

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 7160  
**COMPANY NAME** : Pentamaster Corporation 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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("Board") is responsible for guiding and monitoring the Company on behalf of its shareholders. The Board has adopted a Board Charter that sets out the division of responsibilities between the Executive Directors, the Non-Executive Directors and the management team. The Board delegates the day-to-day management of the business to the Executive Directors and the management team. However, certain functions are specifically reserved for the Board which include the following:</p> <ul style="list-style-type: none"><li>• in conjunction with management, establishing a vision and strategies for the Group;</li><li>• approving the Group's annual business plan and budget;</li><li>• approving specific items of material capital expenditure and investments and disinvestments;</li><li>• appointing Directors to the Board;</li><li>• appointing and approving the terms and conditions of appointment of Executive Director;</li><li>• approving any significant changes to accounting policies;</li><li>• approving the quarterly financial statements;</li><li>• approving the annual financial statements</li><li>• approving any interim dividends and recommending any final dividends to shareholders;</li><li>• approving all circulars, statements and corresponding documents sent to shareholders;</li><li>• approving the terms of reference and membership of Board Committees; and</li><li>• approving Company policies which may be developed from time to time.</li></ul>

	<p>In fulfilling its function, the Board also assumes, among others, the following responsibilities:</p> <ul style="list-style-type: none"> <li>• Promoting, together with senior management, good corporate governance culture within the Group which reinforces ethical, prudent and professional behavior</li> <li>• Providing leadership and strategic directions for the Group which supports long term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability</li> <li>• Overseeing the proper conduct of the business</li> <li>• Ensuring prudent and effective controls and risk management system</li> <li>• Reviewing the performance of management</li> <li>• Overseeing the development and implementation of stakeholder communication policy</li> </ul>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The role of Chairman is specified in the Board Charter.</p> <p>The Board is led by the Executive Chairman, Chuah Choon Bin ("Mr. Chuah"), who was appointed to the Board of the Company on 30 November 2002 and re-designated from Non-Executive Chairman to Executive Chairman on 1 March 2022.</p> <p>As the Executive Chairman of the Company, Mr. Chuah is responsible for the leadership of the Board, ensuring its effectiveness on all aspects of its roles and function which mainly focuses on value creation. Mr. Chuah ensures that the Board agenda is set while ensuring that the Board receives complete and accurate information in a timely manner. During Board Meetings, Mr. Chuah maintains a collaborative environment to encourage participation from the Board to discuss and improve the performance of the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company currently does not have a Chief Executive Officer. The day to day management of the Group is overseen by an Executive Director. The positions of the Executive Chairman and the Executive Director are held by different individuals.</p> <p>The Executive Chairman focuses on providing leadership of the Board and charting the strategic direction to create value for the Group. He is also responsible for the conduct of Board meetings and ensures that Board discussions are conducted in a manner that all views are taken into account before a decision is made. The Executive Director has the general responsibility for business and day-to-day management of the Group's business, implementation of Board policies and making of operational decisions duly assisted by the Management team.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Company is in compliance with Practice 1.4 of the MCCG whereby the Executive Chairman, Mr. Chuah is not a member of the Audit Committee, Nominating Committee and Remuneration Committee.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by 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.</p> <p>The Board has direct access to the advice and the services of two (2) qualified and competent Company Secretaries, Ong Lu See and Kong Sown Kaey. Both are qualified to act as company secretary under Section 235(2) of the Companies Act 2016. The Company Secretaries update the Directors periodically when new statutes and requirements are issued by the regulatory authorities to ensure that the Directors are aware of regulatory developments that affect them in carrying out their responsibilities. The Company Secretaries also make announcements to Bursa Malaysia Securities Berhad ("Bursa Malaysia") on behalf of the Company and brief the Board on proposed contents of material announcements prior to their release.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The notices of meetings and meeting materials are sent to the Board within a reasonable period prior to the meeting. This provides the Board with sufficient time to go through the meeting papers, seek any clarification and consultation that they may need from Management, Company Secretaries or independent advisers before the meeting, if necessary, and to raise relevant issues during the meeting.</p> <p>All proceedings of the meetings including issues raised, deliberations and decisions of the Board, including the Directors who abstained from deliberating or voting, are properly recorded. The draft minutes of meetings are circulated in a timely manner upon conclusion of the meetings.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has formally adopted a Board Charter which provides guidance to the Board in the fulfillment of its roles, duties and responsibilities which are in line with relevant legislations, regulations and the principles of good corporate governance. The Board Charter outlines the composition and structure of the Board, the appointment of new Directors to the Board, the Board's powers duties and responsibilities including the division of responsibilities between executive and non-executive directors and management, establishment of Board Committees, remuneration of Directors and processes and procedures for convening Board meetings. Matters that are specifically reserved for the Board's decision in the Board Charter are detailed in section 1.1 of this report. The Board Charter also underlines the Board's commitment to the compliance with laws, regulations and its internal Code of Ethics. The Board Charter is subject to periodic review and will be updated from time to time to reflect changes to the Company's policies, procedures and processes as well as changes to legislations and regulations.</p> <p>The Board Charter is available on the Company's website at <a href="https://www.pentamaster.com.my">https://www.pentamaster.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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 behavior and practice in the company.

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to uphold compliance with relevant requirements of the laws, the Company's Constitution and the Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") in the conduct of the business of the Company. The Directors observe a Code of Ethics, which was developed by the Board which based substantially on the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. In addition, a Code of Conduct for all employees is also enforced and applied that is in compliance with the relevant laws and business ethics.</p> <p>The Directors' Code of Ethics and the Code of Conduct for employees are available on the Company's website at <a href="https://www.pentamaster.com.my">https://www.pentamaster.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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 behavior and practice in the company.

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has communicated and set up procedures and anonymous complaint mechanisms such as help line for employees, suppliers and customers to report inappropriate ethical behaviors and workplace grievances. In addition, there shall be no retaliation to all whistle blowers in good faith and their identity shall not be disclosed to maintain confidentiality. The Company's Ethics Hotline email is whistleblowing@pentamaster.com.my.</p> <p>In 2023, the Company did not receive any workplace grievance or whistleblowing complaint from the employees, suppliers or customers.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.1**

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

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Group is committed to ensuring the long-term sustainability of the Group's businesses by embedding various sustainability measures in the Group's business operations. The Group's sustainability strategy is determined by the Board who provides insights and oversight to the sustainability performance of the Group, whilst the Executive Directors and Senior Management together with the support of the ESG committee oversee and execute the implementation in ensuring key targets are being met in addition to ESG performance.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Group’s sustainability strategies, priorities and targets as well as performance against these are continuously communicated internally and executed by the Executive Directors with the support of the ESG committee. The comprehensive description of the Group’s engagement with all stakeholders as well the performance against these targets is as set out in the Sustainability Report which can be found on the Group’s Annual Report.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.3**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board reviews and monitors the Group’s ESG (environmental, social and governance) policies and practices on a regular basis, ensuring compliance across with legal and regulatory requirements. The Executive Directors and ESG committee are responsible to:</p> <ul style="list-style-type: none"> <li>(i) oversee and execute the Group’s sustainability strategy;</li> <li>(ii) review and ensure proper disclosure and compliance with the relevant Guidelines;</li> <li>(iii) review the annual ESG risks;</li> <li>(iv) present and regularly report to the Board on sustainability performance; and</li> <li>(v) make recommendations to enhance sustainability strategies and practices</li> </ul> <p>The Executive Directors and ESG committee ensure that the Board stays abreast and understands the sustainability issues relevant to the Group.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Group through its ESG Committee identified ESG risks and set actionable targets with performance evaluation and tracking. The evaluations take a more holistic approach on the overall performance of the Group. The Board regularly addresses and measures all ESG risks through the ESG committee.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board has designated both the Operations Director and Chief Financial Officer to coordinate and co-manage the sustainability strategy, including integration of sustainability considerations in the operations of the Group.



### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	The Board does not have a policy requiring the composition of the Board to be refreshed periodically. Re-election of directors is carried out in accordance with the Company's constitution and Listing Requirements which require the directors to retire from office at least once in every 3 years with such directors being eligible for re-election. The Nominating Committee ensures the leadership of the Group through the Board is equipped with the right skills and experience to steer the Group towards its long-term strategy and goals. The Nominating Committee also ensures that the Board can function optimally for the current needs of the Company and the Group.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board will endeavor to look into aligning the policy requiring the composition of the Board to be refreshed periodically.
<b>Timeframe</b>	:	Other

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board presently has six (6) members which consist of two (2) Executive Directors, two (2) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Directors.	
		The Nominating Committee requires more time to find suitable candidate.	
		The Nominating Committee will consider suitable candidates underpinned by the overriding primary aim of selecting the best candidate to support the Group's objectives.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Nominating Committee will look into bringing its composition to be in line with the recommendation under MCCG 2021. The Nominating Committee will continuously look for suitable candidates underpinned by the primary aim of selecting the best candidate to support the Group's objectives.	
<b>Timeframe</b>	:	Others	

**Intended Outcome**

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

**Practice 5.3**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	None of the tenure of the Independent Directors exceed a cumulative term of nine years.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

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

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nominating Committee's responsibilities include the development and review of the criteria to be used in the recruitment of Board members. The Nominating Committee has developed the following procedure for considering potential Board candidates:</p> <p>(a) the skills and experience appropriate for a candidate will be determined, having regard to those of the existing directors and any other likely changes to the Board;</p> <p>(b) upon identifying a potential candidate, the following will be considered:</p> <ul style="list-style-type: none"><li>• qualifications and competencies of the candidate;</li><li>• character and integrity of the candidate;</li><li>• other directorships and time availability of the candidate;</li><li>• independence of the candidate, if an Independent Director is being considered;</li><li>• the effect that the appointment would have on the overall balance and diversity (including gender diversity) of the composition of the Board will be considered; and</li></ul> <p>(c) the proposed appointee must be approved by all existing Board members.</p> <p>The commitment of the Directors in carrying out their duties is reflected in full attendance of the Directors at Board meetings held during the financial year.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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

**Practice 5.6**

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 utilizes independent sources to identify suitably qualified candidates.

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board uses a variety of sources for the identification of suitable candidates. The Nominating Committee reviews the composition, skill sets and Board requirements every year as part of the Board assessment.</p> <p>The Board may rely on recommendations from existing board members and other sources to meet the skill sets and requirements of the Board. The Board is open to utilizing independent sources as well. The Board will use a myriad of resources to source for candidates based on recommendations and independent sources.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board ensures that sufficient information such as 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 Company is disclosed in the annual report for Director(s) seeking re-appointment.</p> <p>The Board also endeavors to provide a statement as to whether it supports the appointment or re-appointment of the candidate and the reasons why in the notes accompanying the notice of meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Nominating Committee is chaired by Pn. Roslinda Binti Ahmad, the Independent Director of the Company.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board has fulfilled the recommendation of the MCGG 2021 of having at least 30% women directors on board. With the appointment of Pn. Roslinda Binti Ahmad w.e.f. 7 April 2023, the Board has two (2) female directors which represent 33% of the composition of the Board.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.10

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board acknowledges the recommendations of the MCCG 2021 on the establishment of a gender diversity policy. As at the date of the 2023 Annual Report, the Board has two (2) female representation with the appointment of Ms. Gan Pei Joo to the Board on 19 March 2021 and Pn. Roslinda Binti Ahmad on 7 April 2023, which represents 33% of the composition of the Board.</p> <p>The Board via the Nominating Committee will identify suitable female candidate(s), underpinned by the overriding primary aim of selecting the best candidate to support the Group's objectives. On the other hand, the Board places importance on the composition of Board members based on meritocracy and in line with the Group's vision and mission.</p> <p>The Board is of the view that the suitability of a candidate for the Board and senior management is dependent on the candidate's qualifications, competencies, skills, experience, expertise, character, time commitment, integrity and other qualities in meeting the needs of the Company, regardless of gender.</p> <p>The Board will endeavor to have more female representation on the Board and senior management when suitable candidates are identified, underpinned by the overriding primary aim of selecting the best candidate to support the Group's objectives. The Board will endeavor to bring up the composition of female representation among the senior management.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

**Intended Outcome**

<b>Measure</b>	:	The Nominating Committee will endeavor to identify suitable candidates for appointment to the Board.	
<b>Timeframe</b>	:	Others	As soon as female representative for the Board is identified

### Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: An annual assessment of the Board is undertaken following the completion of the financial year. The evaluation is carried out by way of questionnaires sent to each Director. The questionnaires cover the composition, role, procedures and practices of the Board as a whole and the assessment of each Director's performance by each of his peers. The individual responses to the questionnaires are confidential to each Director, with questionnaire responses sent to the Company Secretary for summarization for consideration by the Nominating Committee and subsequent report back to the Board.  The Nominating Committee has also conducted an annual review on the performance of the Audit Committee and its members. Each member assessed the performance of the members of the Audit Committee and the Audit Committee as a whole to determine whether the Audit Committee and its members have carried out their duties in accordance with the terms of reference of the Audit Committee.  An evaluation of the Board and the Audit Committee took place following the end of the financial year in accordance with the processes described above.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  

<b>Timeframe</b>	:		
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### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee which consists wholly of Non-Executive Directors recommends the remuneration for the Executive Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole. Individual Director abstains from deliberations and voting on the decision in respect of their own remuneration.</p> <p>The Board recognizes that the remuneration package should be sufficient to attract, retain and motivate Directors of calibre needed to run the Group successfully. The remuneration of Directors is generally based on market conditions, responsibilities held and the Group’s overall financial performance. Decisions and recommendations of the Committee are reported back to the Board for approval and where required by the rules and regulations governing the Company, for approval of shareholders at the Annual General Meeting.</p> <p>The Remuneration Committee has met once during the financial year.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 7.2**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Remuneration Committee's Terms of Reference is available on the Company's website at <a href="https://www.pentamaster.com.my">https://www.pentamaster.com.my</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The disclosure on named basis for the remuneration of individual directors is disclosed in this Corporate Governance Report. Kindly refer to Appendix A of this report for the disclosure.

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The detailed remuneration on a named basis of top Senior Management personnel has not been disclosed in the Corporate Governance Statement in the Annual Report 2023. The Board considered the information of the remuneration of the Senior Management personnel to be sensitive and proprietary in view of the competitive nature of the human resource market and to support the Company's efforts in retaining executive talents.	
		The Company has disclosed the remuneration of the top senior management personnel in bands of RM50,000 in the Annual Report 2023.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board constantly reviews the remuneration of the top senior management and ensures that the remuneration of the Senior Management commensurate with the level of responsibilities, individual performance and the overall performance of the Group.  The Board does not practice excessive remuneration pay-out made to the Senior Management personnel in any instance.	
<b>Timeframe</b>	:	Others	Others

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Audit Committee is Mr. Lee Kean Chong while the Chairman of the Board is Mr. Chuah Choon Bin.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.</p> <p>The Audit Committee's Terms of Reference is available on the Company's website at <a href="https://www.pentamaster.com.my">https://www.pentamaster.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has always maintained a formal and transparent relationship with the external auditors in ensuring the Company's compliance with applicable approved accounting standards and statutory requirements.</p> <p>The role of the Audit Committee in relation to the external auditors is described in the Audit Committee's terms of reference which is available at the Company's website. The Audit Committee is responsible for recommending the appointment or re-appointment of external auditors. In assessing the suitability of external auditors, the Audit Committee will ensure that only firms which have experience in the audit of listed companies and are registered with the Audit Oversight Board will be considered.</p> <p>The Audit Committee recognizes that the regular provision of non-audit services by the external auditors may lead to impairment of the external auditors' independence and objectivity. The external auditors are therefore not normally engaged for non-audit related services. However, the external auditors may be engaged for services related to corporate exercises carried out by the Group from time to time, which are not regular in nature, for which the engagement of the external auditors may be deemed to be more effective for the Group. The external auditors have affirmed that members of their engagement team and the firm have complied with the relevant ethical requirements regarding independence in the conduct of their audit engagement.</p> <p>The Audit Committee had assessed the performance and independence of the external auditors for the financial year under review. The Board of Directors approved the Audit Committee's recommendation to seek shareholders' approval for the re-appointment of the external auditors at the forthcoming Annual General Meeting of the Company.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

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



### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The members of the Audit Committee possess the necessary skills to discharge their duties and are financially literate. The profiles of the Audit Committee members are provided in the Annual Report 2023. The training programs that the Audit Committee members have attended during the financial year ended 31 December 2023 are disclosed in the Annual Report 2023.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 10.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Group has in place an effective risk management and internal control framework to identify and assess the risks faced by the Group and thereafter, to implement and monitor appropriate internal controls to manage and mitigate those risks.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The key features of the risk management and internal control framework are disclosed in the Statement on Risk Management & Internal Control of the Annual Report 2023.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

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

**Intended Outcome**

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

**Practice 11.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has outsourced its internal audit activities to a professional service firm to support the internal audit function.  Details of the internal audit function are set out in the Audit Committee Report of the Annual Report 2023.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Companies 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 recognized framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The outsourcing of the internal audit function coupled with the fact that the Internal Auditors report directly to the Audit Committee helps to ensure that internal audit is carried out objectively and is independent from the management of the Company and the functions which it audits. The personnel who carry out internal audit work are free from any relationships or conflict of interest which could impair their objectivity and independence.</p> <p>The current Internal Auditors are a firm with experience in internal audit and headed by a Chartered Accountant. In appointing the Internal Auditors, the Board and the Audit Committee has taken into consideration that the firm is adequately staffed with a team of qualified, competent and experienced personnel to carry out the internal audit assignments.</p> <p>The scope of work in internal audit is carried out in accordance with an internal audit plan approved by the Audit Committee. The audit plan is focused on high risk areas identified through the Group’s risk evaluation process.</p> <p>The disclosure on the Internal Audit Function is available in the Statement on Risk Management &amp; Internal Control of the Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Stakeholders are kept informed of all major development within the Group by way of announcements via the BURSA LINK. Announcements are also made of the Company's quarterly results, Annual Reports and other circulars to shareholders, where appropriate, and all these announcements are available to shareholders electronically at Bursa Malaysia's website. Shareholders can also access the Company's website, <a href="https://www.pentamaster.com.my">https://www.pentamaster.com.my</a> for up to date information about the Company and its business as well as announcements made to Bursa Malaysia.</p> <p>The Company has also a dedicated page for investor relation contact including a dedicated email for shareholders to write in if they need to clarify.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

There is 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 recognized framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Annual Report 2023 provides comprehensive financial and non-financial information of the Company and contains components such as Management Discussion and Analysis, Corporate Governance Overview Statement, Sustainability Statement and Statement on Risk Management and Internal Control that form an integral part of the non-financial information.</p> <p>Further, the present Sustainability Statement has incorporated in-depth overview of the Group’s governance policies and stakeholder initiatives. These represent the Board’s commitment towards sustainability and a more comprehensive reporting going forward.</p> <p>The Board is committed to make the content of Annual Report relevant to the stakeholders.</p>
<b>Explanation for departure</b>	:	<p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

**Intended Outcome**

Timeframe :		Others
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**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company has given at least 28 days' notice for its forthcoming Annual General Meeting.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All the Directors of the Company attended the previous Annual General Meeting that was held on 31 May 2023 and all the Directors have confirmed their attendance for the forthcoming Annual General Meeting, barring unforeseen circumstances. The Board members including all the Chairman of the Board Committees will be present at the Annual General Meeting to respond to questions raised by shareholders.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company will be conducting its upcoming 22<sup>nd</sup> annual general meeting at Level 4, Jadeite Function Room, Amari SPICE Penang, 2, Persiaran Mahsuri, Bayan Baru, 11900 Bayan Lepas, Pulau Pinang on Friday, 7 June 2024 at 10:30 a.m.</p> <p>A member entitled to attend and vote, is entitled to appoint more than one (1) proxy to attend and vote instead of him. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.</p> <p>The Company intends to engage with the shareholders closely and to address any issue directly with the shareholders.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	Others

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	The Executive Chairman, Mr. Chuah ensures that general meetings provide platform for meaningful engagement between the board, senior management and shareholders.  Shareholders can either raise their questions in dedicated Company's investor relation webpage or submit their questions prior or during the general meeting which will be addressed by the Company's management.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

**Practice 13.5**

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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In the general meetings, shareholders can submit their questions during the general meeting.  Questions submitted at the general meeting will be read out and addressed during the general meeting.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Minutes of the general meeting will be made available to shareholders within 30 business days after the general meeting on the Company's website, <a href="https://www.pentamaster.com.my">https://www.pentamaster.com.my</a> .
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  



**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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## Appendix A

Category	Fees	Salaries, bonus and allowances	Other emoluments including defined contribution plan	Total
<b>Executive Directors</b>				
- <i>Company</i>				
Chuah Choon Bin	29,040	-	-	<b>29,040</b>
Gan Pei Joo	29,040	-	-	<b>29,040</b>
	<b>58,080</b>	-	-	<b>58,080</b>
- <i>Subsidiaries</i>				
Chuah Choon Bin	50,724	2,395,550	457,867	<b>2,904,141</b>
Gan Pei Joo	50,724	960,991	332,860	<b>1,344,575</b>
	<b>101,448</b>	<b>3,356,541</b>	<b>790,727</b>	<b>4,248,716</b>
<b>Total Executive Directors</b>	<b>159,528</b>	<b>3,356,541</b>	<b>790,727</b>	<b>4,306,796</b>
<b>Non-Executive Directors</b>				
- <i>Company</i>				
Lee Kean Cheong	58,080	5,500	-	<b>63,580</b>
Leng Kean Yong	58,080	5,500	-	<b>63,580</b>
Loh Nam Hooi	58,080	5,500	-	<b>63,580</b>
Roslinda Binti Ahmad	43,560	3,500	-	<b>47,060</b>
	<b>217,800</b>	<b>20,000</b>	-	<b>237,800</b>
- <i>Subsidiaries</i>				
Lee Kean Cheong	-	-	-	-
Leng Kean Yong	135,264	5,799	5,667	<b>146,730</b>
Loh Nam Hooi	-	-	-	-
Roslinda Binti Ahmad	-	-	-	-
	<b>135,264</b>	<b>5,799</b>	<b>5,667</b>	<b>146,730</b>
<b>Total Non-Executive Directors</b>	<b>353,064</b>	<b>25,799</b>	<b>5,667</b>	<b>384,530</b>
<b>Total</b>				
- <i>Company</i>	275,880	20,000	-	<b>295,880</b>
- <i>Subsidiaries</i>	236,712	3,362,340	796,394	<b>4,395,446</b>
	<b>512,592</b>	<b>3,382,340</b>	<b>796,394</b>	<b>4,691,326</b>