

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0171
COMPANY NAME : PETERLABS HOLDINGS BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of PeterLabs Holding Berhad ("PLABS" or "the Company") is responsible for the oversight and overall management of the Company. In order to ensure the effective discharge of its functions and responsibilities, it has established where specific powers of the Board are delegated to the relevant Board Committees and the Group Managing Director ("GMD"). The Board Committees comprise three Governance Committees, i.e. Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC").</p> <p>1) The Board, together with the Management, is committed to promoting good corporate governance ("CG") culture within the organisation which reinforces ethical, prudent and professional behaviour.</p> <p>In discharging its duties and responsibilities, the Board is governed by the Approved Authority Limit which clearly delineates relevant matters and applicable limits, including those reserved for the Board's approval, and those which the Board may delegate to the Board Committees, the GMD and the Management.</p> <p>2) The Board plays an active role in the development of the Company's strategy, and monitoring of its performance and implementation. In every quarter Board Meeting, the Board consistently conducted a quarterly review of the Budget as compared to actual quarterly result including financial performance, where the performance targets set by the Board were compared against the actual performance for every quarter and year to date.</p> <p>3) The GMD is responsible for the day-to-day management of the business and operations of the PLABS and its subsidiaries ("PLABS Group"). He is supported by a Management Team and other</p>

	<p>committees established under the PLABS Group’s corporate governance practice. The Management’s performance under the leadership of the GMD is monitored by the Board through a quarterly financial overview report which is tabled to the Board and includes a comprehensive summary of the PLABS Group’s operating drivers and financial performance during each reporting period. The Board is also kept informed of key strategic initiatives, significant operational issues and the PLABS Group’s performance. The relevant members of the Management were in attendance at Board meetings to support the GMD in presenting the updates on the progress of key initiatives, business targets and achievements to date, and to provide clarification on the queries and issues raised by the Board.</p> <p>The Board through the NC is responsible to ensure that there is an effective and orderly succession planning in PLABS Group. Taking into consideration the appropriate mix of skills, experience and strength in qualities which would be relevant for the Board to ensure it is equipped to meet the challenges by the PLABS Group, the Terms of Reference (“TOR”) of the NC provides that it is responsible for formulating the nomination, selection and succession policies for the PLABS Group’s key management positions including the GMD.</p> <p>4) The Board is responsible for determining the nature and extent of the significant risks that the PLABS Group is willing to take to achieve its strategic objectives and for maintaining sound risk management and internal control systems. With the support of the AC, it carries out a review of the effectiveness of the PLABS Group’s risk management and internal control systems and reports to the Board on quarterly basis that it has done so. Such review covers all materials controls including financial, operations, management information systems and compliance controls and risk management systems.</p> <p>5) The Investor Relation function is established to enable continuous communication between the Company and its stakeholders. The stakeholders are encouraged to email their concerns to the public.relation@peterlabs.com.my and the contact person is Ms. Yap Siaw Peng, Ms. Hong Hoe Lian or Ms. Leong Pui Quan.</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>	

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 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles and responsibilities of the Chairman of the Board have been clearly specified in Paragraph 4.6 of the Board Charter, which is available on the Company's website at https://www.peterlabs.com.my.</p> <ol style="list-style-type: none">1) The independent non-executive Chairman leads the Board by setting the tone at the top, and managing the Board's effectiveness by focusing on strategy, governance and compliance. In turn, the Board monitors the functions of the Board Committees in accordance with their respective TOR to ensure its own effectiveness.2) The Chairman with the assistance of the Company Secretary sets the board agenda for each meeting based on the dates of scheduled Board meetings in the annual meeting calendar, and the same is circulated to the Board Members accordingly.3) The Chairman leads the meeting pace and discussions in an effective manner.4) The Chairman promotes a boardroom environment that allows for expression of views in the spirit of 'constructive challenge', effective debate and contribution from the Board members to facilitate informed decision-making by the Board.5) During deliberations at the Board meetings, the Chairman provides his objective views and decisions to resolve situations when there are differing views between the Board Members and the Management.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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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 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Chairman and GMD are held by two different individuals.</p> <p>The Chairman, Dato' Hon Choon Kim (retired on 30 May 2023) and Dato' Lim Tai Soon (appointed on 1 June 2023), leads and manages the Board by focusing on strategy, governance and compliance whereas the GMD, Mr. Lim Tong Seng, manages the business and operations of the PLABS Group and implements the Board's decisions.</p> <p>The distinct and separate roles of the Chairman and GMD, with their clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered decision-making powers.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board is not the member of any Board Committees of PLABS.
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 an External Company Secretary. The Company Secretary of PLABS is qualified to act as Company Secretary under Section 235 of the Companies Act 2016, of which she is an Associate Member of the Malaysian Institute of Chartered Secretaries & Administrators. She is also registered with the Companies Commission of Malaysia under Section 241 of the Companies Act 2016 and is issued with practicing certificate by the Registrar of Companies.</p> <p>The Company Secretary provides the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regards to the Company's constitution, Board's policies and procedures as well as compliance with all regulatory requirements, guidance and legislation.</p> <p>All Directors also have full and unrestricted access to the advice and services of the Company Secretary and may obtain independent professional advice at the Company's expense in order to discharge their duties effectively. The Board is regularly updated on new guidelines, directions and new regulatory issues affecting the PLABS Group by the Company Secretary as well as external consultants. The Company Secretary together with the Executive Directors and Financial Controller assist the Chairman of the Board and Chairmen of Board Committees to deal with the meetings' agenda and to provide the relevant information and documents to directors on a timely basis. The Company Secretary also plays an important role at the Annual General Meeting of the Company ("AGM") in ensuring that the processes and proceedings are in place and properly managed in compliance with the Constitution as well as laws and regulations.</p> <p>The Board is satisfied with the support and performance provided by the Company Secretary in assisting the Board to discharge its duties.</p> <p>The Board is of the view that the Company Secretary has been competent and kept herself abreast with the evolving regulatory changes and developments through continuous education programs and attendance of relevant conferences, seminars and training programs.</p>

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

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>To facilitate the Directors' time planning, the annual corporate calendar is prepared and circulated in advance of each new year. The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees, and the AGM.</p> <p>It is provided in the Guidelines on Submission of Board Paper that the deadline for submission of meeting materials is one (1) week prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each Board meeting.</p> <p>The Notice of Board meetings are sent to the Directors via email at least seven (7) days prior to a meeting. The same notification is sent to the Management, which includes the deadlines for submission of meeting materials for the Management's easy reference.</p> <p>The deliberations and decisions at the meetings of the Board and Board Committees are well documented in the minutes, including matters where Directors abstained from voting or deliberation.</p> <p>The Company Secretary will communicate to the relevant Management on the Board's decisions/recommendations via circulation of draft minutes of meetings for appropriate actions to be taken. The Company Secretary will also follow up with the Management on status of actions taken with reference to the previous minutes of meetings for updating the Board. Action items would stay as matters arising in the minutes of meetings until they are resolved.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

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 was adopted by the Board on 27 August 2013 and subsequent reviewed and updated on 28 February 2024.</p> <p>Any subsequent amendment to the Board Charter can only be approved by the Board. Apart from setting out the roles and responsibilities of the Board, the Board Charter also outlines the code of ethics, board structure, tenure of directors, company secretary, the Board's relationship with stakeholders, the roles of the Chairman and GMD, the Board meetings, roles of Board Committees, Director training, and lastly the corporate disclose policies.</p> <p>One of the latest updates to the Board Charter is to incorporate the Directors' Fit and Proper Policy, whereby all Board members are required to have the necessary qualities, competencies and experience that allows them to perform their duties and carry out the responsibilities required of the position in the most effective manner.</p> <p>The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's objectives and responsibilities, the relevant standards of corporate governance and the regulatory requirements.</p> <p>The Board Charter is available on the Company's website at https://www.peterlabs.com.my.</p> <p>In this respect, the Board is also responsible to ensure continuing education/training for the Directors to update their knowledge and enhance their skills through attendance at relevant programs, so as to enable them to sustain their active participation in Board deliberations. In this respect, all Directors of PLABS attended at least one (1) training programme during the year 2023. Below are the various trainings/programs in 2023 attended by the Directors:</p>

Directors' Trainings/Courses Attendance		
Subject	Date	Attendee(s)
A. Corporate Governance		
CG Advocacy Programme: Bursa Malaysia Immersive Experience: The Board "Agender"	1 March 2023	Ms. Loh Poh Im
Mandatory Accreditation Programme for Directors of Public Listed Company	31 May 2023 - 2 June 2023	Dato' Lim Tai Soon
B. Board Leadership		
Exporting to the Mena Region: United Arab Emirates, Kingdom of Saudi, Arabia & Egypt	15 March 2023	Ms. Yap Siaw Peng
GMP+ FSA: Feed Safety Management System Awareness Training	18 April 2023	Mr. Lim Tong Seng Mr. Teo Chin Heng Ms. Yap Siaw Peng
Making Finance a Better Strategic Partner to Business	14 June 2023	Ms. Loh Poh Im
Transforming the Finance Function for Increased Agility & Sustainability	3 August 2023	Ms. Loh Poh Im
FUEL Your Business - Principal's SME & Corporate Seminar	9 August 2023	Ms. Loh Poh Im
Accelerating Malaysia's Export to the Middle East Region	10 August 2023	Ms. Yap Siaw Peng
Management of Cyber Risk Programme	3 October 2023	Ms. Ho Siew Li
Mycoplasmas in Poultry Industry	24 October 2023	Mr. Lim Tong Seng Mr. Teo Chin Heng
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	:	<p>The PLABS Group has in place codes of ethics for the Board and employees which is based on four elements, which are sincerity, integrity, responsibility and corporate responsibility. In the performance of the directors' duties, the Board should at all times observe the following codes:</p> <ol style="list-style-type: none">1) Should have a clear understanding of the aims and purpose, capabilities and capacity of the PLABS Group;2) Should devote time and effort to attend meetings and to know what is required of the Board and each of its Directors, and to discharge those functions;3) Should ensure at all times that the PLABS Group is properly managed and effectively controlled;4) Should stay abreast of the affairs of the PLABS Group and be kept informed of the PLABS Group's compliance with the relevant legislation and contractual requirements;5) Should insist on being kept informed on all matters of importance to the PLABS Group in order to be effective in corporate management;6) Should have access to the advice and services of the Company Secretary, who is responsible to the Board to ensure proper procedures, rules and regulations are complied with;7) Should at all times exercise his powers for the purposes they were conferred, for the benefit and prosperity of the PLABS Group;8) Should disclose immediately all contractual interests whether directly or indirectly with the PLABS Group;

	<p>9) Should neither divert to his own advantage any business opportunity that the PLABS Group is pursuing, nor may he use confidential information obtained by reason of his office for his own advantage or that of others;</p> <p>10) Should at all times act with utmost good faith towards the PLABS Group in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his duties;</p> <p>11) Should be conscious of the interest of shareholders, employees, creditors and customers of the PLABS Group;</p> <p>12) Should at all times promote professionalism and improve the competency of management and employees;</p> <p>13) Should ensure adequate safety measures and provide proper protection to workers and employees at the workplace; and</p> <p>14) Should ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities.</p> <p>The Code of Ethics is included in the Board Charter and is available on the Company's website at https://www.peterlabs.com.my.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

The 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>A. <u>Whistleblowing Policy ("Policy")</u></p> <p>1) The objective of the Policy is to protect the values of transparency, integrity, impartiality and accountability where the PLABS Group conducts its business and affairs.</p> <p>2) Through an effective implementation of the Policy, the PLABS Group aims to enhance its accountability in preserving its integrity and to withstand public scrutiny.</p> <p>This in turn enhances and builds the PLABS Group's credibility to all the stakeholders. The Policy serves as an early warning system for the PLABS Group to remedy any wrongdoings before serious damage is caused.</p> <p>3) The Board has developed the Policy to provide a structured reporting channel and guidance to all employees and external parties without fear of victimisation and/or subsequent discrimination.</p> <p>4) Procedures that are incorporated in the Policy aim to address issues such as reporting, responsibility, confidentiality, investigation and resolution.</p> <p>5) The Policy will:</p> <p>a) Govern the process through which employees and relevant stakeholders may report potential violations or concerns relating to relevant laws, rules, regulations, business ethics and conduct, including any violations or concerns relating to immoral, illegal, misappropriation and fraudulent activities;</p> <p>b) Establish a mechanism for responding to any reports from employees and relevant stakeholders regarding such potential violations or concerns;</p>

	<p>c) Prohibit retaliation against employees raising such potential violations or concerns; and</p> <p>d) Establish procedures for the retention of records of reports.</p> <p>6) Employees who whistle blow on improper conduct will be protected against victimisation or other adverse treatment provided that the whistleblowing is done in good faith. However, any whistleblowing which is not made in good faith and is found to be deliberately falsified with malicious intent will be subject to disciplinary action by the PLABS Group in accordance with the PLABS Group’s disciplinary policy.</p> <p>7) The GMD shall have overall responsibility for the implementation of the Policy. The administration of the Policy is to be carried out by the General Manager. The ARMC shall perform the oversight function over the administration of the Policy.</p> <p>B. <u>Application of the Policy</u></p> <p>The Policy applies to all matters involving the PLABS Group’s employees and any other stakeholders / persons providing services to the PLABS Group, including consultants, vendors, independent contractors, external agencies and/or any other party with a business relationship with the PLABS Group.</p> <p>The whistle blower is not expected to prove the truth of the allegation but should, in making the report, have the reasonable belief that an improper conduct was committed, is being committed or will be committed.</p> <p>“Improper conduct” includes among others, the following:</p> <ol style="list-style-type: none"> 1) Fraud; 2) Corruption, bribery or blackmail; 3) Criminal offences; 4) Failure to comply with legal or regulatory obligation; 5) Endangerment of an individual’s health and safety; 6) Any other action that could cause significant harm to the PLABS Group or a person; 7) Theft or embezzlement; 8) Abuse of power; 9) Conflict of interest; 10) Misuse of the PLABS Group’s property; 11) Insider trading; 12) Money laundering; and 13) Breach of legal obligation. <p>The Whistleblowing Policy provides the contact details of the Chairman of the ARMC and, should stakeholders be in doubt of the</p>
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	<p>Management's independence and objectivity on the concerns raised. Alternately, the stakeholders may also email to the report to whistleblowing@peterlabs.com.my.</p> <p>The Policy is available on the Company's website at https://www.peterlabs.com.my.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board together with the Management Team continuously refining the ways to manage its business in a sustainable and responsible manner.</p> <p>The PLABS Group affirms its commitment and will therefore continue to align its business values, purposes and strategy with sustainability governance explicitly on the Economic, Environmental and Social areas to create continuous and long-term values for the stakeholders.</p> <p>The Board and the Management have been actively taking in the sustainability in every major decision-making process and have been continuously engaged and considered the views of its internal and external stakeholders to better understand and manage the Group’s sustainability risks and opportunities. The identification of relevant sustainability matters is discussed in the Sustainability Statement as included in the Company’s Annual Report 2023, which is available on the Company’s website at www.peterlabs.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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 believes that solid alliances with stakeholders have enabled the PLABS Group to grow, and it is key in driving sustainability of the PLABS Group with regular engagement, communication and obtaining feedbacks and/or opinions from the stakeholders.</p> <p>The PLABS Group has engaged with stakeholders in a variety of ways which had been done at both the business units and group levels through formal and informal activities. The collective opinions and insights from the stakeholders help the Board make informed decisions, while aligning the stakeholders’ expectations with the PLABS Group’s sustainability priorities and business approach.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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>During the year 2023, a Group Sustainability Committee (“GSC”) headed by the GMD together with other members of the GSC include Group Financial Controller and key personnel from various operating units.</p> <p>The functions of the GSC are as follows:</p> <ol style="list-style-type: none"> 1. Drives the sustainability efforts, including discussion and monitoring of sustainability issues and stakeholder engagement; and 2. Develops and implements sustainability initiatives, including raising employees’ awareness, maintaining sustainability standards and reviewing progress. 	
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 review of the Boards' and Managements' performance in addressing the Company's material sustainability risks and opportunities are included in the Board's performance assessment. This is part of the Company's addressing sustainability risks and opportunities through performance review.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The role of the NC is to assist the Board in ensuring the Board comprises individuals with the requisite skills, knowledge and experience. The NC leads in the process of identifying and recommending suitable candidates for directorship to the Board and Board Committees.</p> <p>The NC conducts an annual review of the structure, size and composition of the Board, including the Directors' fit and proper, balance mix of skills, knowledge, experience and the independence of the Non-Executive Directors and also an assessment of the performance of the Board, Committees and individual of Directors.</p> <p>The NC shall consider the prospective Director's character, experience, skills, expertise, core competencies, integrity and time commitment, number of directorships and external obligations.</p> <p>The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. If the tenure of the Independent Directors has exceeded a cumulative term of nine (9) years, the Board will justify and seek the shareholders' approval at the AGM. In addition, if the Board continues to retain the Independent Directors after the ninth (9th) year, the Board will seek the shareholders' approval at the AGM for the retention of the Independent Directors to continue in the office as Independent Directors through a two-tier process.</p> <p>The Board, through the NC, will ensure that the tenure of Independent Director be limited to a maximum of twelve (12) years. Upon the completion of the twelve (12) years, all long-served Independent Director(s) of more than twelve (12) years shall either resign or re-designate to Non-Independent Director.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	As at 31 December 2023, the Board comprises of eight (8) Directors, i.e., four (4) Independent Non-Executive Directors and four (4) Executives 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

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	Presently, the tenure of all the four (4) Independent Non-Executive Directors does not exceed a cumulative term of nine (9) years as recommended by the Malaysian Code on Corporate Governance ("MCCG").	
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 5.4 - 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 has established a NC, consisting of three (3) Directors who are Independent Non-Executive Directors of the Company as follows:</p> <p>Ms. Ho Siew Li Chairman, Independent Non-Executive Director</p> <p>Dato' Ng Boon Siong Member, Independent Non-Executive Director</p> <p>Ms. Loh Poh Im Member, Independent Non-Executive Director</p> <p>The NC is to identify, assess and recommend new nominees to the Board and Board Committees. The NC assists the Board in reviewing the Board's required mix of expertise, skill, experiences, qualifications and to assess the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director. The NC met on two (2) occasions during the financial year ended 2023 ("FY 2023").</p> <p>The NC is responsible for making recommendations on the appointment of any new Directors. New appointees will be considered and evaluated by the Board and the Company Secretary will ensure that all appointments are properly made, and that legal and regulatory obligations are met.</p> <p>The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meetings attendance and the shareholdings in the PLABS Group of each Director standing for election are furnished.</p> <p>The Term of Reference for NC was updated on 27 February 2023 and is available on the Company's website at https://www.peterlabs.com.my.</p>

	<p>The Board believes in a right composition of Board members with fit and proper, balance of qualifications, skills, experiences and diversity among its Board members.</p> <p>As defined as one of the functions of the NC, the NC is periodically reviewing and making recommendation to the Board on the Board composition matters and recommendations, which includes identification and selection of high caliber candidates who will be able to meet the present and future needs of the company.</p> <p>For the year under review, the Board is satisfied with its current mix of qualification, skills, experiences, expertise and strength, in discharging its duties effectively.</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

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	:	PLABS practices formal and transparent procedures on sourcing and appointment of new directors, either via internal nominations or independent sources. All appointments of new directors are subject to screening and appropriate recommendation of the NC prior to consideration and approval 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

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 the Directors, including their professional qualifications and work experiences are set out on pages 7 to 11 of the Annual Report for the shareholders' purview. The Board's statement of support on the appointment or reappointment of the Directors is set out in the explanatory note of the notice of 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

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 chaired by Ms. Ho Siew Li, who is an Independent Non-Executive Director.</p> <p>Ms. Ho Siew Li had also led the annual review of board effectiveness for the financial year 2023 in order that independent assessment of the performance of each individual Director as well as of the Board as a whole are carried out amongst all the Board Members.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges the importance of boardroom diversity and workforce gender diversity policy. The Board currently has three (3) female directors who have been appointed separately on 1 March 2016 and 1 July 2022 respectively.</p> <p>The PLABS Group does not adopt 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 the suitability of candidates as the new Board member or as a member of the workforce is solely based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the PLABS Group, regardless of gender.</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 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges the importance of boardroom diversity and workforce gender diversity policy. The Board currently has three (3) female directors who have been appointed to the board.</p> <p>The PLABS Group does not adopt 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 the suitability of candidates as the new Board member or as a member of the workforce is solely based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the PLABS Group, regardless of gender.</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

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	: The NC reviews annually the required mix of skills and experience of the Board, including core competencies which non-executive directors should bring to the Board and assesses the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual director. The evaluation process is led by the Chairman of the NC and supported by the Company Secretary annually. The Directors complete the relevant questionnaires regarding the effectiveness of the Board and its Board Committees. The assessments by all Directors are summarised and disclosed at the NC's meeting and reported at a Board Meeting by the Chairman of the NC. For the FY 2023, the NC has reviewed and assessed the mix of skills and experience of the Board including the core competencies of both Executive and Non-Executive Directors, fit and proper, size of the Board, contribution of each director and effectiveness of the Board and Board Committees and also evaluated the level of independence of the Directors. Based on the assessments, the NC was satisfied with the existing Board's composition in terms of gender, ethnicity and age, and was of the view that all the Directors and Board Committees of the Company have discharged their responsibilities in a commendable manner and have performed competently and effectively.
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 7.1

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

Application	:	Applied	
Explanation on application of the practice	:	The remuneration of the Executive Directors is structured so as to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the experience, expertise and level of responsibility undertaken by the particular Non-Executive Director concerned. The Board as a whole determines the remuneration of Non-Executive Directors, and each individual Director abstains from the Board decision on 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

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 Board has established a RC, consisting of three (3) Independent Non-Executive Directors, as follows:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Designation</th> <th>Directorship</th> </tr> </thead> <tbody> <tr> <td>Dato' Ng Boon Siong</td> <td>Chairman</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Ms. Loh Poh Im</td> <td>Member</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Ms. Ho Siew Li</td> <td>Member</td> <td>Independent Non-Executive Director</td> </tr> </tbody> </table> <p>The remuneration of the Non-Executive Directors is fixed as per RC's recommendation but subject to the approval from shareholders in the forthcoming AGM.</p> <p>The RC has written Term of reference which deals with its authority and duties and is available on the Company's website at https://www.peterlabs.com.my.</p>	Name	Designation	Directorship	Dato' Ng Boon Siong	Chairman	Independent Non-Executive Director	Ms. Loh Poh Im	Member	Independent Non-Executive Director	Ms. Ho Siew Li	Member	Independent Non-Executive Director
Name	Designation	Directorship												
Dato' Ng Boon Siong	Chairman	Independent Non-Executive Director												
Ms. Loh Poh Im	Member	Independent Non-Executive Director												
Ms. Ho Siew Li	Member	Independent Non-Executive Director												
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

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure on named basis for the remuneration of individual directors for FY 2023 is disclosed below.

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	Dato' Hon Choon Kim	Independent Director	16.5	1.5	Input info here	Input info here	Input info here	Input info here	18.0	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Dato' Lim Tai Soon	Independent Director	21.0	1.0	Input info here	Input info here	Input info here	Input info here	22.0	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Lim Tong Seng	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	612.0	251.0	Input info here	35.7	898.7
4	Teo Chin Heng	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	420.0	145.0	Input info here	23.8	588.8
5	Yap Siaw Peng	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	552.0	203.0	Input info here	93.6	848.6
6	Datuk Loh Saw Foong	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	384.0	64.0	Input info here	54.5	502.5
7	Dato' Ng Boon Siong	Independent Director	33.6	1.4	Input info here	Input info here	Input info here	Input info here	35.0	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Loh Poh Im	Independent Director	24.0	2.5	Input info here	Input info here	Input info here	Input info here	26.5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Ho Siew Li	Independent Director	24.0	1.6	Input info here	Input info here	Input info here	Input info here	25.6	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Not applicable - all members of senior management are members of the board	
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	:		

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	:	<p>The ARMC comprises of the following members:</p> <p>Ms. Loh Poh Im Chairman, Independent Non-Executive Director</p> <p>Ms. Ho Siew Li Member, Independent Non-Executive Director</p> <p>Dato' Ng Boon Siong Member, Independent Non-Executive Director</p> <p>The ARMC is comprised of three (3) members who are the Independent Non-Executive Directors of the Company. In compliance with the AMLR and the MCGG, the ARMC is comprised of not less than three (3) members, all of whom are Independent Non-Executive Directors.</p> <p>Ms. Loh Poh Im meets the requirement of Rule 15.09 (1)(c)(i) of the AMLR in that she is a Chartered Accountant and a member of the Malaysian Institute of Accountants. She is not the Chairman of the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 ARMC of the Company has the policy that requires a former partner of the external audit firm and/or affiliate firm to observe a cooling-off period of at least three years before being appointed as a member of the Committee which is stated in its TOR.	
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>In the fourth quarter of the financial year 2023, the External Auditors, namely TGS TW PLT ("TGS"), presented to the ARMC its Audit Planning Memorandum for the FY 2023 which outlined its engagement team, audit timeline, the areas of audit emphasis, and their focus on key audit matter. This formed part of the ARMC's assessment of the suitability, objectivity and independence of TGS on an annual basis.</p> <p>Based on the outcome of its assessment, the ARMC decides whether or not to recommend to the Board for the shareholders' approval to be sought on the re-appointment of external auditors at the forthcoming Fourteen AGM.</p> <p>The ARMC had in March 2024 undertaken an annual assessment of the quality of audit which encompassed the performance of TGS, the quality of TGS's communications with the ARMC and PeterLabs, and TGS's independence, objectivity and professionalism.</p> <p>The ARMC also took into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussions at private meetings, which demonstrated their independence, objectivity and professionalism.</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 ARMC comprises of the following members:</p> <p>Ms. Loh Poh Im Chairman, Independent Non-Executive Director</p> <p>Ms. Ho Siew Li Member, Independent Non-Executive Director</p> <p>Dato' Ng Boon Siong Member, Independent Non-Executive Director</p> <p>As a conclusion, the ARMC comprised solely of the Independent Directors.</p>

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 ARMC Members have vast experience and skills in accounting and finance as well as other relevant fields of expertise. All of them are highly-qualified to review the accuracy consolidated the PLABS Group's financial statements prior to recommending the same to the Boards for approvals.</p> <p>Training attended by the ARMC Members during the financial year 2023 were as follows:</p> <table border="1"> <thead> <tr> <th>Subject</th> <th>Date</th> <th>Attendee(s)</th> </tr> </thead> <tbody> <tr> <td colspan="3">A. Corporate Governance</td> </tr> <tr> <td>CG Advocacy Programme: Bursa Malaysia Immersive Experience: The Board "Agender"</td> <td>1 March 2023</td> <td>Ms. Loh Poh Im</td> </tr> <tr> <td colspan="3">B. Board Leadership</td> </tr> <tr> <td>Making Finance a Better Strategic Partner to Business</td> <td>14 June 2023</td> <td>Ms. Loh Poh Im</td> </tr> <tr> <td>Transforming the Finance Function for Increased Agility & Sustainability</td> <td>3 August 2023</td> <td>Ms. Loh Poh Im</td> </tr> <tr> <td>FUEL Your Business - Principal's SME & Corporate Seminar</td> <td>9 August 2023</td> <td>Ms. Loh Poh Im</td> </tr> <tr> <td>Management of Cyber Risk Programme</td> <td>3 October 2023</td> <td>Ms. Ho Siew Li</td> </tr> </tbody> </table>	Subject	Date	Attendee(s)	A. Corporate Governance			CG Advocacy Programme: Bursa Malaysia Immersive Experience: The Board "Agender"	1 March 2023	Ms. Loh Poh Im	B. Board Leadership			Making Finance a Better Strategic Partner to Business	14 June 2023	Ms. Loh Poh Im	Transforming the Finance Function for Increased Agility & Sustainability	3 August 2023	Ms. Loh Poh Im	FUEL Your Business - Principal's SME & Corporate Seminar	9 August 2023	Ms. Loh Poh Im	Management of Cyber Risk Programme	3 October 2023	Ms. Ho Siew Li
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Explanation for departure	:																									

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is aware of the limitations that are inherent in any systems of internal control and risk management, as such systems being designed to manage, rather than eliminate, the risk that may impede the achievement of the PLABS Group’s business objectives. Accordingly, it can only provide a reasonable combination of preventive, detective and corrective measures but not absolute assurance against material misstatement or losses, fraud or breaches of laws or regulations.</p> <p>The PLABS Group’s risk management and internal control framework is an ongoing process, and has been in place for identifying, evaluating and managing significant risks faced or potentially to be encountered by the PLABS Group.</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>Risk Management Framework</p> <p>The PLABS Group has an embedded process for the identification, evaluating, reporting, treatment, monitoring and reviewing of the major strategic, business and operation risks within the PLABS Group, covering both wholly and partially owned subsidiaries. Risk registers, based on a standardised methodology, are used at the PLABS Group to identify, assess and monitor the key risks faced by the PLABS Group. Information based on prevailing trends, for example whether a risk is considered to be increasing or decreasing over time, is provided in relation to each risk and all identified risks are assessed at four levels (significant/high/moderate/low) by reference to their impact and likelihood. Mitigation plans are required to be in place to manage the risks identified. The mitigation plans are reviewed on a regular basis.</p> <p>Internal Audit Structure</p> <p>The PLABS Group has outsourced its internal audit function to a professional audit firm. The internal auditors from the audit firm are report directly to the ARMC on a quarterly basis by presenting its internal audit reports at the ARMC Meeting. Three (3) reports, which two (2) internal audit reports and one (1) follow-up reports, on the internal audit findings were issued to the ARMC during the financial year 2023.</p> <p>The Internal Audit function performs a number of roles critical to the success of the PLABS Group. These roles include the identification of risks (and recommendation of appropriate means of mitigating or managing these risks), the communication of risks (to individual managers and to the ARMC), and the identification and communication of appropriate means to mitigate, or resolve the risk solution.</p> <p>This is accomplished through the implementation of a risk-based audit programmes, audit reviews, and the provision of the Control, Risk Management and Corporate Governance Opinions to the ARMC, derived from the results of the risk-based auditing approach and programmes.</p>

	<p>The Internal Auditors would conduct intensive interview/communication session with the Management and the respective line managers during the field visit to perform the necessary groundworks. Subsequently, enhancement training on Control, Risk Management and Corporate Governance will be conducted for all the line managers identified by the Management.</p> <p>Audits are scheduled based on risk assessment and risk areas are identified using a risk-based planning approach. The ranking of the risk is based on the significance of risk associated with the respective section.</p> <p>The Internal Audit will continue to provide reports from all audits performed. The quality and content of the reporting will change and improve to focus on the significant risk areas identified and on communication of an assessment of the effectiveness of the internal control environment in the area audited. The Internal Auditor will also perform a series of planned reviews that have been identified using risk-based planning process. A comprehensive approach is taken to all reviews. Financial, operational, quality and information system aspects are therefore considered in each review.</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	:	During the financial year ended 2022, a Risk Management was formed and the Audit Committee was combined with Risk Management Committee. Thereafter, they are known as ARMC.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The PLABS Group has outsourced its internal audit function to a professional audit firm.</p> <p>The internal auditors from the audit firm are report directly to the ARMC on a quarterly basis by presenting its internal audit reports during the ARMC meetings, whereby relevant issues identified in the internal audit reports will be discussed together with the presence of the Management, if necessary. Rectification work, if any, will be performed and follow-up will be carried out by internal auditors for the purpose of reporting the updates to the ARMC.</p> <p>The purpose of the Internal Audit is to support the Management and Board to achieve the objectives of the PLABS Group by providing independent and objective information which:</p> <ul style="list-style-type: none"> • identifies and enhance control over risk; and • identifies opportunities to improve business performance. <p>To ensure the continuous enhanced effectiveness and efficiency of the Internal Audit and Management, documentations have been identified and will prepared progressively.</p> <p>In 2023, the internal audit review were conducted in various areas, including the sales process, the billings and collection process, the risk management framework and risk reporting process, and the sustainability reporting process. The Internal auditors conducted interview or communication session with the Management and the respective line managers during the field visit to perform necessary groundwork. For the year 2023, the cost incurred for internal audit function was RM45,000.</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 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>None of the internal audit personnel has any relationships or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions.</p> <p>The PLABS Group has appointed Wensen Consulting Asia (M) Sdn. Bhd. (“WCA”) to perform its entire internal audit function and to assist the PLABS Group in its corporate governance activities. WCA is one of Malaysia’s leading management consulting firms, and is uniquely known for its straightforward approach to solving today’s most complex business challenges. WCA draws on the knowledge and expertise of their consultants and auditors with skills span a wide range of services and industries, which are underpinned by deep change management experience – managing risks, mobilizing and implementing initiatives to deliver sustainable change.</p> <p>The internal audit is conducted in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors and the Internal Control Framework developed by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). This approach is also in compliance with the Rule 15.26 (b) of AMLR on a statement of risk management and internal control of the listed corporation as a group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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>PLABS ensures that its communication with the shareholders and various stakeholders is transparent, timely and with quality disclosure.</p> <p>PLABS also actively engages all its stakeholders through various platforms including the announcements via Bursa LINK, disclosures on Bursa Malaysia Berhad's website and engagement through the investor relations function.</p> <p>PLABS via its website, includes an Investor Relation ("IR") section which provides all relevant information on the Company, and it is accessible to the public. This Investor Relation section function including all announcements made by Bursa Malaysia, share price information, annual reports and the corporate and governance structure of PLABS.</p> <p>The IR function is established to enable continuous communication between the Company and its stakeholders.</p> <p>The stakeholders are encouraged to email their concerns to public.relation@peterlabs.com.my and the contact person is Ms. Yap Siaw Peng, Ms. Hong Hoe Lian or Ms. Leong Pui Quan.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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 Thirteenth AGM of PeterLabs was held on 30 May 2023. The Company has consistently been able to circulate its Notice of the AGM to the shareholders at least 28 days prior to the meeting, well in advance of the 21 days requirement under the Companies Act 2016 and the AMLR. Such active step of serving the Notice of the AGM earlier than the minimum notice period allowing sufficient time for the shareholders of PLABS to consider the proposed resolutions to be tabled at the AGM.</p> <p>The Notice of the AGM is accessible and available by the shareholders via Bursa Malaysia Berhad's website as well as the Company's website.</p> <p>In addition to that, the Company also provides the details of the AGM to the shareholders on the eligibility of the shareholders, their right to appoint proxies and other relevant information pertaining to the AGM to enable the shareholders of PLABS to make informed decisions in exercising their voting rights.</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>All the Directors, including the Chairman and Members of the ARMC, RC and NC, were attended and participated at the AGM of PLABS held in 2023.</p> <p>The presence of all the Directors presented the opportunities for the shareholders of PLABS to engage with each Director and also allowed the shareholders of PLABS to raise questions and concerns directly to the Directors.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company's AGM was held physically held at Springs I, Nilai Springs Resort Hotel, PT4770, Nilai Springs, 71800 Putra Nilai, Negeri Sembilan Darul Khusus on 30 May 2023.</p> <p>Shareholders who were unable to attend and vote at the AGM of the Company were given opportunity to submit their proxy forms of the Company to the Share Registrar to cast their votes.</p> <p>The shareholders who are unable to attend the AGM physically are still able to participate, engage the board and senior management and make informed voting decisions via appointed proxies.</p> <p>The Company will consider to conduct general meeting virtually in the future.</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

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	: At the commencement of the AGM, the members, corporate representatives and proxies present at the AGM was briefed by the Chairman on their right to ask questions and vote on the resolutions set out in the notice of the AGM. The Chairman will encourage participants of the AGM to participate in the questions and answers session, where they will be given the opportunity to raise questions or seek more information during 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	:

Intended Outcome

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

Practice 13.5

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

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

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Minutes of the Thirteen AGM have made available to the shareholders at the Company's website at https://www.peterlabs.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	:

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

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

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