified.
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.

Application	:	Applied
Explanation on application of the practice	:	The notice of 34th AGM dated 20 August 2021 was sent to all shareholders either by way of email or letter. The following documents were attached with the notice: - (a) Notice of AGM; (b) Statement Accompanying Notice of AGM; (c) Annual Report; (d) Corporate Governance Report; (e) Proxy Form; (f) Administrative Guide; and (g) Annual Report Request Form. The notes to the Notice of 34th AGM provided detailed explanations on each proposed resolution for the shareholders to read before exercising their voting rights. The shareholders were invited to use the query box facility to submit questions pertaining to business outlook, Company's financial statements and other matters for adoption during the meeting or prior to the meeting. A total of 19 questions covering the Group's financial and non-financial performance were received and all the questions were answered.
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.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	PPHB conducted its first fully virtual AGM via online meeting platform provided by Tricor via its TIIH Online website at https://tiih.online. The Chairman, Board members, Secretary and External Auditor were present virtually in accordance with the Guidance on Virtual meeting of Listed Issuers issued by SC. Tricor had provided with adequate tools and infrastructure to the Company for a successful virtual AGM. This evidenced by increase in number of participants during the AGM and a total of 19 questions were received from the participants. Mr. Koay Teng Liang, Managing Director of the Company, shared the questions submitted by the shareholders and the corresponding replies were also read out during the virtual AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The minutes of the 34 th AGM together with Key Matters Discussed were made available at company website, www.pph.com.my within 30 business days after the AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

Not applicable
