DATASONIC GROUP

ANNUAL REPORT 2022

About *Us*

Datasonic Group Berhad is one of the most prominent security-based ICT solutions providers in Malaysia with excellent track record in mission critical national projects.

We pledge to continue to strengthen our core competencies and enhance our capabilities in our pursuit to create maximum values for our customers by providing excellent solutions and services.

In this journey without boundaries, we aspire to enrich people's lives through creative and innovative ICT solutions.

What We *Do*

ISSUANCE

- Identity Card
- Passport Booklet
- Financial Cards

SOLUTIONS

- Government
- Financial
- Security and Surveillance
- Cloud-Based System
- Big Data Analytics
- Telecommunications

Corporate *Milestones*

- 1999 – 2011: MyKad Personalisation System for the National Registration Department of Malaysia
- 2011: Data Centre and Helpdesk for the Immigration Department of Malaysia
- 2013: Passport System for the Immigration Department of Malaysia
- 2014: Integrated Security and Surveillance System for the Penang State Government
- 2015: Passport Chips for the Immigration Department of Malaysia
- 2016: Passport Booklets for the Immigration Department of Malaysia
- 2018: Public Key Infrastructure, Public Key Directory and Autogates
- 2019: Malaysia Automated Clearance System (MACS)
- 2021: Facial Live Capture (FLC) Image System for the Immigration Department of Malaysia

Our *Vision*

To enrich life through creative and innovative Information and Communication Technology solutions.

Our *Mission*

To focus on our customers' challenges and needs by providing excellent solutions and services in order to consistently create maximum values for customers.

Our *Strategies*

To provide advanced, innovative and high quality products and services to customers to meet or exceed their expectations in the fast-changing Information and Communication Technology market by way of extensive Research and Development activities.

To customise and deliver integrated solutions and services to maximise investment returns to customers.

To continuously conduct in-depth Research and Development for the improvement and invention of innovative and leading edge technologies to stay ahead of the global competition.

To recognise, develop and retain our most valuable human capital and to nurture a conducive environment for their success.

To develop strong distribution channels and marketing network to increase and widen our market penetration via our resellers and strategic partners in Malaysia and overseas.

Scan this QR Code for more information.

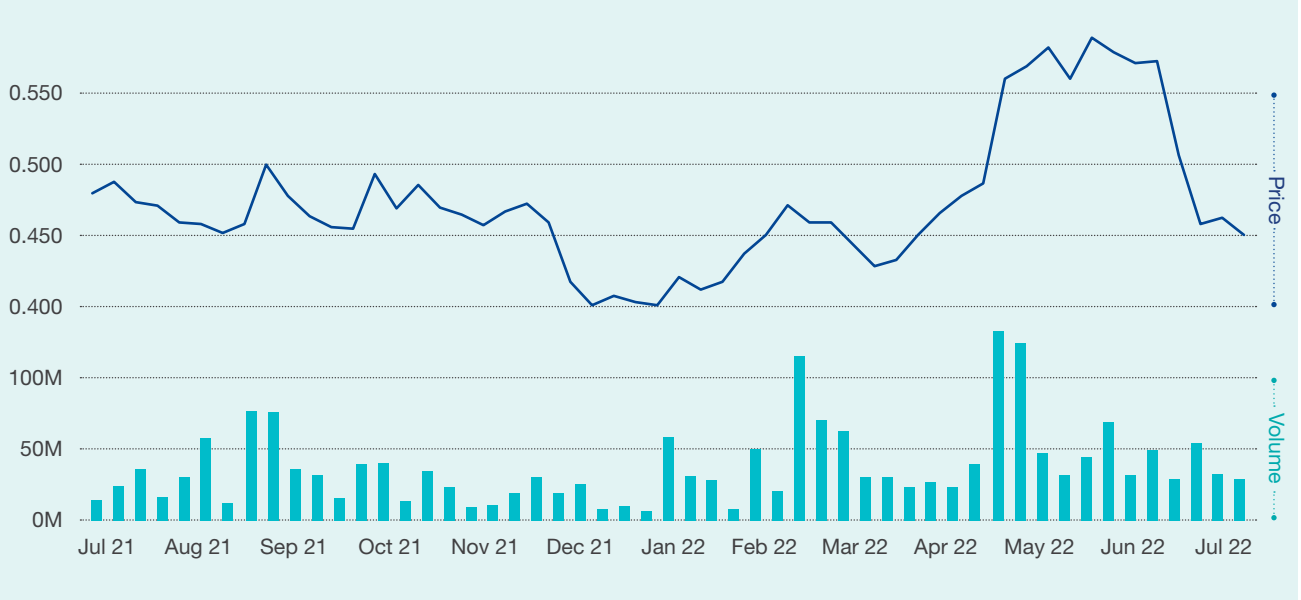
Datasonic share price performance and volume traded for the period from 1 July 2021 to 1 July 2022

RM0.600
Highest price
(18 May 2022)

RM0.395
Lowest price
(02 December 2021)

112,103,300 Shares
Highest volume traded
(15 April 2022)

575,300 Shares
Lowest volume traded
(24 December 2021)



Inside This Report

14th Annual General Meeting

Fully Virtual Basis
SS E Solutions Sdn Bhd via Securities Services e-Portal's platform at https://sshsb.net.my

Wednesday,
14 September 2022

10:00 a.m.

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Financial *Highlights*

Revenue (RM million)

2022	**136.43**
2021	138.41
2020	247.54

RM 136.43 million
Revenue

Earnings Before Interest, Taxes Depreciation and Amortisation (EBITDA) (RM million)

2022	**28.69**
2021	27.03
2020	92.94

RM 28.69 million
Earnings Before Interest, Taxes Depreciation and Amortisation (EBITDA)
Included Other Income, excluded Interest Income

Profit After Tax (PAT) (RM million)

2022	**10.22**
2021	7.28
2020	60.37

RM 10.22 million
Profit After Tax (PAT)

Earnings Per Share (EPS) (sen)

2022	**0.36**
2021	0.28
2020	2.24

0.36 sen
Earnings Per Share (EPS) Based on weighted average 2.87 billion of ordinary shares

Corporate Structure

Corporate *Information*

BOARD OF DIRECTORS

General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd)
Independent Non-Executive Chairman

Dato' Wan Mohd Safiain bin Wan Hasan
Independent Non-Executive Deputy Chairman

Encik Wan Zalizan bin Wan Jusoh
Managing Director

Mr Chia Kok Khuang
Deputy Managing Director

Encik Safian bin Mohd Yunus
Executive Director

Dato' Sri Sharifuddin bin Ab Ghani
Independent Non-Executive Director

Dato' Wan Ibrahim bin Wan Ahmad
Independent Non-Executive Director

Dato' Ibrahim bin Abdullah
Independent Non-Executive Director

Mr Yee Kim Shing @ Yew Kim Sing
Independent Non-Executive Director

Cik Noor Suhaila binti Saad
Independent Non-Executive Director

Encik Azrul bin Yahaya
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Mr Yee Kim Shing @ Yew Kim Sing
Chairman
Independent Non-Executive Director

Dato' Wan Mohd Safiain bin Wan Hasan
Member
Independent Non-Executive Deputy Chairman

Dato' Wan Ibrahim bin Wan Ahmad
Member
Independent Non-Executive Director

Encik Azrul bin Yahaya
Member
Non-Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Dato' Sri Sharifuddin bin Ab Ghani
Chairman
Independent Non-Executive Director

Dato' Ibrahim bin Abdullah
Member
Independent Non-Executive Director

Cik Noor Suhaila binti Saad
Member
Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Dato' Wan Mohd Safiain bin Wan Hasan
Chairman
Independent Non-Executive Deputy Chairman

Dato' Sri Sharifuddin bin Ab Ghani
Member
Independent Non-Executive Director

Cik Noor Suhaila binti Saad
Member
Independent Non-Executive Director

Corporate Information

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

Encik Wan Zalizan bin Wan Jusoh
Chairman
Managing Director

Mr Chia Kok Khuang
Member
Deputy Managing Director

Encik Safian bin Mohd Yunus
Member
Executive Director

Dato' Wan Ibrahim bin Wan Ahmad
Member
Independent Non-Executive Director

Puan Talya Zholeikha binti Abu Hanifah
Member
Executive Vice President, Human Capital Development

COMPANY SECRETARY

Niu Chew Wei (MAICSA 7022900)
(SSM Practising Certificate Registration No. 202008001346)

HEAD OFFICE

Level 6, Bangunan Setia 1
No. 15, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur
Tel No. : (603) 2632 9699
Fax No. : (603) 2011 3560
Website : www.datasonic.com.my

REGISTERED OFFICE

Level 6, Bangunan Setia 1
No. 15, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur
Tel No. : (603) 2632 9699
Fax No. : (603) 2011 3560

REPORTING ACCOUNTANTS AND AUDITORS

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel No. : (603) 2788 9999
Fax No. : (603) 2788 9998

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Registration No. 197701005827 (36869T)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel No. : (603) 2084 9000
Fax No. : (603) 2094 9940/(603) 2095 0292

STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa Malaysia Securities Berhad on 3 September 2012
Stock Name/Code : DSONIC/5216
Stock Sector : Technology
Stock Sub-Sector : Digital Services

INVESTOR RELATIONS

Capital Front Sdn Bhd
(Registration No. 199601007634 (379980-U))
Email : info@capitalfront.biz

PRINCIPAL BANKER

AmBank Islamic Berhad
(Registration No. 199401009897 (295576-U))
24th Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel No. : (603) 2036 2633
Fax No. : (603) 2072 4360

Directors' Profile

General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd)

Independent
Non-Executive Chairman

Nationality / Age:
Malaysian / 87

Gender:
Male

Date of Appointment:
27 June 2011

Length of Service:
11 years

General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd) holds a Diploma in Advanced Business Management from Harvard Business School. He was conferred an honorary doctorate by the University of Salford, United Kingdom, in 1999 and an honorary doctorate by the National Defence University of Malaysia in October 2012.

Prior to his entry into the corporate world, General Tun (Dr) Mohamed Hashim was the Chief of Defence Forces of the Malaysian Armed Forces where he chalked up 40 years of dedicated service. During his tenure at the Malaysian Armed Forces, he had initiated the reorganisation and modernisation of the Army.

He is the Chairman of Fusang Exchange Ltd and he also sits on the Board of the Institute of Strategic and International Studies (ISIS Malaysia) – a Malaysian think tank responsible for formulating policies and conducting research for national and international issues.

Directors' Profile

Dato' Wan Mohd Safiain bin Wan Hasan

Independent Non-Executive Deputy Chairman, Chairman of the Risk Management Committee and member of the Audit Committee

Date of Appointment: 27 June 2011
Length of Service: 11 years

76 YEARS OLD

Dato' Wan Mohd Safiain bin Wan Hasan was appointed Deputy Chairman of the Company on 29 November 2013. He holds a Diploma in Business Administration from the Cambridge International University, United States.

He began his career in 1974 as a Government Security Officer, and held this position till 1986, while working with the Malaysian Ministry of Home Affairs and the Prime Minister's Department. In 1986, he assumed the position of Deputy Chief Government Security Officer of the Prime Minister's Department and was promoted to Chief Government Security Officer in 1996. He was responsible for providing advisory on protective security measures to the Federal Government ministries and departments and also at the state level. He retired from civil service in December 2002 and joined PQM Consultancy and Management Services Sdn Bhd as Chief Executive Officer (2003-2006). He was also responsible for overseeing the collaboration of training programmes between the Government of New South Wales, Australia, and the Open University of Malaysia. He also held the position of the Honorary Member of the Royal Council of Terengganu (2006-2009) and the Comptroller of the Royal Household, Istana Negara (2006-2008).

He holds directorships in several private limited companies and does not hold any directorship in other public companies and listed companies.

Encik Wan Zalizan bin Wan Jusoh

Managing Director and Chairman of Employees' Share Option Scheme Committee

Date of Appointment: 24 February 2021
Length of Service : 1 year

52 YEARS OLD

Encik Wan Zalizan bin Wan Jusoh holds a Bachelor of Science in Business Administration, majoring in Finance, from the University of Nebraska-Lincoln, United States of America, and a Diploma in Banking Studies from Universiti Teknologi MARA, Malaysia.

Encik Wan Zalizan was previously Chief Executive of Menteri Besar Incorporated (Terengganu) and also served as Group Chief Executive Officer of Terengganu Incorporated Sdn Bhd (TI) from 2015 to 2016. Prior to joining the Terengganu state investment arm, he was attached to Export-Import Bank Malaysia Berhad (Exim Bank) as Chief Operating Officer from 2012 to 2015. Encik Wan Zalizan has a long standing career with Maybank Group, and held various managerial positions, including senior leadership, from 1994 until 2011.

He does not hold any directorship in other public companies and listed companies.

Directors' Profile

Mr Chia Kok Khuang

Deputy Managing Director and member of Employees' Share Option Scheme Committee

Date of Appointment: 29 March 2021
Length of Service: 1 year

44 YEARS OLD

Mr Chia Kok Khuang holds a Bachelor of Science in Microelectronics from Campbell University, North Carolina, United States of America, and an Advanced Diploma in Science of Microelectronics from Tunku Abdul Rahman College.

Mr Chia has ventured into a broad range of engineering and software realms throughout his 18 years of career development. His extensive experience in design and development covers a broad range, including system, application, board and chip. Mr Chia works alongside the executive team of the most established Identity Document and Solutions Company of this region. He specialises in security and identity technology and is responsible for leading the R&D department on design and development of solutions related to identity management, border control, deep learning, biometric technologies, etc.

He does not hold any directorship in other public companies and listed companies.

Encik Safian bin Mohd Yunus

Executive Director and member of Employees' Share Option Scheme Committee

Date of Appointment: 29 March 2021
Length of Service: 1 year

47 YEARS OLD

Encik Safian bin Mohd Yunus graduated with a Diploma in Information Technology from SAL Group of Colleges, Malaysia.

He began his career as Development Engineer with Team Partner Group, France in 2000 after which he joined Ivoli Sdn Bhd as a Technology Consultant where he led the implementation of key projects and operations and maintenance of networks for both international and local companies, such as MCI Worldcom, Sprint Corporation and Jaring. In addition, his involvement in planning TPMNet network migration activities has provided him with the skills and experience of working in a high pressure environment early on in his career.

In 2012, Encik Safian became the Executive Director of Ridds and Partner Sdn Bhd, a business consulting firm, which he established to provide corporate and strategic business advisory services focusing on small and medium enterprises. The services include starting up new business ventures, business expansion and taxation consultancy as well as business turnaround, acquisition and divestment activities.

With his expertise and business acumen, he joined Jasamerin Energy Ventures Sdn Bhd, a 51% subsidiary incorporated by Marine and General Berhad (formerly known as Silk Holdings Berhad) in 2017 as Business Development Director. His primary role and function is to explore opportunities in the oil and gas sector and strengthen the company's financial position to become a leader in the upstream oil and gas industry.

He does not hold any directorship in other public companies and listed companies.

Directors' Profile

Dato' Sri Sharifuddin bin Ab Ghani

Independent Non-Executive Director, Chairman of the Nomination and Remuneration Committee and member of the Risk Management Committee

Date of Appointment: 5 February 2020
Length of Service: 2 years

65 YEARS OLD

Dato' Sri Sharifuddin bin Ab Ghani holds a Master of Human Resources Management from Universiti Utara Malaysia and a Diploma in Police Science from Universiti Kebangsaan Malaysia.

He was formerly with the Royal Malaysia Police for a period of 40 years and retired as the Commissioner of Police Pahang in April 2017. During his tenure at the Royal Malaysia Police, he served in various positions including the Assistant Commissioner of Police, Temerloh, and Deputy Superintendent of Police "Pasukan Gerakan Khas", Bukit Aman. He is an Independent Non-Executive Director of Pasdec Holdings Berhad.

Dato' Wan Ibrahim bin Wan Ahmad

Independent Non-Executive Director and member of the Audit Committee and Employees' Share Option Scheme Committee

Date of Appointment: 27 June 2011
Length of Service: 11 years

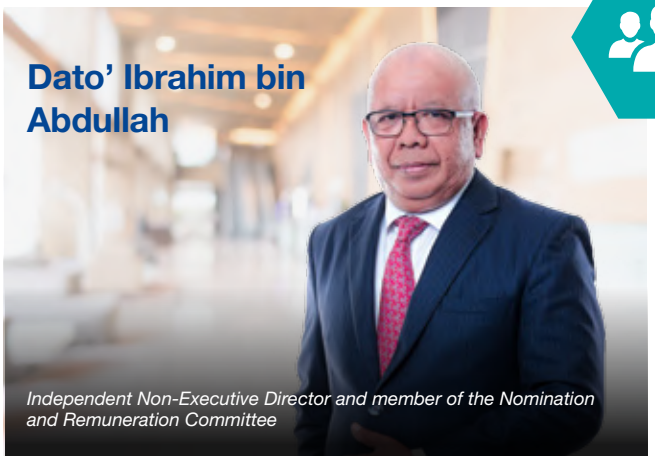
72 YEARS OLD

Dato' Wan Ibrahim bin Wan Ahmad graduated from University of Malaya in 1972 with a Bachelor of Arts (Hons).

He began his career in the Ministry of Information as an Assistant Secretary in 1972 before assuming the position of Assistant Administrator of Hospital University in University of Malaya in 1976, Principal Assistant Secretary of the Education Service Commission in 1978, Deputy Director of the Public Service Department in 1985 and Deputy Director General of the National Anti-Drug Agency from 1997 to 2001. From 2002 to 2003, he was appointed Director General of the National Anti-Drugs Agency ("NADA"). In 2003, he was promoted as the Director General of the National Registration Department (NRD). He retired from the civil service in 2005 and was appointed Advisor to Cito Holdings Sdn Bhd and Dibena Enterprise Sdn Bhd.

He does not hold any directorship in other public companies and listed companies.

Directors' Profile



Dato' Ibrahim bin Abdullah

Independent Non-Executive Director and member of the Nomination and Remuneration Committee

Date of Appointment: 5 February 2020
Length of Service: 2 years

65 YEARS OLD

Dato' Ibrahim bin Abdullah graduated from the National University of Malaysia (UKM) in 1981 with a Bachelor of Arts (Geography). He joined the Public Service as an Assistant Secretary at the Ministry of Home Affairs in December 1981 and held various positions at the Ministry of Home Affairs, the Prime Minister's Department, JAKIM, Langkawi District, and the Immigration Department of Malaysia. His last position was as the Deputy Director General of the Immigration Department until June 2017.

He does not hold any directorship in other public companies and listed companies.

Mr Yee Kim Shing @ Yew Kim Sing

Independent Non-Executive Director and Chairman of the Audit Committee

Date of Appointment: 27 June 2011
Length of Service: 11 years

84 YEARS OLD

Mr Yee Kim Shing graduated from the University of Melbourne in 1960 with a Bachelor of Commerce. He is a member of the Malaysian Institute of Accountants (MIA), the Institute of Chartered Accountants Australia and the Institute of Certified Public Accountants of Singapore. He was a practising accountant for more than 26 years and retired as a senior partner at Ernst & Whinney (now known as Ernst & Young) in 1990.

He is an Independent Non-Executive Director and Chairman of the Audit Committee of Pacific & Orient Berhad.

Directors' Profile

Cik Noor Suhaila binti Saad

Independent Non-Executive Director, member of the Nomination and Remuneration Committee and Risk Management Committee

Date of Appointment: 5 February 2020
Length of Service: 2 years

48 YEARS OLD

Cik Noor Suhaila binti Saad holds a Master of Law (LLM) from University of Malaya and a Bachelor of Law from the National University of Malaysia (UKM).

An accomplished lawyer with over 23 years of experience in the legal field and business, she also runs her own firm. Her expertise ranges from land matters, property and conveyancing to intellectual property, corporate, commercial and banking law. Complimenting her skills and expertise, she is also a registered trademark agent, notary public and commissioner for oaths and holds various key positions in a number of private companies in Malaysia.

She does not hold any directorship in other public companies and listed companies.

Encik Azrul bin Yahaya

Non-Independent Non-Executive Director and member of the Audit Committee

Date of Appointment: 31 May 2021
Length of Service: 1 year

35 YEARS OLD

Encik Azrul bin Yahaya graduated with a Diploma in Investment Analysis and a Bachelor of Business Administration (Hons) Islamic Banking from Universiti Teknologi MARA.

He is currently the Head of Operations of Urusharta Jamaah Sdn Bhd ("UJ"). He is a part of UJ pioneer team that is responsible for the operations of asset under management worth over RM8.5 billion. He is also a member of the Management Executive Committee (MEC) of UJ.

He has vast experience in the financial industry specialising in investment operations, treasury, performance measurement, portfolio valuation, financial system implementation, data analysis and reporting. He spent the early years of his career in several foreign and local financial companies in various capacities. His more than decade-long career has seen him transformed into a technology savvy leader who has involved in many digitalisation initiatives, such as Robotic Process Automation ("RPA"), data analytics, systems integration and many more that have helped reduce business costs and improve business processes and efficiency. Prior to joining UJ, he was the Head of Client Experience and Investment Operations Manager of Hong Leong Asset Management. Prior to that, he worked with the Royal Bank of Canada Investor & Treasury Services as the Fund Accounting Manager serving the Dublin region.

He does not hold any directorship in other public companies and listed companies.

ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

Family Relationship with any Director and/or Major Shareholder
None of the Directors have family relationship with any other Directors and/or Major Shareholders of the Company.

Conflict of Interest
None of the Directors have any conflict of interest with the Company.

Conviction for Offences
(within the past five (5) years, other than traffic offences)
None of the Directors have any conviction for offences (other than traffic offence, if any) and have not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

Number of Board Meetings attended in the financial year ended 31 March 2022
The details of the Directors' attendance at Board meetings are set out on page 55 of the Annual Report.

Key Senior Management's Profile

Encik Wan Zalizan bin Wan Jusoh

Managing Director of Datasonic Group Berhad and Director of subsidiaries

52 YEARS OLD

Date of Appointment:
24 February 2021

Length of Service:
1 year

Encik Wan Zalizan bin Wan Jusoh holds a Bachelor of Science in Business Administration, majoring in Finance from the University of Nebraska-Lincoln, United States of America, and a Diploma in Banking Studies from Universiti Teknologi MARA, Malaysia.

Encik Wan Zalizan was previously Chief Executive of Menteri Besar Incorporated (Terengganu) and also served as Group Chief Executive Officer of Terengganu Incorporated Sdn Bhd (TI) from 2015 to 2016. Prior to joining the Terengganu state investment arm, he was attached to the Export-Import Bank Malaysia Berhad (Exim Bank) as Chief Operating Officer from 2012 to 2015. Encik Wan Zalizan has a long standing career with Maybank Group, and held various managerial positions, including senior leadership, from 1994 until 2011.

He does not hold any directorship in other public companies and listed companies.

Mr Chia Kok Khuang

Deputy Managing Director of Datasonic Group Berhad and Director of subsidiaries

44 YEARS OLD

Date of Appointment:
29 March 2021

Length of Service:
1 year

Mr Chia Kok Khuang holds a Bachelor of Science in Microelectronics from Campbell University, North Carolina, United States of America, and an Advanced Diploma in Science of Microelectronics from Tunku Abdul Rahman College.

Mr Chia has ventured into a broad range of engineering and software realms throughout his 18 years of career development. His extensive experience in design and development covers system, application, board and chip. Mr Chia works alongside the executive team of the most established Identity Document and Solutions Company of this region. He specialises in security and identity technology and is responsible for leading the R&D department on design and development of solutions related to identity management, border control, deep learning, biometric technologies, etc.

He does not hold any directorship in other public companies and listed companies.

Key Senior Management's Profile

Encik Safian bin Mohd Yunus

Executive Director of Datasonic Group Berhad and Director of subsidiaries

47 YEARS OLD

Date of Appointment:
29 March 2021

Length of Service:
1 year

Encik Safian bin Mohd Yunus graduated with a Diploma in Information Technology from SAL Group of Colleges, Malaysia.

He began his career as Development Engineer with Team Partner Group, France, in 2000 after which he joined Ivoli Sdn Bhd as a Technology Consultant where he led the implementation of key projects and operations and maintenance of networks for both international and local companies, such as MCI Worldcom, Sprint Corporation and Jaring. In addition, his involvement in planning TPMNet network migration activities has provided him with the skills and experience of working in a high pressure environment early on in his career.

In 2012, Encik Safian became the Executive Director of Ridds and Partner Sdn Bhd, a business consulting firm, which he established to provide corporate and strategic business advisory services focusing on small and medium enterprises. The services include starting up new business ventures, business expansion and taxation consultancy as well as business turnaround, acquisition and divestment activities.

With his expertise and business acumen, he joined Jasamerin Energy Ventures Sdn Bhd, a 51% subsidiary incorporated by Marine and General Berhad (formerly known as Silk Holdings Berhad) in 2017 as Business Development Director. His primary role and function is to explore opportunities in the oil and gas sector and strengthen the company's financial position to become a leader in the upstream oil and gas industry.

He does not hold any directorship in other public companies and listed companies.

Datuk Haji Ab Hamid bin Mohamad Hanipah

Director of Datasonic Technologies Sdn Bhd

68 YEARS OLD

Date of Appointment:
1 June 2014

Length of Service:
8 years

Datuk Haji Ab Hamid bin Mohamad Hanipah began his career as a government security officer in 1978 and left the civil service as Deputy Director General of Chief Government Security Office (CGSO), Prime Minister's Department, in April 2014.

He attended several management and security courses at the Royal Institute of Public Administration (RIPA) in London, INTAN Kuala Lumpur and special branch school.

He has contributed vastly in the development of Information and Communications Technology (ICT) Security Policy and protective security covering training, directives of ICT Security and formulating manual Malaysian Public Sector Management of Information and Communications Technology Handbook (MyMis). He headed the security team during the planning and construction of government complexes in Putrajaya.

He is a Director at Safe Shield Security Sdn Bhd.

He does not hold any directorship in other public companies and listed companies.

Key Senior Management's Profile

Encik Md Diah bin Ramli
Director of Datasonic Technologies Sdn Bhd

61 YEARS OLD

Date of Appointment:
17 January 2008

Length of Service:
14 years

Encik Md Diah bin Ramli graduated from Institut Teknologi MARA in 1983 with a Diploma in Applied Science majoring in Planting Industry and Management. He attended the Cranfield Global CEO Programme at Cranfield University School of Management, Bedfordshire, UK, and is a member of the Cranfield University Alumni.

He began his career as a Plantation Assistant Manager at Harrisson Malaysian Plantation Berhad in 1983. Subsequently, he joined FELCRA Settlers Cooperatives in 1985 as a Project and Marketing Assistant Manager. In 1992, he joined Dibena Enterprise Sdn Bhd in Sales and Marketing, and he was promoted to Senior Manager in 2004. He has vast experience through his involvement in various business and management portfolio within the Group.

In 2005, he was appointed Executive Director of Dibena Enterprise Sdn Bhd, the promoter and substantial shareholder of Datasonic Group. He was a Director of Datasonic Group from 2011 until 2019. Currently, he is a Director of Datasonic Technologies Sdn Bhd, a wholly owned subsidiary company of the Group.

He does not hold any directorship in other public companies and listed companies.

Mr Chew Chi Hong
Chief Corporate Officer

45 YEARS OLD

Date of Appointment:
15 February 2006

Length of Service:
16 years

Mr Chew Chi Hong is the Group's Chief Corporate Officer. He graduated from the University of Hertfordshire, United Kingdom, in 1999, with a Bachelor of Arts, majoring in Marketing.

He has more than 20 years of working experience in the Information and Communications Technology (ICT) industry in semiconductors and smart card technology. His career spans a wide portfolio from sales and marketing, corporate planning and strategic development to operations management.

He joined Datasonic as Senior Manager in Corporate Planning and Strategic Development in 2006 and was subsequently promoted to Chief Operating Officer in 2007.

His responsibilities include overseeing the Group's strategic planning, corporate exercises and overall operations of Datasonic Group of Companies.

He does not hold any directorship in other public companies and listed companies.

Key Senior Management's Profile

Madam Chuah Huei Jiun
Chief Financial Officer

43 YEARS OLD

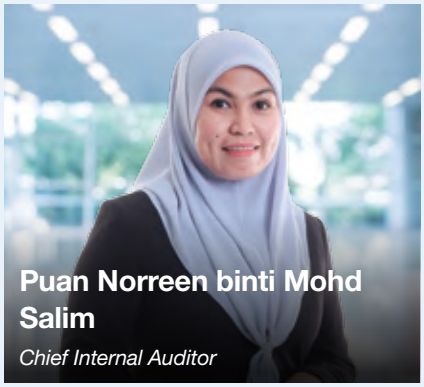
Date of Appointment:
1 December 2011

Length of Service:
11 years

Madam Chuah Huei Jiun joined Datasonic as Assistant Financial Controller of Datasonic Group on 1 December 2011 and was subsequently appointed Chief Financial Officer on 1 March 2013. She is a fellow member of the Association of Chartered Certified Accountants (ACCA) (UK), and a member of the Malaysian Institute of Accountants (MIA).

She started her career in 2001 at a public accounting firm. She has extensive experience in statutory audits of public listed companies and private limited companies in various industries, financial due diligence on merger and acquisition exercises, bonds issuances and corporate exercises for a Main Market listed company and reverse takeover of a ACE Market listed company.

She does not hold any directorship in other public companies and listed companies.



Puan Norreen binti Mohd Salim
Chief Internal Auditor

39 YEARS OLD

Date of Appointment:
11 November 2012

Length of Service:
10 years

Puan Norreen binti Mohd Salim joined Datasonic as Chief Internal Auditor on 11 November 2012. She graduated from Universiti Utara Malaysia in 2006 with a Bachelor of Accountancy. She is an Associate Member of the Institute of Internal Auditors Malaysia ("IIAM") and a Chartered Accountant of the Malaysian Institute of Accountants ("MIA").

She has more than 15 years' experience in internal audit and risk-based advisory services. She began her career in 2006 at Ernst & Young under Risk Advisory Unit for more than six (6) years. During her employment with Ernst & Young, she has performed and led various risk-based advisory services to clients in various industries, including internal audit, risk management, due diligence and entity-level controls review, investigative audits, quality assurance review on internal audit functions, review and development of policies and procedures, development of financial control framework and Sarbanes Oxley 404.

She is leading the internal audit function to provide independent and objective assurance on the adequacy and effectiveness of the internal control system, risk management and governance processes of Datasonic Group.

She does not hold any directorship in other public companies and listed companies.

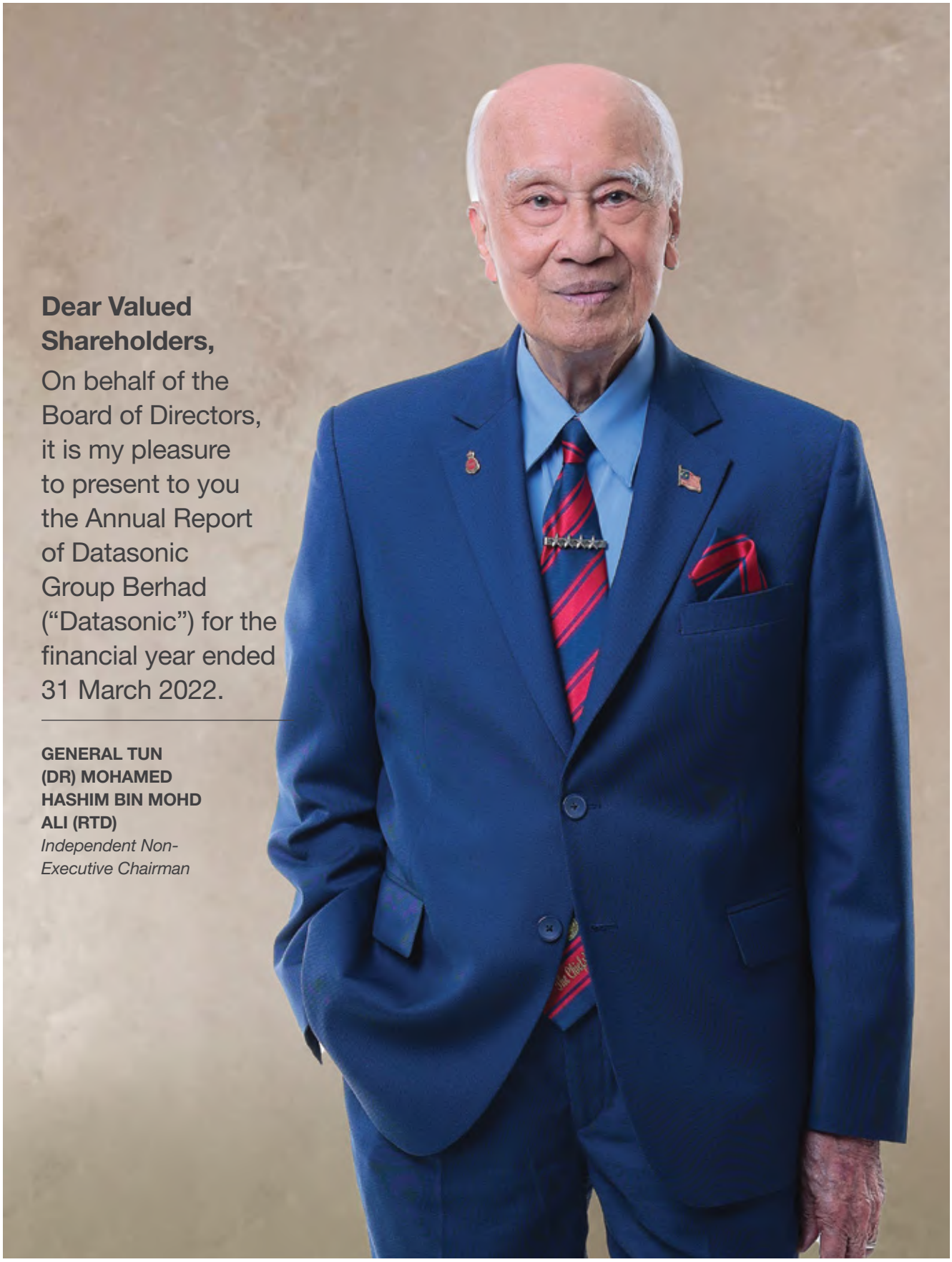
ADDITIONAL INFORMATION ON THE KEY SENIOR MANAGEMENT

Family Relationship with any Director and/or Major Shareholder
None of the Key Senior Management has family relationship with any other Directors and/or Major Shareholders of the Company.

Conflict of Interest
None of the Key Senior Management has any conflict of interest with the Company.

Conviction for Offences
(within the past five (5) years, other than traffic offences)
None of the Key Senior Management has any conviction for offences (other than traffic offence, if any) and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

Chairman's Statement



Dear Valued Shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report of Datasonic Group Berhad ("Datasonic") for the financial year ended 31 March 2022.

GENERAL TUN (DR) MOHAMED HASHIM BIN MOHD ALI (RTD)
Independent Non-Executive Chairman

This drove our profit attributable to the owners of the Company ("net profit") to RM10.2 million in FY2022 from RM7.3 million a year ago.

INDUSTRY OVERVIEW

Governments and businesses were better prepared as they entered the second year of the Coronavirus disease ("COVID-19") pandemic. Despite new variants such as Delta and Omicron throwing a curveball, the global economy recorded commendable growth with the continued rollouts of stimulus packages. The International Monetary Fund ("IMF") estimated the world economy to grow by 5.9% in 2021 as compared to a contraction of 3.3% in 2020.

Back home, Malaysia managed to achieve good momentum in the first half of the year despite the imposition of the second movement control order ("MCO 2.0") in the early months. However, the introduction of the full MCO ("FMCO") in the second half of 2021 had a greater bearing on the health of the local economy. Among the restrictions imposed were international and interstate travel bans, closure of non-essential services, limited operating hours, and workforce constraints. Collectively, these have adversely affected businesses nationwide.

In response, having understood the businesses and *rakyat's* concerns on livelihood, the Government put in place the National Recovery Plan ("NRP") as an exit strategy from the crisis. This, together with the successful National COVID-19 Immunisation Programme, has put our country back on course for recovery. As a result, Malaysia's gross domestic product ("GDP") expanded 3.1% in 2021 versus a contraction of 5.6% in 2020, according to Bank Negara Malaysia ("BNM").

FY2022
Profit After Tax
RM10,225 million

FY2022
Earnings Per Share
0.36 Sen

BUSINESS AND FINANCIAL HIGHLIGHTS

It was an onerous year for us at Datasonic as we had to navigate through the arduous business operating landscape once again. The situation was exacerbated by the spill over effects of the pandemic, which led to supply chain disruptions, rising raw materials and commodity prices, and labour and raw material shortages. In turn, this further added to the market uncertainties and making it more challenging to manoeuvre around.

On a positive note, Datasonic was well-prepared for the said challenges, as our comprehensive business continuity plan ("BCP") was already in place from the year before and our team was better-prepared to address the situation. Throughout the various MCOs enforced, we are delighted to share that there were no major disruptions to our business and manufacturing facilities. Datasonic continued to be fully compliant with the Standard Operating Procedures ("SOPs") imposed by the authorities.

Chairman's Statement

Furthermore, we managed to win several contracts in FY2022 despite the tough conditions, which is a testament to the team's capabilities and track record. All in all, our business fundamentals remained largely intact with all the measures in place alongside prudent management and strict cost discipline.

The various MCOs introduced in the financial year under review had impacted our financial performance, as the demand for smart cards and its consumables were affected. Nevertheless, the orders for MyKad and passport recovered very strongly especially in the fourth quarter ("4QFY2022") of FY2022 and enabled us to close the financial year on a stronger note. This drove our profit attributable to the owners of the Company ("net profit") to RM10.2 million in FY2022 from RM7.3 million a year ago. On the other hand, revenue in the financial year under review stayed relatively stable on a YoY basis at RM136.4 million.

In tandem with our improved performance and long track record of rewarding our shareholders consistently since our listing in 2012, we declared a total dividend of 0.6 sen per share in FY2022, amounting to RM17.2 million. This works out to a dividend payout ratio of 168.6% based on FY2022 net profit. For more detailed analysis of our financial performance, please refer to the Management Discussion and Analysis section of this Annual Report.

HUMAN CAPITAL DEVELOPMENT AND RESEARCH AND DEVELOPMENT ("R&D")

Human capital will always be the most valuable asset for Datasonic. Talent plays an instrumental role in growing our business and driving our R&D where our in-house R&D team has developed most of our customised systems and solutions. Therefore, Datasonic has been continuously investing in our talent and R&D regardless of the pandemic. By doing this, it would enable us to preserve and boost our competitive edge and remain as one of the most prominent security-related integrated information and communications technology ("ICT") solutions providers in Malaysia.

We have a robust human capital strategy that involves the hiring, retaining and upskilling of the right talents who are aligned with Datasonic's culture and goals. In FY2022, we conducted employee engagement activities to gain insights in order to strengthen our human capital development while taking into account our employees' input. It is also important to point out that there were no retrenchment or salary deductions in FY2022 due to the pandemic.

Every year, Datasonic continues to make new breakthroughs in our R&D. Last year, we developed a new generation of e-gates with facial recognition and enhanced multimodal biometric solution with improved efficiency and processes. We are proud to share that these new e-gates have been successfully deployed to the Immigration Department of Malaysia's checkpoints. As the digital transformation journey gains further traction, our efforts on the design architecture and the revamp of existing processes to digitalise the processes and procedures to adapt to the changing needs and demands have accelerated as well. Datasonic aims to develop more integrated and high-security products and solution services for the market that we serve and also potential markets while continuously delivering exceptional quality and delivery services to our customers.

SUSTAINABILITY AGENDA

Sustainability is core to us at Datasonic, as it is important for us to take into account of the Environmental, Social and Governance ("ESG") considerations in building a long-term sustainable business. Our business and operational approach must take into account these considerations and adapt and/or change accordingly in order to deliver long-term value to our stakeholders, as we want the actions taken today to build a better tomorrow.

We have been channelling more efforts in our sustainability initiatives with the objective of continuous improvement every year. Datasonic has successfully developed several new internal guidelines, which would further improve our ESG initiatives and compliance. Despite this, we are not resting on our laurels and are exploring more ways to enhance ourselves.

In the financial year under review, we continued to exercise our corporate social responsibility ("CSR") and contributed to the local communities. There were a series of donations to charitable causes, which included monetary contribution to registered non-profit retirement and underprivileged homes, school donation drive, and national sports agenda, among others. For more in-depth elaboration on this, kindly refer to the Sustainability Statement section of this Annual Report.

Moving forward, while we anticipate the economic situation to remain challenging, we are keeping an upbeat view on our prospects.

LOOKING AHEAD

Moving forward, while we anticipate the economic situation to remain challenging, we are keeping an upbeat view on our prospects. The recovery of the Malaysian economy is expected to gain further momentum. BNM has forecasted a GDP growth of 5.3% to 6.3% for 2022 supported by expansion in global demand and higher private-sector expenditure.

More importantly, Datasonic is poised to benefit from the reopening of borders given that we are the total solution provider of passports to the Immigration Department of Malaysia. We want to serve our country with pride and continue providing exceptional quality with timely delivery services to avoid any interruptions. Datasonic has been preparing in anticipation to meet the strong demand for passports. At the same time, we foresee the orders for Malaysia National ID ("MyKad") and its consumables to bounce back firmly in line with the economic recovery.

Separately, with international travel gradually returning to normalcy, our business development team has been travelling overseas to meet with existing and potential partners/customers to scale our business. The pandemic has hindered some of our plans and we are now putting everything back on track.

On digital transformation, we continue to see vast opportunities for Datasonic given our technical expertise, established track record, and ongoing R&D efforts. As the pandemic gradually makes its way into our rear-view mirror, we expect the digitalisation revolution to accelerate at a faster pace, which augurs well for us.

In closing, we are delighted that the worst is behind us and the outlook ahead looks bright for Datasonic. Our focal point continues to be on the smooth delivery with exceptional quality of all our projects and enhancing value for all our stakeholders. Barring any unforeseen circumstances, we are looking forward to a much better year in FY2023.

APPRECIATION

On behalf of the Board, I would like to extend my heartfelt appreciation to our management and staff for their commitment, hard work and contribution to Datasonic, especially during these demanding times.

A huge thank you to all our stakeholders, including but not limited to our customers, business partners, bankers, and suppliers for their unwavering support to Datasonic. To our shareholders, my deepest gratitude goes to you for your patience throughout the difficult period, and for your confidence in us as we continue to grow our business.

Next, I wish to welcome our new Board member who joined us in FY2022. Datasonic is pleased to have Encik Azrul Bin Yahaya with us as our Independent Non-Executive Director. He brings with him valuable expertise and experience in the financial industry and digitalisation, which we are confident will contribute positively to the Group.

Last but not least, I would like to acknowledge my fellow Board members for their continuous support and wise counsel throughout the year. I have no doubt that our management team, under the leadership of the Board, will steer Datasonic to greater heights as a much brighter future awaits us.

General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd)
Independent Non-Executive Chairman

Management Discussion & *Analysis*

WAN ZALIZAN BIN WAN JUSOH

Dear Esteemed Shareholders,

The Coronavirus disease ("COVID-19") continued to dominate headlines in 2021 as the world entered into the second year of the pandemic. The world began 2021 on a better footing and higher optimism as global inoculation campaigns sparked hopes of a return to pre-COVID-19 normalcy, but enthusiasm subsided over the course of the year as new variants, geopolitical tensions, and supply chain woes popped up. Nonetheless, signs of economic recovery were still present, albeit at an uneven pace.

Like the rest of the world, Datasonic experienced its fair share of breakthroughs and challenges throughout the financial year ended 31 March 2022 ("FY2022"), yet positive developments outweighed the negatives. Early signs of healthy recovery were apparent as the team delivered improved results in the fourth quarter ("4QFY2022") of FY2022. This brought FY2022 profit attributable to the owners of the Company ("net profit") to RM10.2 million, on the back of RM136.4 million revenue. More excitingly, this has set us up nicely for an exciting FY2023, where the reopening of borders and our country's transition to endemicity would propel Datasonic to a better position and greater financial performance.

BUSINESS REVIEW

The operating environment has been taxing as the world continued to grapple with the effects of the COVID-19 pandemic. The health crisis turned into an economic crisis that has been and continued to be detrimental to many businesses worldwide. Likewise, Datasonic has not been spared by the impact arising from the various forms of movement control orders ("MCO") implemented to curb the pandemic.

The third MCO ("MCO 3.0") and the Full MCO ("FMCO") brought many industries and businesses to a halt. This led to the temporary closure and shortened working hours at Government agencies, which affected the demand for Malaysia National ID ("MyKad") and its consumables as well as passport issuance to the public. This was just a temporary setback for Datasonic, as the orders for smart cards have begun to recover towards the end of FY2022, in line with the economic recovery.

Figure 1: E-gates with facial recognition system at Malaysia-Singapore entry/exit points at Bangunan Sultan Iskandar

On a more positive note, we saw significant pent-up demand for passports as we progressed further into the second half of our FY2022, in tandem with the relaxation of international travel restrictions. Previously, the deliveries of passports were at a much slower rate, as there was no urgency for renewal of passports due to international border restrictions.

In the financial year under review, Datasonic completed the delivery of several e-gate projects. We had in March 2021 completed the deployment of 16 e-gates with our own in-house developed facial recognition system to Immigration Department of Malaysia at the Malaysia-Singapore entry/exit points, which is part of the Malaysia Automatic Clearance System ("MACS") project. Subsequently, Datasonic received a contract extension for the supply of additional six (6) units of e-gates for the MACS project, which was successfully completed by our core R&D, technical and engineering team in November 2021. Following the successful delivery of the abovementioned projects, we have further received a 1-year contract for the expansion of MACS under the MACS Xp project with additional 20 units of e-gates to be installed at the Immigration Office of Bangunan Sultan Iskandar, Johor.

Over at the Custom, Immigration and Quarantine ("CIQ") Complex at Desaru, Johor, we have also completed the deployment of additional four (4) lanes of our new generation of bidirectional e-gates with facial recognition system in FY2022.

Apart from the aforementioned contract, Datasonic has also secured several other projects in FY2022. In June 2021, we clinched a RM39.8 million contract for the comprehensive technical and maintenance services of MyKad's card personalisation centres at the National Registration Department for a duration of 24 months.

More importantly, Datasonic had in November 2021, secured letters of extensions from the Ministry of Home Affairs for the supply of the Malaysian Passport Chips, Passport Documents and Polycarbonate Biodata Pages for a period of 24 months commencing from 1 December 2021 to 30 November 2023. The remaining value of the contract is approximately RM280.0 million at the point of announcement.

Management Discussion & Analysis

Datasonic takes pride that we have been the sole provider of passport solutions to the Immigration Department of Malaysia since 2016 with an excellent track record. We are grateful for the continuous trust given to us by the Government and will continue to leverage on our expertise, technical know-how and experience to provide exceptional and timely delivery services as we play our part in our country's national security.

Separately, early this year, we have won a RM50.1 million job for the supply of MyKad, MyTentera, MyPOCA raw cards and consumables to National Registration Department for a duration of 12 months and another RM22.5 million contract to provide the services of design, print, supply and deliver of various security documents for a period of 36 months.

These wins brought our outstanding order book to RM435 million as at 31 March 2022, providing Datasonic with clear earnings visibility for the coming years.

Despite the challenging operating landscape, we remain laser-focused on our research and development ("R&D") and continuously invest in it. R&D is deeply ingrained in Datasonic, as it enables us to remain at the forefront of our industry while maintaining and enhancing our competitive edges. We are proud that most of our systems and solutions were developed in-house by our more than 100 highly capable R&D and technical staff. Plus, being a past winner of the prestigious Malaysia Cyber Security Company of the Year keeps us motivated to drive greater innovation at Datasonic.

Order Book Value
RM435 million
as at 31 March 2022

Selected System / Solution Developed In-House

- **Strong R&D with Own Patented Solutions**
- **Proprietary Smart Card Operating System** *(with one of the highest certification in the industry)*
- **Centralised and Decentralised Smart Card Issuance System**
- **ICAO-compliant e-Passport Solutions and Application Systems**
- **Financial Instant Issuance (FII) Credit Card Issuance System**
- **Automated Multimodal Biometric Border Control System** *(Facial, Fingerprint, Iris / Eye Recognition)*

Figure 2: Selected system/solutions developed in-house by Datasonic

In FY2022, Datasonic's R&D continued to take new steps forward in the innovation front. We have been developing the Electronic Know Your Customer ("eKYC") system by leveraging on our highly capable in-house R&D capabilities to test and replicate real industrial demand. We see ample opportunity in this area, which is in line with the acceleration of digital transformation adoption worldwide including Malaysia.

Just as importantly, we would like to recap that Datasonic Chip Operating System ("DCOS") is one of the best chip OS in the world using International Civil Aviation Organisation ("ICAO") Basic Access Control ("BAC") compliant dataset. Our DCOS has obtained the internationally recognised Common Criteria ("CC") Evaluation Assurance Level ("EAL") 4+ certification, the yardstick of security in the realm of identity document. As part of our continuous innovation, we have also made DCOS to be forward compatible with product from tier one formidable chip maker; thus, enabling us in completing the ecosystem from the upstream of life cycle processes, i.e. management of key certificate, to the downstream of personalisation and verification processes.

In addition to all these achievements, our R&D team has continuously contributed to the nation with our endless products and service offerings:

National Registration Department:
- Personalisation Support and Maintenance
- New printing system for MyKad Personalisation

Immigration Department of Malaysia:
- Bidirectional e-gate
- Facial Live Capture (FLC)
- MACS Gate
- Personalisation Support and Maintenance
- Autogate Support and Maintenance
- ePassport Public Key Infrastructure (PKI)/ Public Key Directory (PKD) Support and Maintenance.

OPERATIONAL REVIEW

It was yet another demanding year for us operationally due to the COVID-19 pandemic and the resultant MCOs imposed. Nevertheless, we are pleased that our business continuity plan ("BCP") continued to work effectively and ensured that all our business activities function accordingly. The flexible working arrangement remained in place but towards the end of the financial year, Datasonic's team has gradually returned to the office with alternate working arrangement as the situation improved. All this while, we continued to take extra precautionary measures to protect our employees while ensuring our business went on smoothly and uninterrupted, as we placed high priority on the safety and welfare of our employees.

Similarly for our manufacturing facilities, we remain in full compliance with the stringent Standard Operating Procedures ("SOPs") imposed by Majlis Keselamatan Negara ("MKN"). During the MCO 3.0 and FMCO period, we operated with 60% of workforce in accordance with the guidelines enforced. Our emergency response team continued to play a pivotal role in monitoring and managing the situation at Datasonic. As a result, there were no major disruptions to our business and operations in FY2022.

Both our manufacturing plants in Petaling Jaya and Meru, Klang, have been building up inventory in anticipation of the increase in demand for passports and smart cards. Apart from our continued improvement plan in production efficiency and delivery yields, we are also in the midst of pursuing new industry standard certification, namely the Intergraf certification to further uplift our standard and manufacturing capabilities. Intergraf is the trade association promoting and protecting the interests of the printing industry.

Furthermore, we have continued to upgrade our manufacturing equipment to enable us to further increase our local capabilities and know-how following our investments in our manufacturing facility, machineries and system. This has significant benefits in stemming cost savings, improvement in production efficiency with shorter lead time, reduction in dependency over external vendors and lowered our exposure to foreign exchange risk.

Common Criteria Certificate

is awarded to

Datasonic Smart Solutions Sdn Bhd

For

Datasonic Chip Operating System (DCOS) version 1.0

Type of Product: ICs, Smart Cards and Smart Card-Related Devices and Systems
Protection Profile Conformance: None
Evaluation Criteria: Common Criteria for Information Technology Security Evaluation Version 3.1 Revision 5
Evaluation Methodology: Common Methodology for Information Technology Security Evaluation Version 3.1 Revision 5
Malaysian Security Evaluation Facility (MySEF): Securelytics SEF
Assurance Package: EAL4+ ALC_FLR.3, ALC_DVS.2

DATO' TS. DR HAJI AMIRUDIN ABDUL WAHAB
MyCC Scheme Owner

2nd May 2019
Certificate No: 2019-003-C086

Certified • Recognised • Assured

CyberSecurity MALAYSIA

FINANCIAL REVIEW

Revenue

Datasonic's FY2022 revenue remained relatively stable on a YoY basis at RM136.4 million versus RM138.4 million a year ago. The performance was weighed down by the weaker 1QFY2022 results as the COVID-19 pandemic adversely affected the demand for MyKad.

Gross Profit ("GP")

FY2022 GP increased to RM73.5 million from RM72.0 million in the previous year. The slight increase was largely attributed

Management Discussion & Analysis

to improved operational efficiency attained especially in the 4QFY2022. GP margin continued to be healthy at 53.9% in FY2022 as compared to 52.0% in FY2021.

Net Profit

In the financial year under review, Datasonic delivered a net profit of RM10.2 million up from RM7.3 million in FY2021. The larger-than-proportionate increase was chiefly driven by higher operational efficiencies, other income and lower finance costs.

Capital Structure and Capital Resources

Datasonic's healthy and strong balance sheet continued to play a crucial part as we manoeuvre through the strenuous environment arising from the pandemic. As of end-FY2022, our total assets stood at RM400.8 million, an increase of RM80.2 million or 25.1% YoY from RM320.5 million a year ago. The primary reason behind this was due to higher cash and cash equivalents.

Our total cash holdings rose to RM114.7 million as at 31 March 2022 from RM42.2 million a year ago, which mainly stemmed from the proceeds raised from the private placement exercise completed in the early part of the financial year under review. The additional fund raised has further improved our financial cashflow position to support our existing and new projects requirement and our competitiveness in tender requirement and processes, which enable us to participate in more projects to further strengthen our portfolio and revenue stream.

On the other hand, Datasonic's total liabilities as of FY2022 reduced significantly to RM58.3 million from RM94.2 million a year ago. The reduction was largely due to the paring down of borrowings in the financial year under review. Total borrowings as at 31 March 2022 stood at RM32.7 million, which was a reduction of RM27.2 million from RM59.9 million in the previous year.

Net Gearing and Cash Per Share

Following the increase in total cash holdings and decrease in total borrowings, Datasonic is in a net cash position as of 31 March 2022 with cash per share of 4.0 sen.

Total Asset

RM400.8 million

Total Equity

RM342.5 million

Net Assets

11.9 sen per Share

Net Cash Position

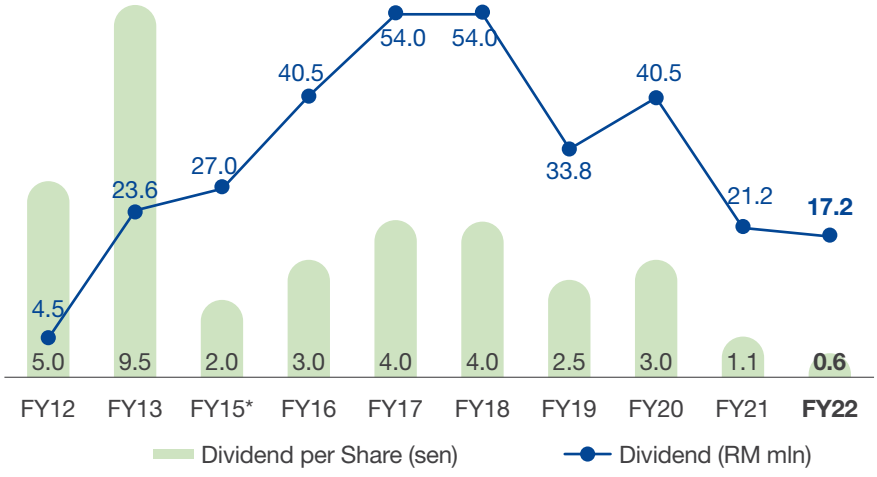
4.0 sen Cash per Share

As at 31 March 2022

DIVIDENDS

At Datasonic, we strive to maintain a stable stream of dividends as part of our continuous efforts to reward our shareholders for their unwavering support while at the same time preserve adequate reserves for our future growth. We have been consistently rewarding our shareholders with dividend every year since our listing in 2012.

For the financial year under review, the Board had declared and paid four (4) interim dividends totalling to 0.6 sen per ordinary share, which amounted to RM17.2 million. This translated to a dividend payout ratio of 168.6% based on FY2022 net profit.



*changed FYE from 31 December to 31 March.

Dividend Payout Every Year Since Our Listing In 2012

ANTICIPATED OR KNOWN RISKS

Competition Risk and Ability to Secure New Projects

Although Datasonic has a leading position in the ICT solution and e-government services industry, competition remains prevalent for us. With Datasonic's revenue being primarily derived on a contractual basis, competition occurs as Datasonic is required to undergo tedious bidding processes via open tender with other market players to secure or extend a contract from our clients.

In mitigation, core competencies are developed with the goal to provide world class integrated solutions and excellent services at competitive rate. In turn, this enables us to consistently maximise the value for our customers and attain greater market share as well as expand our products and solutions portfolio that bolsters our standing in the industry. Datasonic also continues to prioritise our human capital development and R&D in order to foster greater innovations.

Customer Concentration Risk

As Datasonic's revenue sources are notably reliant on the contracts secured from Government agencies, the loss of one or more of our major customers/ contracts without securing any new customers to replenish the loss of business will impose material and adverse effects upon us.

As a leader in the industry, we possess a robust track record in timely delivery of products and services along with extensive technical knowledge in providing effective ICT solutions. Pairing them with our prioritisation on customer satisfaction, they allow us to gain strong competitive edge against our peers and help retain our customers. Meanwhile, to further enhance our revenue stream, we are constantly exploring new business prospects and opportunities, especially in digital transformation, which are in line with our business strategies and core competencies.

Operational Disruptions

Our performance is predominantly dependent on the efficiency and functionality of the operations in which any disruptions or unplanned shutdowns may cause adverse impact to Datasonic. This can be observed over the past year or so with the imposition of movement restrictions to curtail the COVID-19 cases in Malaysia where our business operations were temporarily halted or forced to operate at reduced capacity. We have been in compliance with stringent SOPs and mitigation measures outlined by the authorities. Other external business risks such as natural disasters, pandemics, riots, and general strikes are beyond our control and may impose material and negative effect upon our operations.

PROSPECTS FOR FY2023

As we move into the new financial year FY2022/2023, the demanding business operating conditions are expected to persist on the back of market uncertainties, supply chain disruptions, rising raw materials and commodity prices, and labour shortage. On a much brighter note, the global broad-based economic recovery is gaining further traction as the COVID-19 pandemic transitions towards endemicity.

On the home front, the economic activities have been picking up pace too as our country progress towards endemicity with regards to the COVID-19. The Ministry of Finance ("MoF") has forecasted a GDP growth of 5.3% to 6.3% for 2022 supported by stronger domestic and external demand, increased economic activity and continued labour market recovery.

Reopening of Borders Augurs Well for Datasonic

As mentioned earlier, the restrictions on Malaysia's international borders affected our performance at the start of FY2022. With the borders reopened, Malaysians are resuming their business and leisure travel activities, which would highly spur the demand for passports. Plus, passports are time-dated document with a 5-year validity period, thus many passports have expired and yet to be renewed as a result of the pandemic. Therefore, we are seeing pent-up demand for passports, which is expected to come from renewal and the application for new passports.

Since the reopening of our borders, we are experiencing a strong uptick in demand for passports, which is expected to continue in the coming months. We have been readying ourselves in anticipation of the surge in orders to ensure continuous and smooth delivery of passports to cater to this spike. As the total solution provider of Malaysian passports, we strive to provide exceptional and timely delivery

Management Discussion & Analysis

as we play our part in our country's national security. On the manufacturing side, we are closely managing our supply of raw materials to avoid any disruptions, and we are constantly engaging with our clients on the delivery and schedule planning.

Imminent Rebound in Orders for MyKad and Consumables

The orders for MyKad were adversely affected by the movement control restrictions implemented in early FY2022. The demand was substantially lower than the previous two (2) financial years. Nevertheless, we have witnessed a gradual recovery in orders since the 4QFY2022 and we anticipate the orders to rebound stronger going forward as the economic recovery is charting a good momentum. The volume of new MyKads processed daily is also expected to increase with Government agencies' operations returning to normalcy with a larger workforce, in line with the Government's "Transitioning to Endemicity" phase.

Multi-Purpose ID

Besides MyKad, Datasonic is also highly experienced in multi-purpose ID supported by our in-house software applications and OS as well as R&D team. Following the reopening of borders, big inflow of foreign workers into Malaysia will be forthcoming. The pandemic has highlighted the critical need to have a robust system to monitor and verify the movement of foreigners. The Government is considering to implementing implement the multi-purpose ID such as the foreign worker card ("i-KAD"), which has a highly secured chip with the latest security features to avoid fake cards being issued.

Financial Cards Renewal and Migration

As the largest personalisation solution provider for Europay, Mastercard and Visa ("EMV") chip-based credit card and Malaysian Chip Card Specification ("MCCS") standard debit card in Malaysia, we stand to benefit from the renewal and migration process of financial card.

We were the pioneer in credit and debit card personalisation and played a major role in all past national financial card migration process since year 2003. In 2016/2017, there was a nation-wide migration from chip-based to PIN-based credit and MCCS debit card. Before that, it was the migration of magnetic stripe to chip-based card. In the coming financial years, large batches of PIN-based credit card and MCCS debit card are due for renewal, which bodes well for Datasonic.

Acceleration of Digitalisation

Digital transformation has been the key focus for businesses and governments around the globe, including Malaysia. The launch of Malaysia Digital Economy Blueprint ("MyDIGITAL") will help our country achieve its aspiration to become a digitally-driven, high-income nation and regional leader in the digital economy. There are also plans for a digitally-enabled government that will provide integrated end-to-end online services, which are more efficient, effective and transparent.

As part of this transformation, the Government will introduce a National Digital Identity ("NDI") for online services and transactions, according to the Ministry of Home Affairs. Besides digital ID, there are many opportunities for digitalisation such as Government services, security documents, eKYC, border control solutions, security and surveillance, and many more.

The transformation has certainly posed immense opportunities for Datasonic. Premised upon our track record and R&D capabilities, we are ready and strongly believe that Datasonic can play a key role in Malaysia's digital transformation journey.

Closing Remarks

All in all, it is shining prospects ahead for Datasonic underpinned by the aforementioned factors. Our focus remains on the execution and delivery of our order book and projects while working hard to secure more jobs to boost our order book. At the same time, we are also mindful of the ongoing challenges, and Datasonic will continue to leverage on our solid balance sheet and prudent management to steer through the obstacles ahead. We are looking forward to an exciting financial year in FY2023 barring any unforeseen circumstances.

Wan Zalizan bin Wan Jusoh
Managing Director

Sustainability Statement

ABOUT THIS REPORT

Sustainability is core to Datasonic Group Berhad ("Datasonic" or "the Group") as we view Environmental, Social and Governance ("ESG") considerations as means to enhance our business processes and bring greater value to society. These factors guide the culture at Datasonic and how we do business, from sourcing responsibly to providing sustainable and innovative solutions to our customers.

The actions we take today form the foundation for a better tomorrow. Over the years, Datasonic has been on a journey to incorporate sustainability into the planning and decision-making of the Group. For the financial year ended 31 March 2022 ("FY2022"), we continued to recognise sustainability as a strategic priority across the Group and build on the progress we have achieved thus far.

In this Sustainability Statement, we summarise the Group's ESG-related initiatives and performance for FY2022, and the steps on how we can further improve towards a more sustainable future.

Reporting Scope and Boundaries

This report covers the reporting period from 1 April 2021 to 31 March 2022, in line with Datasonic's financial year. The information presented encompasses the business operations and activities of Datasonic and its subsidiaries, where it has a majority of ownership, unless otherwise stated.

Where possible, we endeavour to provide historical data for comparison to make our disclosure more meaningful for our stakeholders.

Reporting Guidelines and Frameworks Referenced

- Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements
- Bursa Malaysia's Sustainability Reporting Guide (2nd Edition)
- Global Reporting Initiative Sustainability Reporting Standards
- United Nations Sustainable Development Goals
- ISO 26000:2010 Guidance on Social Responsibility
- Local and international sustainability rating criteria

Assurance

This statement has not undergone external assurance. As we progress in our sustainability journey, we shall work towards obtaining a third-party verification.

Sustainability Statement

OUR SUSTAINABILITY STRATEGY

Sustainability for Datasonic means managing and operating a responsible business while balancing our economic goals, social and governance responsibilities as well as our environmental commitments. Datasonic's ethos is centred on bringing value to society and empowering the nation via the deployment of Information and Communications Technology ("ICT") offerings.

To achieve this, we have identified five (5) focus areas of sustainability linked to the United Nations Sustainable Development Goals. This allows us to work towards reaching our sustainability goals while contributing to the global collective effort for the betterment of the economy, environment and society.

SUSTAINABILITY GOVERNANCE

Sustainability governance is essential in driving a more effective implementation of our sustainability strategy and how it is assimilated within our operations. The Group's Board of Directors ("the Board") holds the highest responsibility in matters relating to sustainability, taking into consideration economic, environmental and social ("EES") risks and opportunities when formulating our sustainability direction.

These matters are then cascaded and communicated to the Executive Committee ("EXCO"), which is accountable for overseeing the execution of our sustainability approach and efforts across the Group. The EXCO empowers the Group's business units to collect relevant ESG data and information, which will be collated and reviewed by the EXCO and Group Management Committee ("GMC"). Thereafter, identified material topics will be presented to the Board for further deliberation by the EXCO.

STAKEHOLDER ENGAGEMENT

One of the pillars of sustainability is stakeholder engagement. Datasonic has a broad array of stakeholders whom we impact and who in turn, impact us. We seek to actively engage the Group's key stakeholder groups to gain insights into their expectations and concerns, maintaining an open and transparent dialogue. This two-way communication helps us in setting Datasonic's business priorities while addressing the needs of our stakeholders more effectively in pursuit of delivering long-term value to all stakeholders.

Our stakeholders have been grouped under six (6) major categories according to the AA1000 Stakeholder Engagement Standards. In FY2022, due to the COVID-19 pandemic, most stakeholder engagements were virtually held, while physical meetings were conducted in a safe manner in adherence to the government's set standard operating procedures ("SOP").

Sustainability Statement

Stakeholder Group	Expectations and Interests	Engagement Approach	Frequency of Engagement
Shareholders and Investors	• Investment opportunities • Business continuity and outlook • Market positioning • Return on Investment • Dividends • Governance on EES risks and/or opportunities	Annual General Meeting	Annually
		Extraordinary General Meeting	As required
		Quarterly and Annual Report	Quarterly / Annually
		Periodic announcement to Bursa Malaysia	As required
		Investor relations / briefing	Regularly
		Electronic communication / e-mail / corporate website	Continuously
Customers	• Business outlook • Market positioning • Quality goods and/or services • Product training / technology transfer	Corporate website	Continuously
		Online meetings	As required
		Training programme and feedback surveys	As required
Suppliers	• Local partnerships • Business relationships • Operational efficiency • Sustainable and ethical procurement practice	One-on-one meetings	As required
		Supplier assessment review	As required
Employees	• Career opportunities • Work-life balance • Professional development • Occupational safety and health	Online meetings / briefings / chit-chat sessions	Regularly
		Performance assessments	Annually
		Training programmes	Regularly
		Sports and CSR programmes	As required
Government and Regulators	• Compliance • Nation-building agenda • Partnerships and collaborations	Attending to queries promptly or via one-on-one meetings	As required
Communities	• Community programmes • Charitable donations and/or sponsorships • Job creation for locals • Operating responsibly	Charitable donations and/or sponsorships	As required

Sustainability Statement

MATERIALITY MATTERS

We use our materiality assessment to help us tailor our strategy and reporting to be in line with the interests of our stakeholders and those of the Group. As part of the process, we conduct surveys among stakeholders to determine the importance of each material topic to ensure accurate identification and prioritisation.

Identification of relevant aspects

We annually update a shortlist of relevant topics based on an analysis of stakeholder feedback, continuous stakeholder engagement, risks and opportunities and a review of the industry and relevant global trends.

Analysis and prioritisation

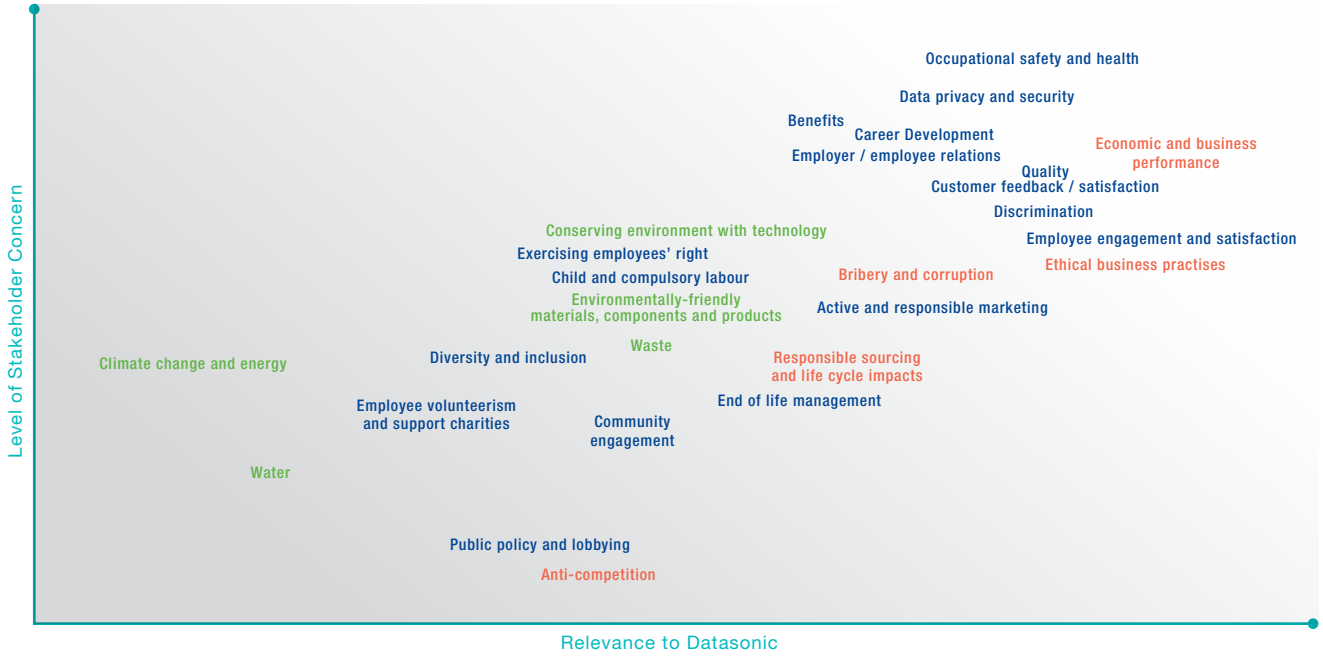
In order to select the material topics, the relevant topics are assessed on both the significance of our economic, environmental and social impacts and the relevance to our stakeholders. The impact of these topics is gauged using available data, stakeholder feedback and discussions with the Senior Management and the Board of Directors.

Implementation: strategy and report structure

The results of the materiality assessment are used to shape our strategy and define the content of this Sustainability Statement.

The input gathered from the materiality assessment helps to shape our disclosure on material topics and enables strategic discussions. For FY2022, we continue to consider the 27 EES material topics that were previously identified and prioritised, as they are deemed relevant in the current operating climate. These matters are incorporated into the Group's sustainability strategies.

Materiality Matrix



Legend:

Social | Economic | Environment

ECONOMIC

EMPOWERING THE NATION WITH INNOVATIVE ICT SOLUTIONS

Strengthening Operations for Greater Value Creation

Datasonic is one of the most prominent security-related integrated ICT solutions providers in Malaysia with an excellent track record in national critical projects, being the key provider of Malaysia National ID ("MyKad") since 2012 and International Civil Aviation Organization ("ICAO") compliant e-passport solutions to the Malaysian government since 2016.

With the onset of the COVID-19 pandemic, the process of digital transformation was accelerated around the globe. Against this evolving operating landscape, Datasonic aims to enable digitalisation throughout the nation with our suite of ICT offerings.

In FY2022, Datasonic renewed our focus on expanding our solutions base as we continue to fortify our position as one of Malaysia's leading security-related ICT solutions provider. This includes enhancing our capabilities to cater to a broader array of industries and functions.

One of the main areas we are exploring is the government's National Digital Identity ("NDI") initiative, which is a form of digital identification and self-authentication for individuals when conducting transaction online. This will enhance connectivity between transaction systems to enable safe digital transactions. We recognise the opportunities that this area presents and believe that Datasonic is well-positioned to play a part in Malaysia's digital transformation journey.

Apart from that, we remain steadfast on serving the nation leveraging on our expertise in developing multi-purpose ID. We maintain as a key vendor for the government having secured a RM50.1 million contract in 2022 for the supply of MyKad, MyTentera, MyPOCA raw cards and consumables. This is a testament to the robust quality of our products and services and our strong in-house Research and Development ("R&D") capabilities.

Meanwhile, our business development team is currently developing and exploring the acquisition of emerging technologies in relation to Smart City, such as artificial intelligence ("AI") solutions for our security and surveillance offerings. This will allow us to contribute towards the government's agenda in developing smart cities across Malaysia in line with the Malaysia Smart City Framework.

For banking and commercial clients, the Group offers financial technology ("fintech") and digital solutions such as end-to-end payment systems for self-service devices such as digital kiosks. We also develop e-Wallet and electronic booking services for our customers.

At the same time, we are developing our competencies with our in-house human resources programme, Professional Training and Education for Growing Entrepreneurs – Ready-To-Work ("PROTÉGÉ-RTW"). It is an entrepreneurial and marketplace training programme aimed at developing youths in collaboration with industry experts.

As we upgrade our technology and human capital capabilities, we aim to also uplift Malaysia's industry standards and enhance the capabilities of local players and products. Moving forward, our goal remains to expand our competitive edge and offerings as we continue investing in R&D and human capital to develop relevant and innovative ICT solutions.

Membership of Associations

Datasonic strives to contribute to the development of the industry and sustainability matters as an individual corporate entity and collectively through various industry associations. Such participation enables us to work with Datasonic's peers on sector-related topics to achieve our commercial and ESG goals, in addition to staying updated on emerging trends and industry best practices. Datasonic partakes in the following associations through its employees:

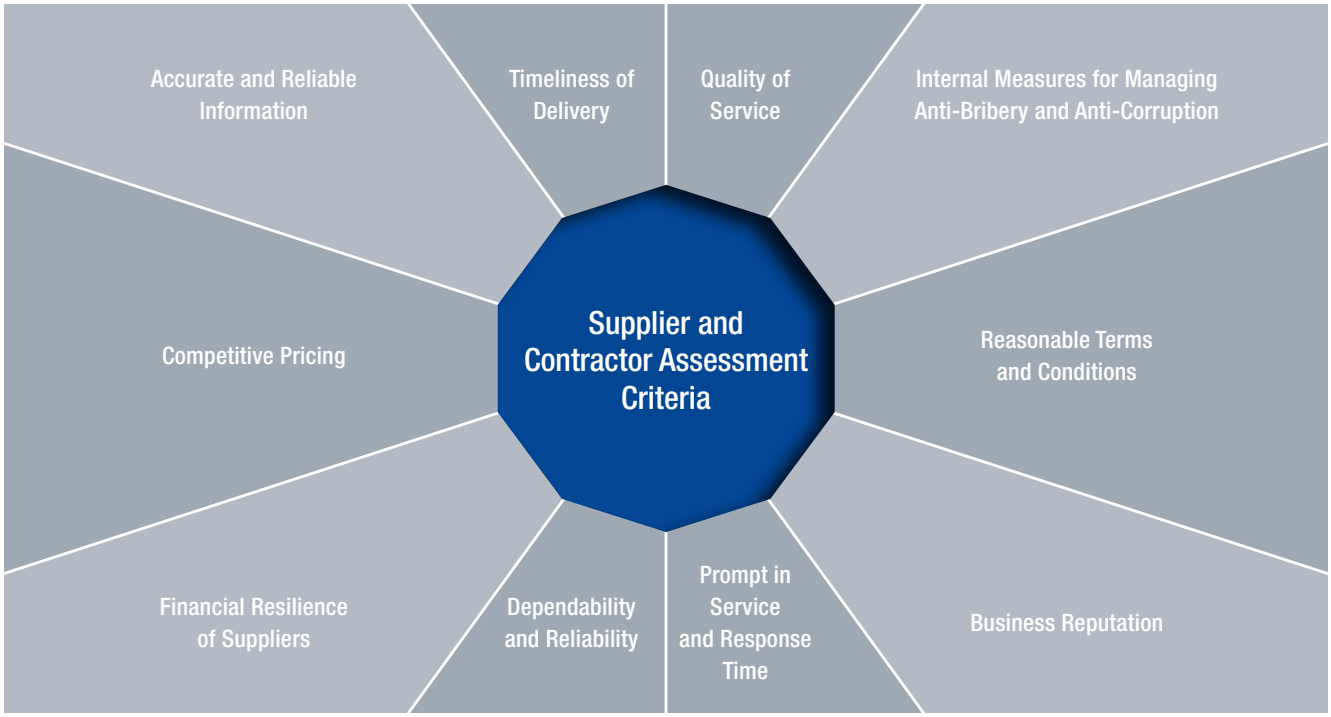
- Construction Industry Development Board ("CIDB")
- Association of Chartered Certified Accountant ("ACCA")
- Malaysian Institute of Accountants ("MIA")
- International Association of Accounting Professional ("IAAP")
- Institute of Chartered Secretaries and Administrators ("ICSA")

Sustainability Statement

SUSTAINABLE PROCUREMENT

Proper procurement management makes up one of the components to achieve sustainability and ensure our products are of high industry standards. We recognise that sustainability extends to the entire value chain including our vendors and business partners.

In identifying suppliers for our purchasing activities, we undertake assessment on various criteria to fulfil Datasonic's requirements in relation to commercial, financial, technical and operational aspects.



These are communicated in the Group's procurement policy, which outlines Datasonic's commitment towards responsible sourcing of materials and services while being mindful of the environmental impact.

Every year, the performances of our external providers are assessed continually against set criteria such as reliability, competitiveness of pricing, financial track record and business reputation, among others. This is in respect of the purchasing of notebook and desktop computers, software application, IT equipment and other IT-related accessories for internal usage and for our esteemed clients.

In FY2022, Datasonic undertook the assessment of our existing and potential suppliers. In our assessment, we also strive to encourage the procurement of products that have minimal environmental and health impact on our surroundings. The environmental costs associated with our full product life cycles are also taken into consideration. Our SOP ensures that all suppliers are assessed in a transparent and fair procurement process.

As we move ahead, we intend to include more criteria in relation to social and environmental aspects in our vendor selection process.

	FY2020	FY2021	FY2022
External Provider Assessment rating	75.0%	77.3%	78.6%

For the year under review, the rating of our vendors improved as a result of our efforts in working closely with our suppliers to improve their performance in relation to quality, timeline and pricing, to name a few.

ETHICS AND INTEGRITY

We remain steadfast in maintaining good corporate governance practices across Datasonic to preserve the Group's integrity. This is echoed in the Group's Employee Handbook and Code of Conduct. An Integrity and Governance Committee and Department were established to ensure the proper implementation and effectiveness of the Group's governance-related initiatives in line with Section 17A (Corporate Liability) of the Malaysian Anti-Corruption Commission ("MACC") Act 2009.

Whistleblowing Policy

Datasonic's Whistleblowing Policy applies to all employees and business associates. It acts as a formal and confidential platform to disclose or report any suspected questionable or improper conducts without fear of disciplinary action or reprisal, providing protection for the whistle-blower. All whistleblowing reports will be investigated thoroughly.

In FY2022, there was zero (0) whistleblowing report received by Datasonic.

Our Whistleblowing Policy is regularly reviewed and updated to maintain relevancy. The policy is available for reference on Datasonic's corporate website at https://datasonic.com.my/welcome/investors.php.

Anti-Bribery and Anti-Corruption ("ABAC") Policy

We adopt a zero-tolerance approach against all forms of bribery and corruption. Our commitment in this respect is set out in the Group's Anti-Bribery and Anti-Corruption ("ABAC") Policy, which was enforced in 2020. Our ABAC Policy fulfils the requirements in the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the MACC Act, and applies to the Group's directors, employees and business associates.

As at end of FY2022, our employees and BOD members have undergone anti-corruption training including:-

No.	Training Topics	Elements
1.	ABAC Policy associated with Section 17A (Corporate Liability) of the MACC Act 2009	The importance and implication of Section 17A MACC Act 2009 on the company's operations.
2.	Anti-Bribery Risk Assessment Awareness Training	The importance of identifying the risk of bribery in daily work processes and how to manage such incidences.
3.	Anti-Bribery Risk Assessment Workshop	Identification of the risk of bribery in daily work process and how to manage such incidences.
4.	Awareness Training on ABAC and Whistleblowing Policy associated with the MACC Act 2009 Section 17A	Communicated the importance and details of the following policies to all employees: 1. ABAC Policy 2. Whistleblowing ("WB") Policy
5.	MACC Act 2009 Section 17A Corporate Liability	The importance and implication of Section 17A MACC Act 2009 on the company's operations.

More information on the Group's policies can be found on Datasonic's corporate website at https://datasonic.com.my/welcome/investors.php.

Sustainability Statement

In FY2022, we strengthened our corporate governance initiatives with the enhancement of the ABAC Policy and Whistleblowing Policy. We also implemented an Anti-Bribery Management System and Guidelines on Adequate Procedure Manual during the year.

Non-Compliance with ABAC Policy	FY2022
Datasonic's staff disciplined or dismissed	0
Fines, penalties or settlements from regulatory authorities	0

Following the Group's anti-corruption drive, Datasonic maintains our stance as an apolitical organisation and has not made any (0%) political donations throughout FY2022.

ENVIRONMENTAL

ENVIRONMENTAL COMMITMENT

At Datasonic, we operate in compliance with the applicable environmental laws and regulations while pursuing a smaller carbon footprint. The Group's EXCO oversees the implementation of the Group's sustainability approach, assessing and identifying ways to improve our sustainability performance.

Our commitment in environmental preservation is laid out below as we call for greater environmental awareness among employees across the Group.

Datasonic's Environmental Commitment

Environmental Protection Management

By maintaining our environmental management system, we promote environmental conservation efforts that balance business activities and environmental concerns.

Reduction of Customers' Environmental Footprint

We promote energy conservation, improved recyclability and the elimination of hazardous substances to provide environmentally-friendly products and services that help customers reduce their environmental footprint while considering the life cycle of our products from materials procurement to waste disposal.

Environmental Protection and Sustainable Consumption of Resources

Being mindful of the environmental impact of business activities, we protect the environment from climate change and use resources such as energy and water sustainably.

Compliance with Environmental Legislation Preventing Pollution

Upholding all environmental laws and regulations and voluntary standards, we protect nature and minimise pollution and health hazards.

Besides managing our own environmental impact, we also have a responsibility to improve the efficiency of our supply chain and assist customers to reach their sustainability objectives. The Group's Procurement Department engages with supply chain partners to promote the use of products that have minimal adverse effects on the environment and health. Apart from that, environmental aspects are considered in the early stages of design up to manufacturing, distribution and usage of the Group's products.

As we move ahead, we aim to continue the assessment of the Group's environmental risks and opportunities, which will enable us to take proactive actions that promote ongoing improvement in these aspects. In FY2022, there were zero (0) major incidents involving fines or non-monetary sanctions for non-compliance with environmental laws and regulations.

Sustainability Statement

ENERGY MANAGEMENT

Combating climate change is key to the Group's economic and social goals. Datasonic has taken a strong stance to address climate change and energy as a material topic under our sustainability agenda.

As a responsible corporate citizen, we believe that we have a responsibility to contribute towards the mitigation of greenhouse gas emissions as part of the efforts to decelerate global warming for future generations. At Datasonic, we are focused on enhancing the Group's energy efficiency by managing our energy utilisation and through smaller designs with lower energy consumptions. The Group's pledge in combating climate change and mitigating our GHG emissions is set out in the Group's Environmental Commitment.

We have dedicated person-in-charge at our premises that oversee the plant's operations, including monitoring energy usage. This allows us to identify areas of improvement to achieve higher energy efficiency across the Group.

Several initiatives were undertaken at our premises to reduce the Group's overall energy footprint in FY2022, such as:-

1) Upgrading of machinery to enable consolidation of printing capabilities as we expand our product range with the aim of saving cost and energy;
2) Optimising energy consumption with the installation of energy-efficient solutions such as light emitting diode ("LED") lighting at office premises;
3) Lowering energy wastage by encouraging switching off lights and setting office equipment to standby mode when not in use; and
4) Reducing paper consumption with the use of online solutions.

	FY2020	FY2021	FY2022
Energy consumption (kWh)	1,711,820	1,365,562	1,567,415
Diesel consumption (litre)	444	180	83

Our main sources of energy comprise electricity from Tenaga Nasional Berhad's ("TNB") grid and petrol and diesel for transportation purposes. Our energy consumption in FY2022 amounted to approximately 1,567,000 kWh, as a result of the increased running time of the factories to amp up MyKad and passport production towards the end of 2021. Diesel consumption on the other hand reduced to 83 litres due to the movement restriction during the pandemic.

Moving forward, we are committed to intensify our initiatives in minimising the Group's carbon footprint. In this respect, we are exploring renewable energy sources such as solar to further mitigate our environmental impact. Besides that, we plan to start monitoring our GHG emissions, while incorporating reduction targets for energy consumption as we progress.

WATER MANAGEMENT

Water is a valuable resource for all, including for Datasonic's smartcard manufacturing and card personalisation operations. As such, we acknowledge our role in managing this finite supply and strive to optimise our water consumption. Our undertaking to manage and reduce our water usage is reflected in Datasonic's Environmental Commitment.

Water Consumption (m^3)	FY2020	FY2021	FY2022
Manufacturing Centre, PJ	1,821	1,808	1,727
Manufacturing Centre, Port Klang/Meru	819	667	1,259
Card Personalisation Centre, Wisma RPS	2,153	2,371	2,174
Total	**4,793**	**4,846**	**5,160**

Datasonic does not have any operations (0%) in water-stressed areas. Nonetheless, we endeavour to minimise water use at our sites. The water Datasonic consumes for our operations is withdrawn from the respective municipal water suppliers. In FY2022, the Group's water consumption increased to 5,160 m^3, mainly due to higher production usage and the flood disaster that affected our Klang's manufacturing centre in late 2021.

Looking ahead, we are committed to exploring various water conservation measures in pursuit of stronger environmental stewardship to create a sustainable supply of clean water for communities.

WASTE MANAGEMENT

Effective waste management is crucial for a sustainable future. We are aware that improper disposal of waste may be potentially hazardous to human health. With this in mind, we undertake stringent waste management procedures and practices across the Group.

The Group's procedures cover the entire process of waste management from the collection, transportation and treatment to the disposal of waste.

The waste our operations generate are in the form of solid and scheduled waste. The Group's solid wastes are segregated as recyclable and non-recyclable wastes. For example, all paper waste, carton boxes and plastic containers that do not contain sensitive information are recycled. We are dedicated to the reduction of waste materials and undertake the recycling of wastes, whenever possible.

Meanwhile, non-recyclable materials are stored in a designated area for collection by external contractor to be sent to authorised landfills. For proper handling of our paper waste with secure information, we engage a professional company to ensure secured destruction services.

Solid Waste Disposal (tonnes)	FY2020	FY2021	FY2022
Shredded waste paper	13.7	4.0	5.3
Rejected plastic goods	0.2	0.8	1.0
Carbon box/packaging box from vendor	0.2	0.2	0.7
Plastic core/container	0.4	0.3	0.1
Module tape	0.005	0.03	0.036
Metal	0.4	0.3	0.3
Total	**14.9**	**5.6**	**7.4**

The volume of solid waste disposed has increased in FY2022 primarily due to higher production outputs and the flood situation that occurred in December 2021.

Meanwhile, the Group's scheduled waste is carefully handled by a third-party licensed contractor who is licensed by the DOE, in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005. The Group's appointed waste contractor is accountable for collecting the scheduled wastes and safely transport them for treatment, prior to disposal.

At the same time, we target to eliminate hazardous substances from our products and have introduced Group standards on banned substances based on the IEC 62474 standards.

Scheduled Waste Disposal (tonnes)	SW Code	FY2020	FY2021	FY2022
Waste from electrical and electronic assemblies	SW110	0.01	0.02	0.02
Spent hydraulic oil	SW306	0.3	0.6	0
Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes	SW409	0.3	0.3	0.06
Rags, plastics, papers or filters contaminated with scheduled wastes	SW410	0.2	0.3	0.13
Waste of inks, paints, pigments, lacquer, dye or varnish	SW417	0	0.6	3.35
Discarded or off-specification inks, paints, pigments, lacquer, dye or varnish products containing organic solvent	SW418	2.7	2.4	0
Total		**3.5**	**4.2**	**3.6**

As Datasonic grows and increases our capacity, we will continue to monitor our waste generated and disposed as part of our environmental initiatives.

Sustainability Statement

SOCIAL

Datasonic's sustainability efforts in the social aspect are centred not only on our customers, but also on the Group's employees and the broader society. We do this by developing a safe, diverse and holistic workplace that people want to work at, while creating value for the local communities of where we operate.

SOCIETAL CONTRIBUTION

As Malaysia's leading ICT solutions provider, we recognise our role in the larger community and aim to be a positive force in the society. Our success is not only built on our commercial progress but also in our ability to honour our commitment to the society as a whole.

In FY2022, we continued to support the local communities through our Corporate Social Responsibility ("CSR") initiatives despite the restrictions posed by the COVID-19 pandemic. Total contributions amounted to approximately RM220,000, involving a series of donation to charitable causes, which included monetary contribution to registered non-profit retirement and underprivileged homes, a school donation drive, and for national sports agenda, among others. Datasonic also extended assistance amounting to RM92,000 to affected employees during the Klang Valley flash flood in December 2021.

OUR PEOPLE

We view our employees as our greatest asset. Datasonic's success is reliant on our ability to attract, train and retain suitable talents. The performance of our people directly affects the outcome of our deliverables to our customers. As such, it is imperative for us to manage our talent effectively and build a holistic and driven workplace for the sustainability of the Group.

Talent Attraction and Management

Talent management remains a strategic focus area at Datasonic. We strive to create a high performance, result-oriented culture that values and empowers employees. To harness the collective strength of our people, we ensure employees work together and share a common understanding of Datasonic's corporate ethos, vision, mission and strategy.

Our core values are stated in the Group's Employee Handbook, which is shared to all employees throughout the Group. This allows for greater transparency of human resources practices in Datasonic. It acts as the Group's essential employment guideline in relation to Datasonic's labour standards for employees to refer and adhere to. The handbook is available in the English language.

We maintain a robust human capital strategy that involves the hiring and retaining of the right talents who are aligned with Datasonic's culture and goals. In this respect, we rely on various methods to attract competent candidates such as promoting job vacancies on the "Career" section of the Group's corporate website and on various job recruitment platforms. We recruit new hires on a transparent basis based on their job experience and qualifications.

Apart from that, we have established human resources programmes to seek for skilled candidates to meet our hiring needs with Datasonic's PROTÉGÉ-RTW programme and internship placements, where we offer students the opportunity to gain real-life working experience with Datasonic.

During the year, the Group also carried out employee engagement activities to gain insights. This allows us to strengthen our human capital strategy taking into consideration employees' views.

Examples of engagements organised during the year include:-

- People Blueprint – Pulse Survey and Focus Group
  - Open group discussion to obtain feedback from employees on current organisational climate.
- Strategic People and Internal Communications Blueprint Workshop
  - Workshop to provide better clarity on the Group's strategic blueprint.

In FY2022, there were no retrenchment or salary deductions due to COVID-19, despite the challenges brought about by the pandemic.

Competitive Compensation Packages

As part of our efforts to retain employees, we provide competitive remuneration and benefit packages that are in line with or above the industry rates. At Datasonic, we reward our employees appropriately based on qualifications and performance.

BENEFITS

- Annual leaves
- Special leaves, including paternity and compassionate leaves
- Maternity leaves
- Sick leaves
- Group Hospitalisation and Surgical insurance plan
- Group Personal Accident insurance plan
- Group Term Life insurance plan
- Medical coverage for outpatient medical attention and treatment
- Dental and optical benefits
- Travelling allowance
- Handphone allowance
- Contribution to SOCSO, EPF and EIS

Diversity and Inclusion

We view diversity as a differentiating strength that adds value to the Group. An inclusive workplace provides us access to a multitude of varying and unique perspectives, which are crucial to innovation and in reaching our organisation goals. Hence, we strive to offer equal opportunities for all, regardless of gender, age, ethnicity, or socio-economic backgrounds, among others.

As of FY2022, Datasonic has 653 employees, with 17% representing contractual staff. Meanwhile, 51% of our employees are women and the balance 49% are men. The ratio of women-to-men employee has increased from FY2021, where women only made up 37% of the workforce. This is thanks to our internal efforts in providing resources that empower women in the workplace.

In line with our efforts to enhance diversity, we have established a Gender Diversity Policy to guide us in achieving a balanced workforce. This policy is available for reference on Datasonic's corporate website.

Our workforce is also diverse in terms of age groups with a strong young talent pool, where 29% of our workforce are below the age of 30 years. This enables us to develop a healthy talent pipeline for leadership continuity within Datasonic.

Recognising that Datasonic plays an important role in creating employment, we endeavour to hire locally. Furthermore, we assist our clients in handling highly sensitive data for MyKad and passport projects; hence, we prefer to engage Malaysian workers and talents. Local employment can generate economic benefits for the local communities of where we operate and elevate their socio-economic status. This approach also benefits the Group, as it builds our local talent pipeline and enhances community relations. In FY2022, 99.8% of our workforce is made up of locals.

As at end of FY2022, none (0%) of our employees are disabled.

Sustainability Statement

Workforce Composition	FY2020	FY2021	FY2022
Total employees	678	645	653
By gender			
Male	417	400	321
Female	261	245	332
Percentage of women in management			
Management	0.5%	0.6%	0.7%
Top management	0.4%	0.1%	0.1%
By age			
< 30 yrs old	216	197	189
31 – 50 yrs old	412	401	416
> 51 years old	50	47	48

Workforce Composition	FY2020	FY2021	FY2022
By nationality			
Local	676	642	652
Foreigners	2	3	1
By employment type			
Executive	385	387	394
Non-executive	293	258	259
By employment contract			
Permanent	559	548	537
Contract	119	97	116

Training and Development

We place great emphasis on the development of human capital in the Group and allocate substantial resources to foster a productive and performing workforce to drive us in achieving our company goals. As industry and customer demands evolve, we continue to invest in the development of our people to stay relevant and updated. Our commitment to training and development is reflected in the Group's Employee Handbook.

Our training needs are evaluated through an annual performance appraisal and training needs analysis ("TNA") process with Heads of Departments, who are responsible for identifying the training needs of employees to fulfil our workforce requirements. In FY2022, we invested approximately RM203,000 in talent development with a total of 84 training programmes despite the restrictions due to the COVID-19 pandemic. A majority of the sessions were carried out virtually, covering various areas relating to corporate governance, safety and health, quality management system, leadership skills and technical knowledge. A total of 1,182 training hours were clocked with an average of four (4) training hours per employee.

	FY2020	FY2021	FY2022
Total training hours	5,523	2,605	1,182
Average hours of training per year per employee	8	4	4
No. of training programmes	56	36	84

HUMAN RIGHTS

At Datasonic, we ensure human rights are upheld at all times throughout our operations and extended value chain. Throughout our operations, we comply with local laws and regulations applicable to the rights of our people, while supporting international human rights standards. In FY2022, there were no cases (0%) of non-compliance with labour standards.

We encourage honest and open communication at Datasonic. In the best interest of the Group and our people, we have established a Grievance Procedure as a feedback mechanism for employees to air any work-related matters. We take these cases seriously and strive to address them in a fair and transparent manner. The Group's Grievance Procedure is communicated in the Employee Handbook.

SAFETY AND HEALTH

Safety is a critical element that is embedded in the Group's culture. We are committed to operating responsibly with the health and safety of our people as a top priority at Datasonic. At our subsidiary, Datasonic Manufacturing Sdn. Bhd. ("DMSB"), a Safety Policy is instituted outlining our commitment towards continual improvement on the safety of our work environment and manufacturing plants. Our processes are governed by this policy, which also applies to external stakeholders within our premises.

SAFETY POLICY

- To provide a safe and healthy workplace and working conditions for all to prevent incidents, injuries and illnesses.
- To safeguard employees from any hazards to their safety and health aspects in daily work processes.
- To safeguard our visitors and contractors at all times from any hazards at our premises.
- To provide training to all employees in respect to safety and health matters.
- To comply with all applicable safety and health legal requirements and industry standards.
- To ensure safety and health aspects are prioritised during any critical set-up as a preventive measure.

DMSB's safety policy is maintained and enforced by its OSH Committee, which is responsible for overseeing all safety-related matters. We strive to achieve an injury-free workplace. However, in the case of an emergency, we have in place strong emergency preparedness system. At our premise, we have an Emergency Response Team on stand-by to respond to emergency situations.

	FY2022*
No. of members in Health and Safety Committee	21
No. of members in Emergency Response Team	7

**Information refers to DMSB only*

Adequate and relevant training on safety and health matters are provided to ensure employees are aware of their responsibility and to equip them with the necessary skills to carry out tasks involving safety hazards. In FY2022, six (6) safety programmes took place, with 43 staff trained on health and safety standards.

We are pleased to update that we have yet again achieved zero (0) lost time injuries and fatality within the year as a result of the implementation of our safety initiatives. Lost time injury refers to work-related incidents that result in time off from work, or loss of productive work.

	FY2020	FY2021	FY2022
Lost Time Injury	0	0	0
Fatality	0	0	0

Sustainability Statement

COVID-19 Response

In FY2022, the COVID-19 pandemic continued to affect lives and livelihoods globally. Hence, we have taken considerable measures in line with the government's SOPs to strengthen our safety system and curb the spread of COVID-19 at Datasonic's premises. Our initiatives, among others, include the following:-

- Enforced a Business Continuity Plan to maintain smooth operations in line with the authorities' requirements;
- Established a COVID-19 Emergency Response Team ("ERT") to ensure compliance with national directives;
- Provided COVID-19 test screening for employees;
- Supplied food to employees who are infected with COVID-19;
- Instituted remote work/work from home and flexible working hour arrangements;
- Provided personal protective equipment ("PPE") to employees, including face masks;
- Visitors are required to register upon entering Datasonic's premises;
- Provided hand sanitisers at common areas; and
- Employees infected with COVID-19 were quarantined and referred to the hospital for further inspection.

PRODUCT RESPONSIBILITY

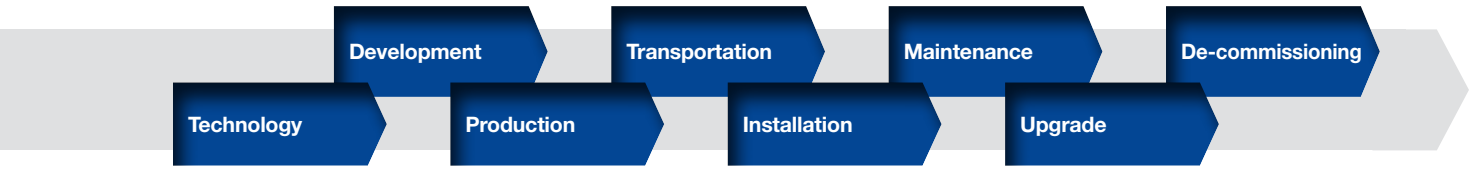
As one of the nation's major security-related integrated ICT solutions providers, our broad range of services and systems include software and hardware customisation, project management, consultative expertise and R&D. We deliver value to our customers with our secured, scalable, open and complete system offering cost-efficient and effective products.

Privacy and Security

At Datasonic, the success and sustainability of our business operations are dependent on the reliability and security of our ICT systems. Due to the nature of our business, we handle and manage highly sensitive data and information from our wide customer base, which include government agencies, financial institutions, corporations, service bureaus and organisations.

At all times, we have the responsibility to protect the privacy and security of these data in compliance with all relevant laws and regulations of government agencies. The security of our stakeholders' information is constantly being strengthened to keep them safe from cyberthreats that may potentially compromise our operations and data privacy. This is crucial in preserving the Group's reputation with customers and employees. Our measures are aligned with the Personal Data Protection Act 2010.

We believe that while innovation is vital for growth, it should never compromise safety. We keep safety in mind throughout all stages of the life cycle of the Group's products and processes.



From FY2019 to FY2022, there were zero (0) cases of breaches of customers' data. As we move ahead, we remain focused on strengthening our information security system to prevent unauthorised access.

Upholding Product Safety and Quality

The quality of our products and services are important considerations in upholding Datasonic's brand and sustainability. We are committed to ensuring that we comply with all the requirements under our internal policies and the Quality Management Systems ("QMS") our operations are certified for. These ISO certifications are a testament that our products and services meet international standards, with our internal processes to be refined for continual improvement.

Site	Company	Certification	Coverage period
Meru, Klang	Datasonic Manufacturing Sdn Bhd	ISO 9001:2015	21 January 2020 – 20 January 2023
		ISO 27001:2013	18 August 2020 – 21 May 2023
		ISO 14001:2015	10 August 2020 – 9 August 2023
		ISO 45001:2018	15 July 2020 – 14 July 2023
Headquarters	Datasonic Group Berhad	ISO 9001:2015	29 March 2020 – 28 March 2023
PJ RPS	Datasonic Corporation Sdn Bhd	ISO 9001:2015	15 July 2020 – 6 July 2023
PJ 223	Datasonic Manufacturing Sdn Bhd	ISO 9001:2015	22 April 2021 – 21 April 2024
	Datasonic Technologies Sdn Bhd	ISO 9001:2015	22 April 2021 – 21 April 2024

Customers' Satisfaction

We want to do the best for our customers. Their satisfaction remains as one of the Group's main focus areas as a benchmark for business growth. This means continuously enhancing our offerings and processes as we seek to deliver a high level of customer satisfaction. Feedback from customers is highly valued and taken into consideration for the enhancement of our products and services.

We engage customers on a regular basis to develop mutually beneficial relationships in order to develop a deeper understanding of their needs and concerns. This allows us to tailor and innovate our offerings to suit our customers' requirements.

	FY2020	FY2021	FY2022
Customer's Service Level Agreements Adherence for Helpdesk (MyKad Projects)			
Total incidents received	1,476	1,228	1,238
Response time – no. of incidents within SLA	1,332	1,218	1,238
Resolution time – no. of incidents within SLA	1,124	1,217	1,225
Feedback from the Management			
Overall rating on satisfaction level – management support services at headquarters	78%	83.9%	86.5%

In FY2022, SLA adherence was at 100% as we fulfilled all our customers' requests and requirements. Besides that, we also monitor the quality of management support services at our headquarters via surveys sent to our directors and senior management team on an annual basis. In FY2022, we are pleased to update that overall satisfaction has improved to 86.5% from 83.9% in FY2021, signalling improved service level and delivery services, as well as response time.

Corporate Governance *Overview Statement*

The Board of Directors ("the Board") of Datasonic Group Berhad ("the Company") is committed to upholding and inculcating good corporate governance practices, with the primary objectives of safeguarding stakeholders' interests and enhancing shareholders' value.

The Board is pleased to present this overview statement on the application of each practice as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG"). This statement is prepared in compliance with Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and it is to be read together with the Corporate Governance Report of the Company for the financial year ended 31 March 2022, which is available on the Company's website at www.datasonic.com.my.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board

The Board is collectively responsible for creating and delivering long-term success of the Group and sustainable value to the shareholders and various stakeholders. The Board determines the Group's vision and mission to guide and set the pace for its current operations and future development. The Board delegates authority to the Management, and monitor and evaluate the implementation of policies, strategies and business plans.

The Board in discharging its responsibilities in meeting the goals and objectives of the Company, the Board shall:-

a) together with the Senior Management, promote good corporate governance culture within the Company that reinforces ethical, prudent and professional behaviour;

b) reviews, challenge and decide on the Management's proposals for the Company, and monitor its implementation by the Management;

c) ensures that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;

d) supervises and assess the Management's performance to determine whether the business is being properly managed;

e) ensures that there is a sound framework for internal control and risk management;

f) understands the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;

g) sets the risk appetite within which the Board expects the Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;

h) ensures that the Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and the Senior Management;

i) ensures that the Company has in place procedures to enable effective communication with stakeholders;

j) ensures that all its Directors are able to understand financial statements and form a view on the information presented; and

k) ensure the integrity of the Company's financial and non-financial reporting.

In discharging its duties and responsibilities, the Board has established and delegated the authority to the Board Committees, namely the Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC"), Risk Management Committee ("RMC") and Employees' Share Option Scheme Committee, to monitor and evaluate the implementation of policies, strategies and business plans, internal control system and risk management.

The Board appoints the Chairman and the members of each Committee, and the Board Committees operate within the approved Terms of Reference set by the Board. The Chairman of each Board Committee will report to the Board on the deliberation and outcome of the Board Committee's meetings and make appropriate recommendation thereon to the Board.

Separation of positions of the Chairman and the Managing Director

The roles of the Chairman and the Managing Director are segregated and clearly defined. The Chairman who is an Independent Non-Executive Director is responsible for managing the Board and ensures that all Directors receive sufficient and required information relevant to the agenda laid out for the meeting of the Board to enable them to participate actively in the Board's deliberations and decisions. The Chairman is also responsible for ensuring the integrity and effectiveness of the governance processes of the Board. The Managing Director is responsible for the day-to-day management of the business to ensure that the business operates continuously in conformity with the implementation of the Board's policies, strategies and decisions.

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES (Cont'd)

Separation of positions of the Chairman and the Managing Director (Cont'd)

The responsibilities of the Chairman of the Board, amongst others, are as follows:-

a) instils good corporate governance practices, leadership and effectiveness of the Board;

b) provides leadership for the Board so that the Board can perform its responsibilities effectively;

c) leads the Board in the adoption and implementation of good corporate governance practices in the Company;

d) sets the Board agenda and ensures that Directors receive complete and accurate information in a timely manner;

e) leads Board meetings and discussions;

f) encourages active participation and allow dissenting views to be freely expressed;

g) manages the interface between the Board and the Management; and

h) ensures that appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

The Managing Director is responsible for the day-to-day management and operation of the Company with all powers, discretions and delegations authorised by the Board. The Managing Director may delegate aspects of his authority and power but remains accountable to the Board for the Company's performance.

The Chairman of the Board is not a member of the Board Committees to ensure that there are checks and balances as well as objective review by the Board.

Company Secretary

The Board members have full access to the Company Secretary who is qualified to act as Company Secretary. The Company Secretary plays an advisory role in supporting the Board on matters relating to the Company's Constitution, Board's policies and procedures, and compliance with the Main Market Listing Requirements of Bursa Malaysia, Companies Act 2016, Capital Markets and Services Act 2007, corporate governance and other regulatory requirements.

Access to Information

The Board members have direct and unrestricted access to all relevant Company's information and to the senior management personnel to assist them in the discharge of their duties and responsibilities and to enable them to make informed decisions. The Board also has direct communication channels with the external auditors, internal auditors and the Board Committees.

The Board members collectively and individually may seek independent professional advice in furtherance of their duties if so required. Such professional advice may be obtained at the Company's expense with prior approval of the Chairman or the Managing Director.

The notice of meetings together with meeting materials with relevant and adequate information are distributed electronically at least seven (7) days in advance to allow preparation and meaningful discussions by the Board and the Board Committees members during the meetings. All proceedings of meetings including issues raised, deliberations and decisions of the Board are properly minuted and filed in the statutory records of the Company by the Company Secretary.

Board Charter

The Company's Board Charter provides guidance and clarity regarding the roles and responsibilities of the Board and the Board Committees, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company, and the Board's operating practices.

To be aligned with the updated MCCG issued by the Securities Commission on 28 April 2021, the Board Charter was reviewed and updated in February 2022. To ensure that it remains relevant, the Board Charter will 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 responsibilities.

The Board Charter is available for reference on the Company's website at www.datasonic.com.my.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES (Cont'd)

Board Committees and Management

To assist the Board to discharge its functions, the Board delegates certain authorities to the Board Committees, the Executive Committee and the Managing Director.

The Board has delegated specific responsibilities to the following Board Committees:-

a) Audit Committee ("AC")

The AC serves to implement and support the oversight function of the Board on audit matters. It provides a means for review of the Company's and Group's processes for producing financial data, its internal controls, corporate code of conduct, the independence of the Company's external auditors, and maintain an open line of communication and consultation between the Board, the internal and external auditors and the Management.

The AC Report that provides insights into the manner in which the AC discharged its functions, roles and responsibilities for the Company during the financial year is contained in this Annual Report.

b) Nomination and Remuneration Committee ("NRC")

The NRC is to assist the Board in its responsibilities in evaluating new nominees to the Board, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and other key management personnel as determined by the Company and in assessing the remuneration packages of the Directors and key management personnel of the Group to ensure that compensation is competitive, reflective of market conditions and consistent with the Company's performance and practices. The NRC shall also assess the Directors of the Company on an ongoing basis, the effectiveness of each individual Director and the Board as a whole and various Board Committees.

c) Risk Management Committee ("RMC")

The objective of the RMC is to assist the Board in overseeing risk management framework, policies and procedures in order to manage the overall key risk exposures of the Group.

d) Employees' Share Option Scheme Committee ("ESOSC")

The primary objective of the ESOSC is to assist the Board in the implementation and administering of the ESOS in accordance with the provisions of the ESOS By-Laws.

The Terms of Reference of the above Board Committees set out among others the objectives, composition, rights and authority, duties and responsibilities of these committees, which are available for reference on the Company's website at www.datasonic.com.my. The details of the AC, NRC, RMC and ESOSC members are set out in the Corporate Information section of this Annual Report.

The Executive Committee, comprising the Managing Director, the Deputy Managing Director and the Executive Director, is responsible for the day-to-day management of the business and operations of the Group. The Executive Committee, together with the Group Management Committee and the Group Tender and Procurement Committee, collectively involved in executing the business and operations of the Group and implementing the Board's policies, proposals and recommendations for the strategic directions and growth of the Group.

The Board reviewed and discussed reports submitted by the Managing Director and/or the Management on the progress of the operations, business prospects, issues and challenges related to the projects, compliance management, financial performance and issues affecting the corporate image of the Group during the quarterly Board and Special Board meetings.

During the year, the Board reviewed and assessed various local investment proposals as part of the Group's strategic plan for its continued expansion into local markets. The Board is also regularly kept informed by the Executive Directors and the Management on the Group's local and overseas operations, the latest laws and regulations and current issues.

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES (Cont'd)

Code of Conduct and Ethics, Anti-Bribery and Anti-Corruption ("ABAC") Policy and Whistleblowing System ("WBS") Policy

The Board has established the Code of Conduct and Ethics for Directors (Executive and Non-Executive Directors), describes the standards of business undertaking and ethical behaviour for Directors in the performance and exercise of their duties and responsibilities as Directors of the Company or when representing the Company.

The Group's Employee Handbook and Employees Business Conduct guidelines serve as guidelines for its employees to adhere in order to comply with the applicable laws and ethical standards to govern and ensure long-term growth, development and sustenance of the Group.

The ABAC Policy had been established in compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on corporate liability for corruption offences and as part of the Group's commitment against all forms of bribery and corruption.

In August 2021, the Anti-Bribery Management System ("ABMS") and Guidelines on Adequate Procedures ("GAP") have been developed and adopted to ensure effective implementation of the ABAC Policy groupwide.

The WBS Policy established by the Board applies to all Directors and employees of the Group and is designed to provide them with proper internal reporting channels and guidance to disclose any wrongdoing or improper conduct relating to unlawful conducts, inappropriate behaviour, malpractices, any violation of established written policies and procedures within the Group or any action that is or could be harmful to the reputation of the Company and/or compromise the interests of the shareholders, clients and the public without fear of reprisal, victimisation, harassment or subsequent discrimination.

In August 2021, the Board approved the revision to the ABAC Policy and WBS Policy of the Group with various improvement and new clauses added.

The Code of Conduct and Ethics for Directors, ABAC Policy and WBS Policy are published on the Company's website at www.datasonic.com.my.

Sustainability

The Company is committed to operate in a sustainable manner, as this will not only create value to the Company, but also to our employees, business communities and society surrounding us.

The Company will continuously ensure that its sustainability strategies, priorities and targets as well as performance against targets are communicated to all its stakeholders.

During the year under review, the Board through the NRC reviewed the training programmes attended by each Director to ensure they are keep abreast with and understand the sustainability issues relevant to the Company and its business. The NRC also undertook an evaluation of the performance of the Board and the Senior Management in addressing the Company's material sustainability risks and opportunities.

The Board will identify a designated person within the Management to provide dedicated focus to manage sustainability strategically.

The details of the Group's sustainability strategies, priorities and performance against targets are set out separately in the Sustainability Statement of this Annual Report.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

II. BOARD COMPOSITION

Board Composition and Independent Directors on the Board

During the year, the Board has appointed Encik Azrul bin Yahaya as a Non-Independent and Non-Executive of the Company on 31 May 2021.

As at 31 May 2022, the Board consists of eleven (11) members, comprising seven (7) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director, one (1) Managing Director, one (1) Deputy Managing Director and one (1) Executive Director, in compliance with Paragraph 15.02(1) of the MMLR of Bursa Malaysia. The Independent Directors make up 64% of the Board composition. Presently, the number of female Directors on the Board is one (1), representing 9% of the total Board composition. The Board will review its composition and size from time to time with the aim of eventually achieving the target of 30% female representation on the Board.

The Board believes that a truly diverse and inclusive Board will leverage the differences of its members, to achieve effective stewardship and in turn, retains its competitive advantage. In this respect, the Board through its NRC conducts an annual review of its size and composition, to determine if the Board has the right size and sufficient diversity with independence elements that fit the Company's objectives and strategic goals. The Board was of the view that the current Board size of eleven (11) members as at 31 May 2022 was appropriate and adequate to effectively govern the organisation.

The profile of each Director is set out under the Directors' profile section of this Annual Report.

The Company acknowledges and recognises the benefits arising from the boardroom and workforce diversity, including enhancing the Group's performance, improving efficiency and employee retention.

The Gender Diversity Policy is published on the Company's website at www.datasonic.com.my.

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

II. BOARD COMPOSITION (Cont'd)

Board Composition and Independent Directors on the Board (Cont'd)

The NRC has conducted an annual review on the diversity in skills, experience, age, cultural background and gender of the Directors and Key Senior Management.

The current diversity in the skill, experience, gender, age, ethnicity and tenure of the Board members are as follows:-

Board members

Skill and Experience	Percentage of the Board members
Security	55
Information Technology/Engineering	27
Project Development	91
Corporate Management/Business	82
Finance/Taxation	36
Accounting/Auditing	36
Human Capital	36
Legal	9

Gender	Number	Percentage
Male	10	90
Female	1	10
Total	**11**	**100**

Age Group	Male	Female
30 – 39 years	1	0
40 – 49 years	2	1
50 – 59 years	1	0
60 - 69 years	2	0
70 years and above	4	0
Total	**10**	**1**

Ethnicity	Male	Female
Bumiputera	8	1
Chinese	2	0
Total	**10**	**1**

Tenure	Executive Director	Non-Executive Director
1 – 2 years	3	1
2 – 3 years	0	3
>9 years	0	4
Total	**3**	**8**

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

II. BOARD COMPOSITION (Cont'd)

Key Senior Management

The current diversity in the skill, experience, gender, age, ethnicity and tenure of the Key Senior Management are as follows:-

Skill and Experience	Percentage of the Key Senior Management
Security	50
Information Technology/Engineering	62.5
Project Development	75
Corporate Management/Business	62.5
Finance/Taxation	50
Accounting/Auditing	37.5
Human Capital	25

Gender	Number	Percentage
Male	6	75
Female	2	25
Total	**8**	**100**

Age Group	Male	Female
30 – 39 years	0	1
40 – 49 years	3	1
50 – 59 years	1	0
60 years and above	2	0
Total	**6**	**2**

Ethnicity	Male	Female
Bumiputera	4	1
Chinese	2	1
Total	**6**	**2**

Tenure	Key Senior Management
1 – 2 years	2
>9 years	6
Total	**8**

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

II. BOARD COMPOSITION (Cont'd)

Tenure of Independent Directors

The Board has no policy that limits the tenure of its Independent Directors to nine (9) years without further extension. Upon the completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. The Board may recommend and subject to the shareholders' approval through a two-tier voting process, retain an Independent Director who has served beyond a cumulative term of nine (9) years as an Independent Director of the Company.

In May 2022, the NRC assessed and recommended that General Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd), Dato' Wan Mohd Safiain bin Wan Hasan, Dato' Wan Ibrahim bin Wan Ahmad and Mr Yee Kim Shing @ Yew Kim Sing, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, to continue to act as the Independent Non-Executive Directors of the Company. Hence, the Board would table the ordinary resolutions to the shareholders at the forthcoming Fourteenth Annual General Meeting ("AGM") to retain General Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd), Dato' Wan Mohd Safiain bin Wan Hasan, Dato' Wan Ibrahim bin Wan Ahmad and Mr Yee Kim Shing @ Yew Kim Sing as the Independent Non-Executive Directors of the Company.

Annual Assessment of Independence

In April 2022, all the Independent Non-Executive Directors have declared and affirmed their independence. As part of the annual assessment of independence, the NRC reviewed, assessed and evaluated the independence of the Board's Independent Directors and was satisfied that all the seven (7) Independent Non-Executive Directors met the independence criteria as prescribed by the MMLR of Bursa Malaysia and are able to act in an independent and objective manner.

Appointment of Board and Senior Management

The appointment of new Board member and Senior Management is under the purview of the NRC whose primary responsibilities are to evaluate, assess and recommend candidates for the Board's approval.

In reviewing and recommending to the Board on the appointment of new Board member and Senior Management, the NRC considers the candidate's ability to discharge such responsibilities/function and the candidate's competencies, commitment, contribution and performance, skills, knowledge, expertise and experience, professionalism, age, cultural backgrounds, leadership qualities and integrity. For the appointment of Independent Director, considerations will also be given on whether the candidate meet the requirements for independence criteria as prescribed by the MMLR of Bursa Malaysia and time commitment expected from them.

In May 2021, the NRC assessed the suitability of the candidate, Encik Azrul bin Yahaya, for the appointment as Director and Non-Independent and Non-Executive Director of the Company. The NRC was guided by criteria for membership of the Board as stipulated in the Board Charter. Based on the NRC's review, the Board determined that the candidate recommended by the Management has appropriate understanding of the conduct of the Group's business, commitment, high ethical standards and experience to enable him to discharge his duties and responsibilities effectively. Upon the Board's approval, Encik Azrul bin Yahaya was appointed Director and Non-Independent and Non-Executive Director of the Company on 31 May 2021. The Board will consider sourcing from Directors' registry or the use of independent search firms to identify the most suitable candidates for future Board position.

In May 2022, the Board reviewed and approved the establishment of the Directors' Fit and Proper Policy, which set out the fit and proper criteria for the appointment and reappointment of Directors of the Group and to aid in constant endeavour to ensure that only individuals of high caliber and who possess the right blend of qualifications, expertise, track record and integrity are appointed to the Board.

Chairman of NRC

The NRC is led by Dato' Sri Sharifuddin bin Ab Ghani, the Independent Non-Executive Director of the Company who directs the NRC for succession planning, appointment of Directors and Senior Management, and annual review of Board effectiveness.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

II. BOARD COMPOSITION (Cont'd)

Board Assessment

In April 2022, the Company Secretary facilitated the NRC in carrying out the annual evaluation of the effectiveness of the Board, Board Committees and individual Directors. The evaluation form had been revised and incorporated with the relevant sustainability-related performance measures and questions in addressing the Company's material sustainability risks and opportunities.

In May 2022, the NRC assessed the effectiveness of the Board, the Board Committees and the contributions of the Directors. The results indicated that the Board and the Board Committees had been effective in discharging their functions, roles and responsibilities. The comments given by the Board members on the areas for continuous improvement were duly noted by the Board. The results of the evaluation exercise will form the basis of recommending for the re-election of Directors. The NRC also reviewed the tenure of each Director.

Directors' Retirement and Re-election

In May 2022, the NRC assessed the performance, contribution and time commitment of those Directors who are due to retire and eligible to stand for re-election at the Fourteenth AGM, taking into consideration the results of the evaluation on the effectiveness of the Board, the Board Committees and the Directors' self-assessment; time commitments in discharging their roles and responsibilities, including attendance at Board or Board Committees meetings, briefings and site visitations; participation in continuing training programmes and contribution to the Board through their skills, knowledge, expertise and experience; and directorships in other public listed companies, public companies and corporations.

The NRC is satisfied with the performance and contribution of the Directors, namely General Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd), Dato' Wan Ibrahim bin Wan Ahmad, Dato' Sri Sharifuddin bin Ab Ghani and Cik Noor Suhaila binti Saad who are retiring in accordance with Clause 165 of the Constitution of the Company at the forthcoming Fourteenth AGM. The NRC recommended to the Board for the re-election of the concerned Directors.

Succession Planning

The Board recognises the importance of identifying and retaining talent as key factor to the Group's continued growth and success. The Succession Planning Guidelines adopted by the Board are intended to provide a general method to help the Group develop and implement its own succession planning process. The Guidelines are to ensure continuity of key management positions that exert critical influence on organisational activities, either operationally or strategically, or both.

Commitment of the Board

The Board is satisfied that its members have devoted sufficient time towards fulfilling their roles and responsibilities as Directors of the Company. Details of the Directors' attendance at Board, AC, NRC and RMC meetings held during the financial year ended 31 March 2022 are set out below:-

	Number of meetings attended			
Name of Director	**Board**	**AC**	**NRC**	**RMC**
General Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd) (Chairman)	4/4	-	-	-
Dato' Wan Mohd Safiain bin Wan Hasan	4/4	4/4	-	3/3
Encik Wan Zalizan bin Wan Jusoh	4/4	-	-	-
Mr Chia Kok Khuang	4/4	-	-	-
Encik Safian bin Mohd Yunus	4/4	-	-	-
Dato' Sri Sharifuddin bin Ab Ghani	4/4	-	2/2	3/3
Dato' Wan Ibrahim bin Wan Ahmad	4/4	4/4	-	-
Dato' Ibrahim bin Abdullah	4/4	-	2/2	-
Mr Yee Kim Shing @ Yew Kim Sing	4/4	4/4	-	-
Cik Noor Suhaila binti Saad	4/4	-	2/2	3/3
Encik Azrul bin Yahaya	3/3[1]	1/1[2]	-	-

[1] Appointed as Director on 31 May 2021.
[2] Appointed as AC member on 30 November 2021.

Corporate Governance Overview Statement

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

II. BOARD COMPOSITION (Cont'd)

Commitment of the Board (Cont'd)

To facilitate the Directors' time planning, the annual meeting calendar is prepared and circulated in advance each year. The calendar provides Directors with scheduled dates for meetings of the Board and the Board Committees, the AGM and the closed periods for dealings in securities by Directors based on the targeted dates of announcements of the Group's quarterly results. In addition, notice on the closed period for dealings in the securities of the Company is circulated to all Directors and principal officers who are deemed to be privy to any sensitive information and knowledge in advance whenever the closed period is applicable based on the targeted date of announcement of the quarterly results of the Group.

The Directors are required to disclose and update their directorships and shareholdings in other companies as and when necessary at every Board meeting. The Directors are also expected to comply with Paragraph 15.06 of the MMLR of Bursa Malaysia on the maximum number of five (5) directorships they can hold in public listed companies to ensure that all Directors are able to commit sufficient time to carry out their roles and responsibilities. Currently, all the Directors of the Company have complied with the said requirements.

The Directors are also required to notify the Chairman before accepting any new directorship and shall include an indication of time that will be spent on the new appointment.

Directors' Training

The Directors are mindful that they are required to attend suitable training programmes to keep abreast with the current development of the industry and the applicable statutory and regulatory requirements. The Directors are encouraged to evaluate their own training needs on a continuous basis and determine the relevant programmes, seminars, briefings or dialogues that are best suited to enhance their knowledge.

The Board through the NRC evaluated and assessed the training needs of the Board members and also recommended the type of training programmes for the Directors to attend.

All Directors have attended the Mandatory Accreditation Programme as prescribed by Bursa Malaysia.

The Directors will continue to participate in training programmes to equip themselves and to effectively discharge their duties as Directors as and when necessary. The Company Secretary facilitates programme registration for participating Directors and would maintain such records of the programmes and their attendance thereat.

The NRC reviewed the training programmes attended by the Directors during the financial year under review. The various training programmes, seminars and conferences attended by the Directors are as follows:-

Directors	Training Programmes
General Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd)	- Datasonic Group Berhad - Anti-Bribery, Anti-Corruption and Whistleblowing Policy associated with Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and ISO 37001:2016 Anti-Bribery Management System ("ABMS") *12 January 2022*
	- A Practical Insight into ESG and How ESG Creates Value *24 September 2021*
Dato' Wan Mohd Safiain bin Wan Hasan	- Datasonic Group Berhad - Anti-Bribery, Anti-Corruption and Whistleblowing Policy associated with Section 17A of the MACC Act 2009 and ISO 37001:2016 ABMS *12 January 2022*
	- A Practical Insight into ESG and How ESG Creates Value *24 September 2021*

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

II. BOARD COMPOSITION (Cont'd)

Directors' Training (Cont'd)

Directors	Training Programmes
Encik Wan Zalizan bin Wan Jusoh	- Datasonic Group Berhad - Anti-Bribery, Anti-Corruption and Whistleblowing Policy associated with Section 17A of the MACC Act 2009 and ISO 37001:2016 ABMS *12 January 2022*
	- A Practical Insight into ESG and How ESG Creates Value *24 September 2021*
Mr Chia Kok Khuang	- Datasonic Group Berhad - Anti-Bribery, Anti-Corruption and Whistleblowing Policy associated with Section 17A of the MACC Act 2009 and ISO 37001:2016 ABMS *12 January 2022*
	- A Practical Insight into ESG and How ESG Creates Value *24 September 2021*
	- Implementing amendments in the Malaysian Code on Corporate Governance *1 June 2021*
Encik Safian bin Mohd Yunus	- Datasonic Group Berhad - Anti-Bribery, Anti-Corruption and Whistleblowing Policy associated with Section 17A of the MACC Act 2009 and ISO 37001:2016 ABMS *12 January 2022*
	- A Practical Insight into ESG and How ESG Creates Value *24 September 2021*
	- Implementing amendments in the Malaysian Code on Corporate Governance *1 June 2021*
Dato' Wan Ibrahim bin Wan Ahmad	- Datasonic Group Berhad - Anti-Bribery, Anti-Corruption and Whistleblowing Policy associated with Section 17A of the MACC Act 2009 and ISO 37001:2016 ABMS *12 January 2022*
	- A Practical Insight into ESG and How ESG Creates Value *24 September 2021*
	- Implementing amendments in the Malaysian Code on Corporate Governance *1 June 2021*
Dato' Sri Sharifuddin bin Ab Ghani	- Datasonic Group Berhad - Anti-Bribery, Anti-Corruption and Whistleblowing Policy associated with Section 17A of the MACC Act 2009 and ISO 37001:2016 ABMS *12 January 2022*
	- A Practical Insight into ESG and How ESG Creates Value *24 September 2021*
	- Implementing amendments in the Malaysian Code on Corporate Governance *1 June 2021*

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

II. BOARD COMPOSITION (Cont'd)

Directors' Training (Cont'd)

Directors	Training Programmes
Dato' Ibrahim bin Abdullah	- Datasonic Group Berhad - Anti-Bribery, Anti-Corruption and Whistleblowing Policy associated with Section 17A of the MACC Act 2009 and ISO 37001:2016 ABMS *12 January 2022*
	- A Practical Insight into ESG and How ESG Creates Value *24 September 2021*
	- Implementing amendments in the Malaysian Code on Corporate Governance *1 June 2021*
	- Sales Tax and Service Tax Webinar *5 May 2021*
Mr Yee Kim Shing @ Yew Kim Sing	- Datasonic Group Berhad - Anti-Bribery, Anti-Corruption and Whistleblowing Policy associated with Section 17A of the MACC Act 2009 and ISO 37001:2016 ABMS *12 January 2022*
	- A Practical Insight into ESG and How ESG Creates Value *24 September 2021*
	- Implementing amendments in the Malaysian Code on Corporate Governance *1 June 2021*
	- Sales Tax and Service Tax Webinar *5 May 2021*
Cik Noor Suhaila binti Saad	- Color accounting *6-7 April 2022*
	- The Butterfly Class: Finance for Non-Financial Professionals *16 March 2022*
	- The Rise of Non-Fungible Tokens by Bar Council *26 January 2022*
	- Datasonic Group Berhad - Anti-Bribery, Anti-Corruption and Whistleblowing Policy associated with Section 17A of the MACC Act 2009 and ISO 37001:2016 ABMS *12 January 2022*
	- Build and Grow Online Business webinar *26 October 2021*
	- The Cooler Earth Sustainability Summit 2021 *23-27 September 2021*
	- A Practical Insight into ESG and How ESG Creates Value *24 September 2021*
	- Section 17A of the MACC Act 2009 - Navigating Waves of Corporate Liability *10 September 2021*
	- Competition law-merger control: game changer or deal breaker *10 September 2021*

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

II. BOARD COMPOSITION (Cont'd)

Directors' Training (Cont'd)

Directors	Training Programmes
Cik Noor Suhaila binti Saad	- Listing considerations under Bursa Malaysia - IPO's key considerations and current development *9 September 2021*
	- Tax law - recent adventures in suing the Tax authorities *9 September 2021*
	- Environmental, Social and Governance - MCCG and the Rise of ESG *8 September 2021*
	- Personal Data Protection Act - Proposed changes to the PDPA *8 September 2021*
	- Companies Legislation and Companies Commission of Malaysia - development *7 September 2021*
	- Digital/electronic signature legislation and development - way forward *7 September 2021*
	- Insolvency law restructuring options under Companies Act 2016 by Bar Council *6 September 2021*
	- Securities legislation and regulatory considerations - IPO 5 focus areas and meaningful disclosure confirmation by Bar Council *6 September 2021*
	- E-Nation conference series, tech for good by Malaysian Global Innovation & Creativity Center *26 August 2021*
	- E-commerce an essential service webinar by Bar Council *24 August 2021*
	- Cyber bullying - time for the law to tackle the bullies by Bar Council *29 July 2021*
	- Be Safe, Be Smart Against Fraud & Scam" Webinar Series - Investment Scams *27 July 2021*
	- ESG Boardroom talk *22 July 2021*
	- National AML/CFT Compliance Programme Data & Compliance Report ("DCR") 2021 Clinic *5 July 2021*
	- Implementing amendments in the Malaysian Code on Corporate Governance *1 June 2021*
	- Sales Tax and Service Tax Webinar *5 May 2021*
	- Airbus Malaysia Connect Webinar *22 April 2021*

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

II. BOARD COMPOSITION (Cont'd)

Directors' Training (Cont'd)

Directors	Training Programmes
Encik Azrul bin Yahaya	- Forward & FX Trading *29 March 2021*
	- Citi Asia Pacific Investor Conference 2022 *22-23 February 2022*
	- Datasonic Group Berhad - Anti-Bribery, Anti-Corruption and Whistleblowing Policy associated with Section 17A of the MACC Act 2009 and ISO 37001:2016 ABMS *12 January 2022*
	- Introduction on MSCI ESG Ratings Approach; Asset Owner Lead, Index & ESG, MSCI ESG Research; ESG in APAC: Laggards Becoming Leaders, A Look at Malaysia Market; and MSCI ESG Research & Climate: Breaking Down Corporate Net Zero Target *26 November 2021*
	- Shariah Investing, Shariah Governance Framework & Investment Guideline, The Alternative Structure, The Outlook *25 November 2021*
	- Investment Management Technology and Infrastructure walkthrough *24 November 2021*
	- Fixed Income portfolio management *23 November 2021*
	- Equity portfolio management *22 November 2021*
	- Investment Risk *22 October 2021*
	- A Practical Insight into ESG and How ESG Creates Value *24 September 2021*
	- Performance review and knowledge sharing *22 September 2021*
	- Mandatory Accreditation Programme *26-28 July 2021*
	- Latihan Penerangan Seksyen 17A Akta SPRM 2009 - Liabiliti Korporat *12-26 July 2021*
	- Understanding Board Decision-Making Process *15-16 June 2021*

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

III. REMUNERATION

Remuneration of Directors and Key Senior Management

The Remuneration Framework adopted by the Board is designed to increase the motivation level and productivity of the Group's employees and ensure that the salary levels commensurate to the individual staff's performance. As a general principle, the remuneration of Directors and Key Senior Management (i.e. Directors of the subsidiary companies, Chief Operating Officer and Heads of Departments) is link to their level of responsibilities and how well these responsibilities have been discharged. The Remuneration Framework and the Terms of Reference of the NRC are disclosed on the Company's website at www.datasonic.com.my.

In May 2022, the NRC reviewed and recommended to the Board for approval the following:-

a) Revision of remuneration package for the Executive Directors, namely Encik Wan Zalizan bin Wan Jusoh, Mr Chia Kok Khuang and Encik Safian bin Mohd Yunus, to commensurate with their roles, responsibilities and commitments as well as to be comparable within the industry; and

b) One-off token of appreciation for the retiring Independent Non-Executive Directors.

In the process of reviewing and recommending the remuneration package for the Executive Directors, the NRC took into consideration the salary survey report prepared by the Independent Human Resources Consultant.

In May 2022, the Board approved the NRC's recommendation for the Company to seek the shareholders' approval at the Fourteenth AGM for the Directors' fees payable to the Non-Executive Directors of the Company up to an amount of RM1,100,000 from the day after the Fourteenth AGM until the next AGM of the Company, to be paid monthly in arrears; and the Directors' benefits payable to the Non-Executive Directors of the Company up to an amount of RM200,000 from the day after the Fourteenth AGM until the next AGM of the Company.

The details of the Directors' Remuneration for the financial year ended 31 March 2022 are set out below:-

Directors	Company				Subsidiary Companies				Group
	Director's Fee	Other Benefits (Salary, bonus, allowance and EPF)	Estimated money value of benefits-in-kind	Total	Director's Fee	Other Benefits (Salary, bonus, allowance and EPF)	Estimated money value of benefits-in-kind	Total	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Non-Executive Directors									
General Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd)	216,000.00	6,000.00	-	222,000.00	-	-	-	-	**222,000.00**
Dato' Wan Mohd Safiain bin Wan Hasan	102,000.00	13,000.00	-	115,000.00	-	-	-	-	**115,000.00**
Dato' Wan Ibrahim bin Wan Ahmad	84,000.00	10,000.00	-	94,000.00	-	-	-	-	**94,000.00**
Dato' Sri Sharifuddin bin Ab Ghani	102,000.00	12,000.00	-	114,000.00	-	-	-	-	**114,000.00**
Dato' Ibrahim bin Abdullah	84,000.00	9,000.00	-	93,000.00	-	-	-	-	**93,000.00**
Yee Kim Shing @ Yew Kim Sing	120,000.00	10,000.00	-	130,000.00	-	-	-	-	**130,000.00**
Noor Suhaila binti Saad	96,000.00	12,000.00	-	108,000.00	-	-	-	-	**108,000.00**
Azrul bin Yahaya (Appointed on 31.05.2021)	64,193.55	5,000.00	-	69,193.55	-	-	-	-	**69,193.55**

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

III. REMUNERATION (Cont'd)

Remuneration of Directors and Key Senior Management (Cont'd)

Directors	Company				Subsidiary Companies				Group
	Director's Fee	Other Benefits (Salary, bonus, allowance and EPF)	Estimated money value of benefits-in-kind	Total	Director's Fee	Other Benefits (Salary, bonus, allowance and EPF)	Estimated money value of benefits-in-kind	Total	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Executive Directors									
Wan Zalizan bin Wan Jusoh	-	547,773.40	-	547,773.40	-	-	-	-	**547,773.40**
Chia Kok Khuang	-	418,223.40	-	418,223.40	-	-	-	-	**418,223.40**
Safian bin Mohd Yunus	-	417,479.05	-	417,479.05	-	-	-	-	**417,479.05**
Total Directors' Remuneration	**868,193.55**	**1,460,475.85**	**-**	**2,328,669.40**	**-**	**-**	**-**	**-**	**2,328,669.40**

The remuneration of the top 8 Key Senior Management of the Group during the financial year ended 31 March 2022 in bands of RM50,000 are as follows:-

Key Senior Management Remuneration	Number
RM50,000 - RM100,000	1
RM200,000 - RM250,000	1
RM250,000 - RM300,000	1
RM350,000 - RM400,000	1
RM400,000 - RM450,000	3
RM500,001 - RM550,000	1
Total	**8**

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AC

Composition of AC

The AC of the Company comprises four (4) members of whom three (3) are Independent Non-Executive Directors and one (1) is Non-Independent Non-Executive, in compliance with the requirements of Paragraphs 15.09 (1)(a) and (b) of the MMLR of Bursa Malaysia.

In November 2021, the NRC reviewed the composition of the AC and recommended to the Board for approval the appointment of Encik Azrul bin Yahaya as an additional member of the AC.

To ensure the overall effectiveness and independence of the AC, the positions of the Chairman of the Board and the Chairman of the AC are held by different persons. The AC is chaired by an Independent Non-Executive Director, Mr Yee Kim Shing @ Yew Kim Sing.

Collectively, the AC members possess a wide range of necessary skills to discharge their duties and responsibilities. The AC as a whole is financially literate and is able to understand matters under the purview of the AC, including the financial reporting process.

In May 2022, the AC reviewed and recommended to the Board for approval the revision to the Terms of Reference of the AC, which requires a former key audit partner of the Group to observe a cooling period of at least three (3) years before being appointed as a member of the AC. None of the AC members was former key audit partner of the Group.

The Terms of Reference of the AC is available for reference on the Company's website at www.datasonic.com.my.

The composition and details of the activities carried out by the AC for the financial year under review are set out in the AC Report of this Annual Report.

Financial Reporting Process

The Board takes responsibility for providing a balanced and meaningful assessment of the Group's financial performance and position primarily through the financial statements of the Company and of the Group, quarterly management report and accounts and quarterly financial results to Bursa Malaysia, Chairman's Statement and Management Discussion and Analysis in the Annual Report.

The Board is assisted by the AC and the Chief Financial Officer in overseeing and governing the Group's financial reporting processes and the quality and integrity of its financial information.

The Directors' Responsibilities Statement in respect of the preparation of the Annual Audited Financial Statements is set out separately in this Annual Report.

External Auditors and its Independence

As one of its functions, the AC undertakes an annual assessment of the external auditors to gauge their performance, suitability and independence. Based on the results of this assessment, the AC make recommendation to the Board for their reappointment or termination, as applicable.

The annual evaluation of the external auditors provide the AC with a disciplined approach for maintaining effective oversight of the external auditors' performance. The objective of this External Auditors Assessment Policy is to outline the guidelines and procedures for the AC to review, assess and monitor the competency of the external auditors.

During the financial year under review, the AC had private meetings with the external auditors without the presence of the Executive Board members and the Management.

All of the AC members undertook continuous professional development to keep themselves abreast with the relevant developments in accounting and auditing standards, practices and rules.

The External Auditors Assessment Policy is available for reference on the Company's website at www.datasonic.com.my.

In this regard, the AC assessed the performance, suitability and independence of Messrs Crowe Malaysia PLT as external auditors of the Company and reviewed the non-audit services provided by them for the financial year under review. This enabled the AC to determine that the nature of the non-audit services would not adversely impair the external auditors' professional independence and that the related fees levied are fair and realistic.

Corporate Governance Overview Statement

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AC (Cont'd)

External Auditors and its Independence (Cont'd)

The AC also received confirmation from Messrs Crowe Malaysia PLT that they will continuously comply with the relevant ethical requirements regarding professional independence with respect to the audit of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the Malaysian Institute of Accountants' By-Laws (On Professional Ethics, Conduct and Practice).

In May 2022, the Board approved the AC's recommendation for the Company to seek the shareholders' approval for the reappointment of Messrs Crowe Malaysia PLT as external auditors of the Company at the forthcoming AGM.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management and Internal Controls

The Risk Management Committee ("RMC") of the Company comprises three (3) members, all of whom are Independent Non-Executive Directors. The RMC is chaired by an Independent Non-Executive Director, Dato' Wan Mohd Safiain bin Wan Hasan.

The RMC was established to assist the Board in overseeing risk management framework and policies in order to manage the overall risk exposure of the Group.

The Board is responsible for ensuring that risks and opportunities are identified on a timely basis to continuously safeguard the shareholders' investment and the Group's assets. The Board is assisted by the Risk Management Committee to perform continuous review and monitor on the adequacy and effectiveness of risk mitigation plans and internal control measures pertaining to the key risks.

The Statement on Risk Management and Internal Control made pursuant to Paragraph 15.26(b) of the MMLR of Bursa Malaysia is separately set out in this Annual Report.

In May 2022, the RMC reviewed and recommended to the Board for approval the revision to the Terms of Reference of the RMC, which include overseeing the Group's various risks including sustainability and climate-related risks, and reviewing significant investment and new business proposals to identify its key associated risks.

The Terms of Reference of the RMC is published on the Company's website at www.datasonic.com.my.

Internal Audit Function

The Internal Audit function is led by the Chief Internal Auditor who reports functionally to the AC and administratively to the Managing Director.

Details of the Group's internal control system are set out separately in the Statement on Risk Management and Internal Control and the AC Report in this Annual Report.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. ENGAGEMENT WITH STAKEHOLDERS/SHAREHOLDERS

Engagement and communication with Stakeholders/ Shareholders

The Board recognises the importance of ongoing engagement and communication with shareholders and stakeholders of the Company, which will build mutual trust and better understanding. The Company is committed to providing its shareholders, stakeholders and investors with transparent, accurate and quality disclosure on timely and even basis of the Company's operations, financial conditions and future prospects in conformity with applicable legal and regulatory requirements.

The Board ensures that there is effective, transparent and regular communication with its stakeholders through announcements to Bursa Malaysia on a timely basis, annual reports, AGM and general meetings, corporate website, quarterly investors' briefings and established investors function for stakeholders to provide their views, feedback and complaints.

The Corporate Disclosure Policy and Procedures and the Shareholders Communication Policy established by the Board are published on the Company's website at www.datasonic.com.my.

Integrated reporting

The Company is not categorised as Large Company; hence, it has not adopted integrated reporting based on a globally recognised framework.

II. CONDUCT OF GENERAL MEETINGS

Encourage shareholders participation at general meetings

The AGM and Extraordinary General Meeting of the Company are important platforms for the Directors and the Senior Management to engage with shareholders to facilitate greater understanding of the Company's business, governance and performance.

As a precautionary measure amid the COVID-19 outbreak, the Company conducted a virtual Thirteenth AGM through live streaming and online remote voting by using Remote Participation and Voting Facilities ("RPV") on 15 September 2021, which are in compliance with Section 327(1) and (2) of the Companies Act 2016 and Clause 106 of the Constitution of the Company. The virtual AGM supported meaningful engagement between the Board and the Senior Management and shareholders, and it also provided an avenue for shareholders to seek clarification and insights into the operations and financial performance of the Group. All the Directors and the Senior Management attended the Thirteenth AGM.

The Chairman, who chaired the proceedings, provided fair opportunity and time to all shareholders to exercise their rights to raise questions and make recommendations. During the question and answer session of the AGM, shareholders were invited to post their questions to the Board. The Chairman, Company Secretary and the Management were present at the meetings to answer shareholders' queries and concerns. The Company's external auditors and corporate advisers participated remotely at the AGM respectively. Where it is not possible to provide immediate answers to shareholders' queries, the Board will undertake to provide the answer after the AGM. The Minutes of the Thirteenth AGM is also made available on the Company's website at www.datasonic.com.my.

The Notice of the Fourteenth AGM and a Statement to Shareholders in relation to the proposed renewal of share buy-back authority will be issued to shareholders at least twenty-eight (28) days prior to the AGM date. The Notice and the Agenda will also be published in the newspaper and made available on the Company's website at www.datasonic.com.my.

In line with the MMLR of Bursa Malaysia, the Company will conduct voting through electronic polling for all the resolutions set out in the Notice of the Fourteenth AGM. The Company will appoint Commercial Quest Sdn Bhd (Registration No. 199401025328 (311007-M)) to perform scrutineering services and to validate the votes cast at the Fourteenth AGM.

This Corporate Governance Overview Statement was approved by the Board of Directors of the Company on 31 May 2022.

Audit Committee Report

The Audit Committee of Datasonic Group Berhad ("the Company") is pleased to present the Audit Committee Report for the financial year ended 31 March 2022, which provides insights into the manner in which the Audit Committee discharged its functions, roles and responsibilities for the Company during the financial year.

COMPOSITION AND ATTENDANCE

The Audit Committee comprises four (4) members with the majority being Independent and Non-Executive Directors ("INED") in compliance with the requirements of paragraphs 15.09 (1) (a) and (b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The Chairman of the Audit Committee, Mr. Yee Kim Shing, is a member of the Malaysian Institute of Accountants, the Institute of Chartered Accountant of Australia and the Institute of Certified Public Accountants of Singapore, which further complies with paragraph 15.09 (1)(c)(i) of the MMLR.

The Audit Committee held four (4) meetings during the financial year ended 31 March 2022 and full attendance were recorded for all members except for Encik Azrul bin Yahaya who attended one (1) meeting subsequent to his appointment in November 2021. The attendance of the members at the meetings are as follows:-

Audit Committee Members	Designation	Numbers of meetings attended
Mr. Yee Kim Shing @ Yew Kim Sing	Chairman, Independent Non-Executive Director	4/4
Dato' Wan Mohd Safiain bin Wan Hasan	Member, Independent Non-Executive Director	4/4
Dato' Wan Ibrahim bin Wan Ahmad	Member, Independent Non-Executive Director	4/4
Encik Azrul bin Yahaya	Member, Non-Independent Non-Executive Director	1/1

In compliance with the requirements of paragraph 15.20 of Bursa Securities Listing Requirements and MCCG, the Board of Directors ("Board") reviewed the terms of office and performance of the Audit Committee and each of its members by way of an annual effective evaluation carried out by the Nomination and Remuneration Committee in May 2022. Based on the Nomination and Remuneration Committee's assessments and recommendations, the Board is satisfied that the Audit Committee and its members have carried out their functions, duties and responsibilities in accordance with its Terms of Reference, which supported the Board in ensuring that the Group upholds appropriate Corporate Governance Standards and practices.

MEETINGS

The Audit Committee meetings were also attended by the Managing Director, Deputy Managing Director, representatives of the external auditors, Chief Corporate Officer, Chief Financial Officer, internal auditors and relevant members of the Management team to facilitate continuous engagement, direct communication and provide clarification on audit issues, Group's operations as well as other issues and matters within the terms of reference of the Audit Committee that warranted the attention of the Audit Committee in a timely manner, as applicable. Matters of significant concern raised by the internal and external auditors, if any, were duly conveyed and dealt with by the Audit Committee and/or the Board.

Minutes of each Audit Committee meeting were recorded and tabled for confirmation and adoption at the next following Audit Committee meetings and subsequently presented to the Board for notation. The minutes of the Audit Committee meetings, which include details of deliberations, decisions and resolutions on the matters brought up in the meetings are properly maintained by the Company Secretary.

AUDIT COMMITTEE MEMBERS' TRAINING

Information on training programmes and seminars attended by each Audit Committee member during the financial year are set out in the Corporate Governance Overview Statement under "Directors' Training".

THE PROCESS OF THE AUDIT COMMITTEE

The Audit Committee meets at least four (4) times a year scheduled every quarter and will have no hesitation to convene additional meetings as the Audit Committee's roles and responsibilities require. The Audit Committee may invite any member of the Management or employee of the Group to attend its meetings if deemed necessary and has access to any relevant form of advice from independent professionals, information and the views and services of the Company Secretary in carrying out its duties and functions.

The Audit Committee Chairman reports to the Board on a quarterly basis on all significant matters discussed, deliberated upon and dealt with at the Audit Committee Meetings. Amongst others, it covers the Audit Committee's recommendations to approve the quarterly Management Reports and Accounts, the quarterly consolidated financial results released to Bursa Malaysia, the annual financial statements of accounts, key disclosure statements on governance and other relevant matters in the Annual Report as well as significant audit issues raised by the external and internal auditors, as applicable.

The Audit Committee continuously reviews its Terms of Reference to reflect the updated internal processes of the Management and the current requirements as promulgated by the authorities whenever necessary. The Terms of Reference of the Audit Committee are available for reference on the Company's website at www.datasonic.com.my.

A. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

During the financial year, the Audit Committee has fully discharged its functions and duties as set out in its Terms of Reference. A summary of the work and activities undertaken by the Audit Committee during the financial year comprised the following:-

1. Financial Reporting

a. Reviewed the audited financial statements of Datasonic Group Berhad that comprised the statements of financial position as at 31 March 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company, notes to the financial statements, summary of significant accounting policies as well as the related statutory auditors' report prior to submission to the Board for consideration and approval, after ensuring that:-

   i. The audited financial statements were drawn up in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia;

   ii. Key audit matters are properly presented in the auditors' report based on the auditors' professional judgement that such matters are most significant in their audit of the financial statements of accounts of the Group and of the Company for the current financial year;

   iii. The audited annual financial statements of accounts do not contain any material misstatement of transactions and the auditors are in a position to issue an unqualified opinion on the matter of truth and fairness of the financial performance and the financial position of the Company and of the Group.

b. Reviewed and discussed the quarterly Management Reports and Accounts of the Company and of the Group as well as the unaudited quarterly consolidated financial results of the announcements and made recommendations to the Board for approval before release to Bursa Malaysia.

   To uphold the integrity of the financial statements of accounts, the Chief Financial Officer and the Assistant Financial Controller attended all Audit Committee meetings held throughout the financial year and confirmed that:-

   i. Appropriate accounting policies had been adopted and applied consistently;

   ii. Prudent and realistic estimates had been made in accordance with the requirements as set out in the applicable MFRSs.

c. Reviewed and discussed with the Management on the adequacy of processes and controls in place for an effective and meaningful financial reporting and disclosures in support of the integrity of financial information issued by the Group.

Audit Committee Report

d. Reviewed and discussed with the Management on the appropriateness of bases and relevant documentations as evidence in support of the recoverability and fair value of major assets.

e. Reviewed and discussed with the Management on new developments in accounting standards that may have bearing on financial reporting and disclosures. Reasonable assurances on the implementation of applicable changes/new developments noted were also obtained from the Management, as applicable.

f. Reviewed and discussed with the Management on the Annual Group Budgets for FY2021/2022 concerning the financial performance and the financial position as at 31 March 2022. The reviews performed also include related cash flow budgets, appropriateness of basis and assumptions applied and tracking of the budgets as well as conduct of proper budgetary controls exercised by the Management.

2. External Auditors

a. In February 2022, reviewed and discussed the Audit Planning Memorandum of the External Auditors for the financial year ending 31 March 2022. This covers the engagement and reporting requirements, audit approach, areas of audit emphasis particularly in relation to the key audit matters, significant events during the year, group audit, reliance on internal audit, engagement team, reporting and deliverables, proposed audit fees, responsibilities of directors and auditors, independence of auditors and the new developments in accounting standards.

b. In May 2022, reviewed and discussed the Audit Review Memorandum issued by the external auditors in relation to the completion of the annual year-end audit, covering on key audit findings, misstatements, observation on the internal controls as part of their auditing procedures, status of group audit, fees and the list of outstanding confirmations and information, amongst others.

c. In May 2022, reviewed and discussed the draft Audited Financial Statements of the Company and of the Group for the financial year ended 31 March 2022 and the draft Annual Report 2022, which encompasses all relevant disclosure statements in line with MMLR before recommending of the same to the Board for approval.

d. In accordance with the External Auditors Assessment Policy and paragraph 15.21 of MMLR, the Audit Committee had in May 2022 undertook an annual assessment on the performance of the external auditors focusing on issues of their suitability, objectivity and professional independence together with the Chief Financial Officer and the Management. The External Auditors Assessment Policy is available for reference on the Company's website at www.datasonic.com.my.

A questionnaire checklist was used to determine the minimum performance assessment procedures on the quality and effectiveness of the external audit functions for purposes of reaching the decision as to whether to recommend to the Board on the question of their reappointment. The assessment procedures also considered the information disclosed by the external auditors in their Annual Transparency Reporting, particularly in areas related to their legal and governance structure, measures to uphold audit quality and manage risks, and measurement of audit quality indicators as emphasised in the announcement issued by the Securities Commission's Audit Oversight Board ("AOB") in April 2022. Input and feedback were also obtained from the Management who had close contact and involvement with the external auditors throughout the financial year to assess on the level of professionalism conducted and as shown by the external auditors in the undertaking of the annual audit.

The assessment and evaluation processes covered the following areas:-

i Independence and objectivity

(a) Reviewed and discussed on the professional independence of the external auditors for the financial year ended 31 March 2022, which amongst others included assessments of the:-

- External auditors firm with emphasis on key professional staffs assigned to the external audit team to ensure their independence, competencies and objectivity in fact and appearance;
- The terms of the audit engagement partner and quality control partner on the issues of rotation requirements from the risks and best practice viewpoints;
- Measures to keep track of evolving best standards and practices in areas relating to independence and ethical rules to ensure continuous compliance, of the same;
- Detailed list of non-audit services rendered by the external auditors firm and related fees together with the pertinent information on the nature of the services undertaken focusing on the potential impact on the professional independence aspect.

(b) The external auditors provided written assurances to the Audit Committee that they had continuously comply with the relevant ethical requirements regarding professional independence with respect to the audited financial statements of accounts of the Company and of the Group in accordance with their firm's requirements and the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants. The external auditors also confirmed that the non-audit services provided to the Group during the year were in accordance with the independence requirements and had not compromise their independence as external auditors of the Company.

(c) The Audit Committee reviewed the summary of non-audit services rendered to the Group, which mainly comprised of recurring assignments of non-audit services in respect of tax compliance, tax advisory, review of transfer pricing documents, agreed-upon procedures and the annual review of the Statement on Risk Management and Internal Control.

The Group has incurred a total of approximately RM106,000 for non-audit services representing around 31% of total fees.

ii. Performance, suitability and competencies

The Audit Committee had assessed and evaluated the performance, suitability and competencies of the external auditors based on the following guidelines and criteria:

- Calibre of the external audit firm of international status, size and resources to conduct effective and constructive audits of listed issuers;
- Quality of processes and performance audit procedures, which cover quality control, the approach to seek and assess management representations, the approach to audit judgments and understanding of key issues and intricacies of the business operations, the bases and extent of reliance the external auditors place on management and the performance targets' achievement of quality audits (i.e. audit scopes, audit plan, timing, etc.);
- Audit team with emphasis on the competencies, qualifications and experiences of the engagement partner, quality review partner, audit manager and audit seniors taking into consideration the matter of familiarities with DGB's industry and complex operational activities;

Audit Committee Report

- Adequacy and appropriateness of audit scopes, planning and conduct of work in line with the related risks and internationally best practices;
- Fairness and reasonableness of audit fees in tandem with the scopes, size and complexities of the audit assignments;
- Quality and timely communication and dealing of audit issues, recommendations and resolutions in an atmosphere of sound and professional relationship between the external auditors and the relevant personnel of the Group.

iii. Further, the Management confirmed that the external auditors had:-

(a) Maintained active and fruitful engagements and communications with the relevant Management personnel in the undertaking of the audit;

(b) Substantiated the proposed audit fees as competitive and reasonable based on the complexities, sizeable volume of transactions and time spent on the audit undertakings.

With reference to the meetings held with the external auditors, the Audit Committee was satisfied with the extent of communication and interaction with the audit engagement partner and the audit team, which clearly demonstrated their unquestionable independence, objectivity and professionalism. The outcome of the performance assessment supports the Audit Committee's recommendation to the Board for reappointment of Crowe Malaysia PLT as the external auditors of the Company for the ensuing year.

The Board at its meeting in May 2022 was satisfied with the effective assessment procedures performed and reported by the Audit Committee. Accordingly, the Board approved the Audit Committee's recommendation to reappoint Messrs Crowe Malaysia PLT, subject to the shareholders' approval to be sought at the forthcoming Annual General Meeting.

e. With reference to the MIA Circular No. 25/2018: Change in Partner Rotation Period, the lead engagement partner and quality control review partner for the financial statements of Datasonic Group will be subject to a seven-year rotation with a three-year cooling-off period. The audit engagement partner and quality control review partner were appointed in 2021 and 2019 respectively and will be due for rotation in 2028 and 2026 respectively.

f. Reviewed and discussed the progress of the implementation and assessment of new development of accounting standards applicable and adopted by the Group, details of which are reflected in the financial statements of accounts incorporated in the Annual Report. The adoption of the new accounting standards mainly are not expected to have material impact on the financial statements of accounts of the Group and of the Company, as stated therein.

g. Reviewed the Statement on Risk Management and Internal Control for the financial year ended 31 March 2022 issued by the Company together with the report extended by the external auditors in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control issued by MIA and is included in this Annual Report.

h. For the year ended 31 March 2022, the Audit Committee held private meetings with the external auditors without the presence of the Executive Directors and the Senior Management. There were no significant unfavourable points raised by the external auditors that warranted the attention of the Audit Committee and the Senior Management.

3. Internal Auditors

a. Reviewed and discussed the Internal Audit Reports, which consist of the audit findings, recommendations and the corrective actions agreed and committed by the Management that will ensure all key risks are addressed on a timely basis with mitigating controls in place. There were 17 Internal Audit Reports issued by the Internal Audit Department ("IAD") for the financial year ended 31 March 2022, which were aligned with the Audit Planning Memorandum approved by the Audit Committee.

The selected key audit areas for the financial year ended 31 March 2022 that constituted the subject matters of the audit assignments carried out by the IAD were as follows:-

i. Procurement
ii. Human Capital Development
iii. Finance and Accounting
iv. Project Management
v. Plants' Production Operations
vi. Personalisation Operations

The audit findings predominantly related to normal operational shortcomings of lapses of controls in the internal control system. The Internal Audit Reports were also shared and reviewed by the external auditors in their audit planning purpose for effective co-ordination and consideration on the work covered between internal and external auditor functions as well as to determine and guide their audit strategies and procedures.

b. Reviewed the performance, progress and activities of the Internal Audit functions on quarterly basis, which covered the following aspects:-

i. The status of completion of planned audit assignments and other compliance work as per the approved Audit Planning Memorandum;

ii. Modifications to the approved Audit Planning Memorandum, if any, to cater for ad-hoc audit assignments requested by the Management/Executive Committee and/or Audit Committee/Board or as a result of consequential changes in the business operations and corporate development of the Group;

iii. Adequacy of resources, skills and competencies of IAD personnel. To ensure a mixture of skilled and competent auditors in the IAD, the Audit Committee also reviewed the applicable training and development programme attended by IAD personnel and continuously encourage IAD personnel to pursue professional certification programmes available for internal auditors and IT auditors;

iv. Significant matters/issues/challenges faced by the IAD in the conduct of audit fieldwork, and in this connection, the Audit Committee requested the IAD to put forth proposed solutions and recommendations to address the issues/challenges encountered with the view to improve a more effective undertaking of audit assignments;

v. The man-hours and costs incurred by the IAD in discharging its roles and responsibilities within the approved man-hours budget and costs budget.

c. Reviewed the progress and successful implementation of the corrective action plans committed by the Management for all key audit findings and recommendations highlighted in the previous Internal Audit Reports.

In respect of long-outstanding audit findings of significance, the Audit Committee followed the practice of instructing IAD to formally communicate with the auditees in expressing the Audit Committee concerns with requests for timely resolution of the outstanding audit issues.

d. Reviewed and approved the Audit Planning Memorandum of the IAD for the working period from June 2022 to May 2023 in respect of the financial year ending 31 March 2023 with emphasis on the audit scopes of work, audit activities and planned of work, adequacy of resources and sufficiency of coverage of auditable areas selected in accordance with the risk-based audit approach. The identified key audit assignments planned for FY2022/2023 areas covered the following areas:-

i. Project Management
ii. Plants' Production Operations
iii. Personalisation Operations and Security
iv. Fixed Assets Management
v. Human Resources
vi. Corporate Governance

Audit Committee Report

4. Corporate Governance and Compliance

a. Reviewed and published the annual report of the Company, which encompasses all relevant disclosure statements of corporate governance and the required documentations as set out in Part A of Appendix 9C of the MMLR.

b. Reviewed with the assistance of the Internal Audit Department on a quarterly basis to determine instances of any related party transaction for compliance with Bursa Listing Requirements and the internal procedures in place.

c. Discussed and noted the updates of new standards/regulatory requirements issued by the regulatory, statutory and professional bodies and relevant business news articles published by the mass media considered to be of interests to the Audit Committee/Board members.

d. Reviewed the implementation status of anti-corruption anti-bribery exercise carried out by the Group to adopt the Ministerial Guidelines on Adequate Procedures to comply with the requirements set out under Section 17A of the MACC Act.

B. INTERNAL AUDIT FUNCTION

The Internal Audit Department ("IAD") is headed by Puan Norreen Mohd Salim who is a member of Institute of Internal Auditors Malaysia ("IIAM") and Malaysian Institute of Accountants ("MIA"). In compliance with paragraph 15.27 of the MMLR of Bursa Malaysia, the IA function reports directly and functionally to the Audit Committee on the adequacy and effectiveness of the internal control system. The purpose, authority and responsibility as well as the scopes of work of the IAD are outlined in the approved Internal Audit Charter. To ensure that the responsibilities of the IAD are fully discharged in accordance with the applicable professional standards and its approved charter, the Audit Committee reviews the adequacy of the scopes and resources of the IAD as well as the competency and experience of the IAD personnel.

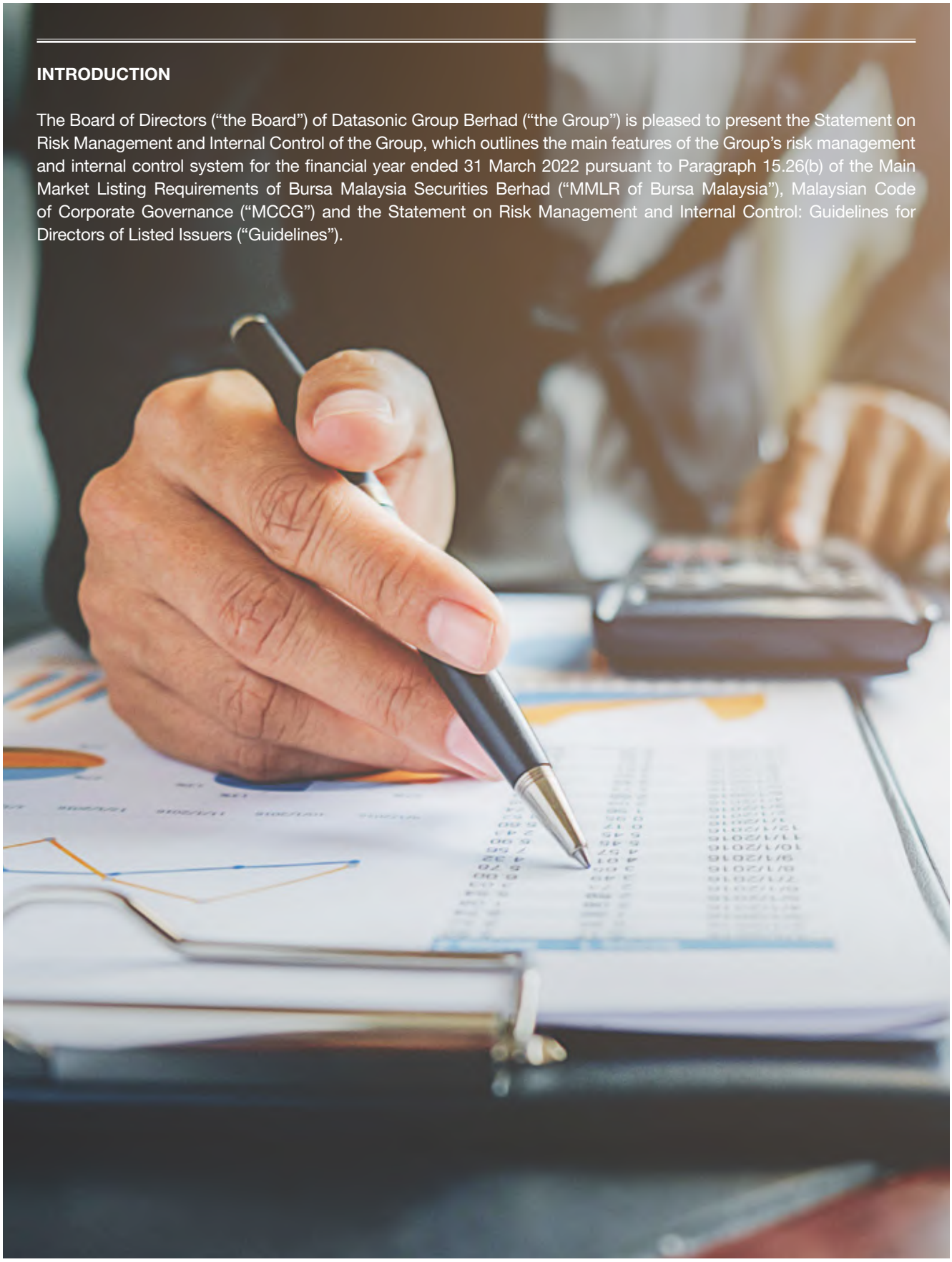
The activities of the IAD for the financial year ended 31 March 2022 were carried out in accordance with the Audit Planning Memorandum, which has been approved by the Audit Committee. The audit reviews performed covered the business operations units and support services departments focusing on the adequacy and effectiveness of internal controls, compliance with applicable requirements, obligations and regulations, reliability and integrity of financial information as well as adequacy of safeguarding of assets. In order to determine the significant auditees and related auditable areas for the planned audit assignments, the IAD had applied a risk-based audit approach in which all possible risk factors identified and compiled were assessed using high-level likelihood and consequence rating assessment and populated into the Likelihood and Consequence Matrix.

The results of the audits performed by the IAD were reviewed by the Audit Committee. The Internal Audit Reports were also presented and discussed at the Group Management Committee Meetings with concentration on matters of disputable findings and audit recommendations/corrective measures for appropriate resolutions prior to the Audit Committee meetings. The relevant Management members were made responsible to ensure the committed corrective actions were implemented within the committed timeframes. The IAD conducted follow-up audits on the key findings to ensure that the corrective actions were implemented appropriately and as committed.

As at May 2022, the IAD is staffed with six (6) personnel and all internal auditors possess tertiary qualifications with number of years of audit and work experience. The internal auditors are encouraged to continuously enhance their knowledge, skills and competencies through relevant professional audit certifications and always keep abreast of development in the profession and industry through continuous trainings and development activities appropriate to their respective levels. In order to maintain its independence and objectivity, the IAD has no operational responsibility and authority over the audited activities. The Audit Committee remained satisfied that the IAD had sufficient resources during the financial year to undertake its duties effectively and able to function independently. The total costs incurred by the IAD in discharging its roles and responsibilities for the working period in the financial year ended 31 March 2022 amounted to approximately RM530,000.

This Report was made in accordance with the resolution of the Board of Directors passed on 31 May 2022.

Statement on Risk Management *and Internal Control*



INTRODUCTION

The Board of Directors ("the Board") of Datasonic Group Berhad ("the Group") is pleased to present the Statement on Risk Management and Internal Control of the Group, which outlines the main features of the Group's risk management and internal control system for the financial year ended 31 March 2022 pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR of Bursa Malaysia"), Malaysian Code of Corporate Governance ("MCCG") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

Statement on Risk Management and Internal Control

RESPONSIBILITIES

The Board and Management uphold their ongoing commitment to embed and improve the risk management and internal control system into the culture, processes and structure of the Group. Datasonic continues its efforts to integrate the risk management processes and internal controls into the management processes and business activities of the Group. The efforts continue to evolve on a progressive basis for the financial year ended 31 March 2022 and up to the date of approval of this Statement for inclusion into the 2022 Annual Report.

Board Responsibility

The Board recognises the importance of sound risk management and internal control system to ensure the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, regulations, policies, procedures and contracts. Hence, the Board with the assurance from the Executive Directors and Management affirms its overall responsibilities for the Group's risk management and internal control system. The oversight of these critical areas is carried out by the Audit Committee ("AC") and Risk Management Committee ("RMC"), which are empowered by their respective terms of reference to provide oversight and perform regular reviews on the risk management and internal control system to meet the Group's objectives and for continuous improvement thereof.

The Board acknowledges the limitations that are inherent in any risk management and internal control system. As such the systems designed are meant to manage and minimise the extent and severity of the risks, rather than completely eliminate the risks of failure to achieve the Group's objectives and strategies. Consequently, the Board recognises that a sound internal control system provides reasonable but not absolute assurance that the Group will not be hindered in achieving its business objectives in the ordinary course of business.

Executive Directors and Management Responsibility

The Executive Directors and Management are accountable to the Board and responsible for implementing the processes of identifying, evaluating, monitoring and reporting of risks and the effectiveness of internal control system, taking appropriate and timely corrective actions as required. Regular reports on risks identified and actions taken to mitigate and/or minimise such risks and gaps in the internal control system, if any, are presented to the AC and RMC and ultimately to the Board. The Executive Directors and Management have assured the Board that the Group's risk management and internal control system are operating adequately and effectively in all material aspects, based on the risk management framework and internal control system adopted by the Group. Risks are managed by ensuring adequate controls and mitigation plans are in place and ensuring improvements are made as and when the needs arise.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Generally, Datasonic risk management and internal control system are guided by the ISO 31000 Risk Management - Principles and Guidelines and the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Framework respectively.

The key features of the Group's risk management and internal control system are the three lines of defence with established functional responsibilities and accountabilities for the management of risks and internal controls of Datasonic as depicted below:-

FIRST LINE OF DEFENCE

- Own, manage and control risks by the implementation of internal controls in the business operations and activities.
- Provided by the Executive Directors, Management and Heads of Department.

SECOND LINE OF DEFENCE

- Coordinate and facilitate risk management activities routinely among the various business units and/or support and administration functions, including monitoring progress of risk mitigation plans.
- Provided by Risk Management function.

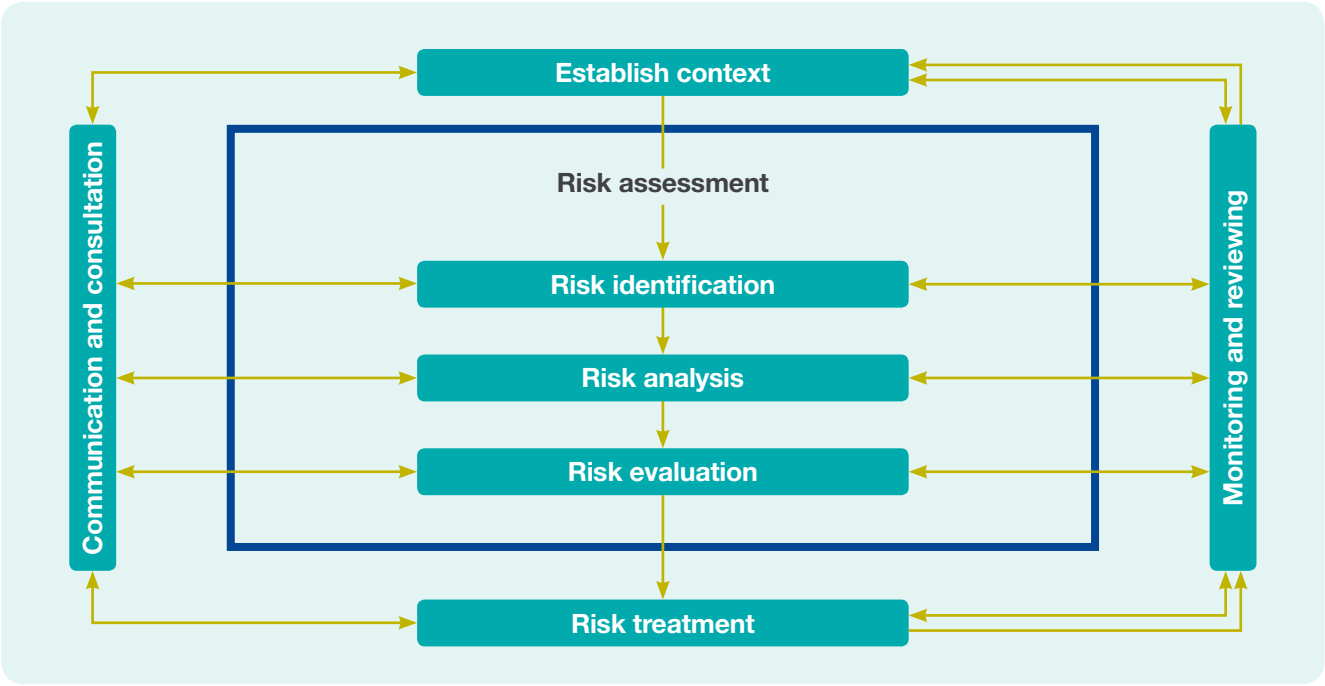
THIRD LINE OF DEFENCE

- Perform regular reviews of the Group's operations and system of internal controls and risk management. Provide independent assurance on the adequacy and effectiveness of the controls processes implemented by business process owners and the Management.
- Provided by the Internal Audit Department.

RISK MANAGEMENT

Risk Management Framework and Activities

The Group's risk management framework and methodology is guided by the ISO 31000 Risk Management - Principles and Guidelines represented in brief, as follows:-



Additionally, the Standard Operating Procedures ("SOP") governing risk management processes and reporting procedures are in place to support and outline the policies and procedures for the implementation of the ERM Framework. The efforts to implement formal risk management reviews and reporting as outlined in the ERM Framework continue to improve on a progressive basis and are ongoing.

Even though the formal risk management activities and reporting carried out in the Group are continuously being improved, the Executive Directors and Management assert that there have been ongoing processes of risk management in the course of managing the business activities. Subsequently, significant risk management activities and progress including those initiated by the Executive Committee ("EXCO") and Management were reported to the Risk Management Committee for review and recommended to the Board for approval.

The anticipated or known key risks that the Group is exposed with related mitigating strategies as reported by the risk management for the financial year ended 31 March 2022 are presented in the Management Discussion and Analysis included in this Annual Report.

KEY ELEMENTS OF THE INTERNAL CONTROL SYSTEM OF THE GROUP

The Group's internal control system during the financial year ended 31 March 2022 was embedded within the operating activities, and up to the date of approval of this statement for inclusion in the Annual Report, it encompassed, inter alia, the following key elements:-

1. Board Committees

The Board has delegated certain responsibilities to the Board Committees established in the Group, namely:-

- The Audit Committee,
- The Nomination and Remuneration Committee,
- The Risk Management Committee; and
- The ESOS Committee.

These Board Committees have oversight authorities to examine and/or consider all matters within their scope of responsibilities as defined in their respective formalised terms of references and to report to the Board with their recommendations appropriately.

Statement on Risk Management and Internal Control

The terms of references of all the Board Committees are published on the Company's website at www.datasonic.com.my.

2. Regular Board and Board Committee Meetings

Regular Board and Board Committee meetings were conducted to provide effective and sound governance practices. Decisions of the Board are only made after the required information is made available and deliberated upon by the respective Board Committees and recommended accordingly to the Board.

The Board reviewed and approved the quarterly and full year financial results announced to Bursa Malaysia and shareholders, as applicable, based on the recommendations made by the AC. Additionally, the Board also approved and implemented the Group policies based on the recommendations made by the Board Committees to continuously improve on the effectiveness and efficiency of risk management and internal control system. The minutes of the Board Committee meetings that recorded pertinent deliberations and decisions were subsequently presented to the Board for approval.

3. Management Committees

i. Group Management Committee, led by the EXCO

The Group Management Committee ("GMC") comprises the Managing Director as the Chairman, Deputy Managing Director and Executive Director including senior individuals within the Group having administrative or managerial authorities, or have the ability to facilitate or the power to implement plans, actions, rules and procedures or otherwise direct various personnel within the Group to achieve the overall objectives. The GMC meeting is conducted on a monthly basis or as and when considered necessary by the Chairman, in line with its Terms of Reference.

The GMC meeting provides a forum for the Management to discuss on key management concerns and matters encompassing strategic, operational and financial planning; and to deliberate on key operational progress, risks, issues and challenges encountered in the undertaking of significant projects as well as status of key resolutions decided upon by the Group. Appropriate action plans to resolve the issues or manage the risks are formulated and continuous updates were obtained in subsequent meetings from the respective parties assigned until satisfactory resolution of the action plans.

Subsequently, key operational activities and statistics, financial performance and key risks that affect the operational activities were reported by the Managing Director at the Board meetings, as applicable.

ii. Group Tender and Procurement Committee

The Group Tender and Procurement Committee ("GTPC") consists of the Managing Director as the Chairman, Deputy Managing Director, Executive Director and selected senior individuals within the Group and are responsible to review, recommend and approve critical decisions involving significant tender exercises and capital expenditure transactions of the Group. The deliberations and reviews performed include evaluating risks associated with the proposed transactions and the reasonableness of the associated mitigating factors prior to approval.

iii. Corporate Disclosure Committee

The Corporate Disclosure Committee ("CDC") comprises the Managing Director, Deputy Managing Director, Chief Corporate Officer, Chief Financial Officer and Head of Company Secretary, is responsible for ensuring appropriate and timely corporate disclosures to shareholders, stakeholders and investors in accordance with the MMLR of Bursa Malaysia and applicable laws of Malaysia.

iv. Integrity and Governance Committee

In August 2021, the Integrity and Governance Committee ("IGC") has been formally set up in the Group as another sub-committee to complement the GMC. The IGC comprises the Managing Director as the Chairman, Deputy Managing Director, Executive Director and selected personnel from various disciplines within the Group, is tasked to spearhead the Anti-Bribery Management System ("ABMS") and Guidelines on Adequate Procedures ("GAP") related programmes.

4. Organisational Structures

The Group has an organisational structure that defines accountabilities and responsibilities, and lines of reporting for each division and department established within the Group. The organisational structure provides the basic framework to help the Group's operations to proceed smoothly and functionally, and to ensure proper supervision, coordination and a sense of accountabilities among the employees.

5. Discretionary Authority Limits

The Discretionary Authority Limits ("DAL") defines and covers delegation of responsibilities for existing transactions and newly identified proposed transactions to the Management and designated personnel for various aspects of operations in line with the Group's strategies and risk appetite.

The DAL will be reviewed from time to time in terms of suitability, relevance and applicability with business operations and activities.

6. Policies and Operating Procedures

Policies and operating procedures governing the Group's key businesses and operations are documented and approved by the Management or Heads of Department, as applicable. These policies and procedures provide guidance and direction for proper management and governance of operations and business activities. Continuous reviews are carried out on the adequacy, appropriateness and comprehensiveness of SOP developed to govern the business processes and activities of the Group, to ensure compliance with applicable laws and regulations as well as significant changes and development in business and operational environment.

7. Code of Conduct and Ethics for Directors

The Code of Conduct and Ethics for Directors describe the standards of conduct and ethical behaviour for Directors in the performance and exercise of their duties and responsibilities as Directors of the Company or when representing the Company. The Group strongly believes that the appropriate standards of conduct and ethical behaviour are fundamental to the preservation of the Company's reputation and the success of its operations and to the exercise of their duties and responsibilities as Directors of the Company.

The Code of Conduct and Ethics for Directors is published on the Company's website at www.datasonic.com.my.

8. Employee Business Conduct Guidelines

The Employee Business Conduct Guidelines contains the code of conduct on the expected standards of business conduct for every employee who works for the Group or any of its affiliates in order for the Group to comply with the applicable laws and ethical standards to govern and ensure its long-term growth, development and sustenance of the Group.

9. Whistleblowing Policy

Whistleblowing Policy established by the Board applies to the Directors and employees of the Group as part of the Group's commitment to promote and maintain high standards of transparency, accountability and ethics in the conduct of its business and operations, with an established process for reporting anyone found to be abusing or circumventing processes and controls of the Group. All staff are accorded the opportunity to report via the whistleblowing mechanism with the assurance that the report will be dealt with confidentially and that the reporter's identity is protected.

In August 2021, the Board has approved the amendments made to the Whistleblowing Policy to be in conformity with the best practices and developments in applicable regulatory requirements.

There is no report received throughout the financial year ended 31 March 2022 that warrant execution of the whistleblowing exercise. The Whistleblowing Policy is published on the Company's website at www.datasonic.com.my.

10. Anti-Bribery and Anti-Corruption Policy and Manual

The Anti-Bribery and Anti-Corruption ("ABAC") Policy and Manual established set out the policies and protocols for the Group's personnel, business associates and third parties intermediaries who perform or shall perform services and act on behalf of the Group and its subsidiaries to prevent acts of bribery and corruption. The Group has adopted a zero tolerance approach against all forms of bribery and corruptions and takes a strong stance against such acts. The Group is committed to conduct business dealings, relationships and operations with highest level of ethics and integrity and to comply fully with applicable laws and regulatory requirements related to corporate liability in terms of anti-bribery and anti-corruption.

In August 2021, the Board has approved the amendments made to the ABAC Policy and subsequently in January 2022, the GMC has approved the Anti-Bribery Management System ("ABMS") and Guidelines on Adequate Procedures ("GAP") Manual, which serve as detailed guidelines supporting the approved policy.

During the financial year ended 31 March 2022, the Group continues to appoint and collaborate with a consultant to assist in the implementation of related activities as outlined in the established policies and guidelines in order to comply adequately with the Ministerial Guidelines on Adequate Procedures and the implementation efforts are ongoing.

Statement on Risk Management and Internal Control

The Anti-Bribery and Anti-Corruption Policy is published on the Company's website at www.datasonic.com.my.

11. Financial Budgeting and Project-Level Budgeting

Annual budgets are prepared and reviewed by the GMC prior to tabling to the Board for approval. Actual performance is reviewed against the approved budget by the GMC on a monthly basis allowing responses and corrective actions to be taken.

A project-level budgeting is implemented as part of the initiatives of cost optimisation efforts to monitor and control the expenditures incurred for each project. The Heads of project are responsible for ensuring the project expenses are within the approved budgets and any significant variances against the approved budgets will be reported to the Management for attention and formulation of necessary action plans to address the areas of concern, as applicable.

12. Continuous improvement on IT systems

The Group had undertaken continuous development and improvement on the information technology systems and platforms to support the operational efficiency in various operational activities, and to enable effective decision-making by providing the decision makers with timely and accurate information.

13. Group Disaster Recovery Plan

The Group's disaster recovery/business continuity plan ("DR/BCP") has been developed and the implementation was ongoing during the financial year. The plan will help to minimise downtime and data loss, and to ensure the continuity of business operations in the unfortunate event of management systems breakdown and other potential hazards such as fire and flood. Key information and data backups are systematically performed on a periodical basis.

14. Reviews by the Audit Committee and Risk Management Committee

Reviews carried out by the AC on the adequacy and effectiveness of the internal control system concerning operational issues reported by the internal and external auditors and attributable actions taken by the Management in respect of the findings to provide assurance that control procedures are in place and are being followed as intended.

Reviews carried out by the RMC on the adequacy and effectiveness of the risk management system and the mitigation controls to manage the key risk areas reported by the risk management function to provide assurance that the systems are operating as intended in order to manage the overall risk exposures of the Group.

Internal control and key risks related matters that warranted the attention of the Board were conveyed by the AC and RMC to the Board.

15. Independent Reviews by the Internal Audit Department ("IAD")

The IAD performs regular reviews of the Group's operations and system of internal controls and evaluates the adequacy and effectiveness of the controls processes implemented by the process owners and the Management.

During the financial year ended 31 March 2022, the adequacy and effectiveness of internal controls were reviewed by the AC based on the reports from audits conducted by the IAD according to the approved audit plan. Audit issues and actions taken by the Management to address the shortcomings raised by the IAD were deliberated and accepted at the AC meetings. There were 17 Internal Audit Reports issued and reviewed by the AC throughout the financial year in which the IAD has provided its recommendations to the Management to improve on the design and/or effectiveness of controls where applicable. Additionally, the AC also reviewed the implementation progress of the corrective action plans committed by the Management for all key findings and recommendations highlighted in previous Internal Audit Reports to ensure that all the corrective actions were implemented appropriately.

From the Internal Audit Reports issued, there were weaknesses and gaps in internal controls identified, and subsequently the remedial actions and corrective measures including monitoring have been and are being taken to address such weaknesses.

A description of the IAD's activities for the financial year ended 31 March 2022 are available in the Audit Committee Report included in this Annual Report.

16. Continuous Compliance Review

The Management team together with the respective Project Directors and Heads of Department continuously perform review on the compliance level in regard to the contractual obligations and the terms and conditions imposed on certifications and licenses granted to the Group. The list of certifications and licenses granted to the Group are available in the Sustainability Statement included in this Annual Report.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA").

The external auditors have opined to the Board that nothing has come to their attention that causes them to believe the statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group in all material aspects in accordance with the disclosure required by paragraph 41 and 42 on the Statement on Risk Management and Internal Control Guideline for Directors of Listed Issuers.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

ASSURANCE TO THE BOARD

The Board is of the view that the risk management and internal control system and processes are satisfactory and sound for the year under review, and up to the date of approval of this Statement. The Board together with the Management continue to monitor all major risks affecting the business operations of the Group and its necessary measures to mitigate or minimise them as well as continue to enhance the adequacy and effectiveness of the risk management and internal control system of the Group.

The Board has received assurance from the EXCO and Management that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

This Report was made in accordance with the resolution of the Board of Directors passed on 31 May 2022.

Additional Compliance Information

The following information is provided in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:-

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The private placement amounting to RM126,284,000 from the private placement of 262,000,000 new ordinary shares at an issue price of RM0.482 per share of which the issued share capital of the Company was increased to RM261,284,000 comprising of 2,962,000,000 ordinary share, which was completed on 7 April 2021.

On 7 October 2021, the Board has resolved to revise the utilisation of proceeds raised from the private placement by re-allocating the balance of proceeds previously earmarked for repayment of bank borrowings of approximately RM55.36 million to funding for the Group's existing and/or future projects. This amount is expected to be utilised by 7 April 2022, being 12 months from the listing of placement shares.

On 4 April 2022, the Board has resolved to extend the time frame for the utilisation of the remaining unutilised proceeds raised from the private placement, re-allocated to finance the Group's existing and future projects for an additional six (6) months of up to eighteen (18) months from the listing of placement shares.

The details of the private placement are set out as follows:-

Description	Proposed utilisation RM'000	Reallocation 7.10.2021 RM'000	Revised utilisation RM'000	Actual utilisation RM'000	Unutilised balance RM'000	Intended time frame for utilisation	Revised time frame for utilisation
Repayment of bank borrowings	79,950	(55,356)	24,594	(24,594)	-	Within 6 months	-
Finance Group's existing and future projects	45,949	55,356	101,305	(77,555)	23,750	Within 12 months	Within 18 months
Estimated expenses in relation to the private placement	385	-	385	(385)	-	Within 1 month	-
	126,284	-	126,284	(102,534)	23,750		

2. AUDIT AND NON-AUDIT SERVICES

During the financial year ended 31 March 2022, the total audit and non-audit fees incurred for the services rendered to the Company and the Group by the external auditors, or a firm affiliated to the external auditors are as follows:-

	Group RM'000	Company RM'000
Audit fees	239	46
Non-audit fees	106	32
Total	345	78

3. MATERIAL CONTRACTS INVOLVING THE INTERESTS OF THE DIRECTORS, CHIEF EXECUTIVE WHO IS NOT A DIRECTOR OR MAJOR SHAREHOLDERS

Except for the disclosure in Note 43 to the audited financial statements for the financial year ended 31 March 2022, there were no other material contracts entered into by the Company and its subsidiaries involving the interests of the Directors, Chief Executive who is not a Director or Major Shareholders during the financial year ended 31 March 2022.

4. EMPLOYEES' SHARE OPTION SCHEME

The Employee Share Option Scheme ("ESOS") of the Company is governed by the ESOS By-Laws and was approved by the shareholders on 20 February 2020. The effective date for the implementation of the ESOS is 16 July 2021.

As at the end of the financial year, no ESOS option has been offered under the ESOS.

Directors' Responsibilities Statement in Respect of the *Audited Financial Statements*

The Directors are responsible for the preparation of the Group's and of the Company's financial statements for each financial year in accordance with the requirements of the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, Companies Act, 2016 ("the Act") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Central to these requirements is the need to ensure that the audited financial statements present a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of their results, cash flows and statement of changes in equity for the financial year then ended.

In the preparation of these financial statements, the Directors have:-

a) applied the appropriate and relevant accounting policies in a consistent manner;

b) made judgements and estimates that are reasonable and prudent; and

c) prepared the annual audited financial statements on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records that disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

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Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit after taxation for the financial year	10,225	1,779
Attributable to:-		
Owners of the Company	10,244	1,779
Non-controlling interests	(19)	-
	10,225	1,779

DIVIDENDS

The amount of dividends declared or paid by the Company since 31 March 2021 were as follows:-

	RM'000
In respect of the financial year ended 31 March 2021:	
- Fourth interim single tier tax-exempt dividend of 0.05 sen per share, declared on 27 May 2021 and paid on 30 June 2021	1,442
In respect of the financial year ended 31 March 2022:	
- First interim single tier tax-exempt dividend of 0.10 sen per share, declared on 30 August 2021 and paid on 29 September 2021	2,874
- Second interim single tier tax-exempt dividend of 0.125 sen per share, declared on 30 November 2021 and paid on 21 January 2022	3,586
- Third interim single tier tax-exempt dividend of 0.125 sen per share, declared on 28 February 2022 and paid on 30 March 2022	3,582
	11,484

In respect of the financial year ended 31 March 2022, the Directors had on 31 May 2022 declared a fourth interim single tier tax-exempt dividend of 0.25 sen per share, the Entitlement Date will be determined and announced in due course. This dividend has not been reflected in the financial statements for the current financial year but it will be accounted for in shareholders' equity as an appropriation of retained profits for the financial year ending 31 March 2023.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2022.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

On 6 April 2021, the Company received the gross proceeds amounting to RM126,284,000 from the Private Placement of 262,000,000 new ordinary shares at an issue price of RM0.482 per share of which the issued share capital of the Company was increased to RM261,284,000 comprising of 2,962,000,000 ordinary shares. The Private Placement was completed on 7 April 2021 and the new ordinary shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 8 April 2021.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

There were no issues of debentures during the financial year.

TREASURY SHARES

During the financial year, the Company purchased 19,446,000 of its issued ordinary shares from the open market at an average price of RM0.45 per share. The total consideration paid for the purchase was approximately RM8,850,624 including transaction costs. The shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

As at 31 March 2022, the Company held as treasury shares a total of 96,641,000 out of its 2,962,000,000 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of approximately RM46,430,427.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

EMPLOYEE SHARE OPTION SCHEME

The Employee Share Option Scheme ("ESOS") of the Company is governed by the ESOS By-Laws and was approved by the shareholders on 20 February 2020. The effective date for the implementation of the ESOS is 16 July 2021.

As at the end of the financial year, no ESOS option has been offered under the ESOS.

WARRANTS 2018/2023

The Company had on 6 July 2018 issued 675,000,000 free Warrants on the basis of one (1) Warrant for every two (2) existing ordinary shares. The Warrants are constituted by a Deed Poll dated 18 June 2018.

The salient terms of the Warrants 2018/2023 are as follows:-

(a) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company at any time on or before the maturity date, 5 July 2023, falling five (5) years from the date of issue of the Warrants. Unexercised Warrants after the exercise period will thereafter lapse and cease to be valid;

(b) The exercise price of the Warrants is fixed at RM1.09 per Warrant;

Directors' Report

WARRANTS 2018/2023 (CONT'D)

(c) The new ordinary shares to be issued upon the exercise of the Warrants shall rank pari passu in all respects with the existing ordinary shares of the Company; and

(d) The Warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 12 July 2018.

On 1 October 2020, the Company issued 675,000,000 Additional Warrants on the basis of one (1) warrant for every one (1) existing warrant held in the Company arising from the Adjustment pursuant to Bonus Issue. The exercise price of the Warrant also adjusted to RM0.545 per Warrant.

As at the end of the financial year, 1,350,000,000 Warrants remained unexercised.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) (Chairman) [(1)]
Dato' Wan Mohd Safiain Bin Wan Hasan (Deputy Chairman)
Wan Zalizan Bin Wan Jusoh (Managing Director)
Chia Kok Khuang (Deputy Managing Director)
Safian Bin Mohd Yunus
Dato' Wan Ibrahim Bin Wan Ahmad [(1)]
Dato' Sri Sharifuddin Bin Ab Ghani [(1)]
Dato' Ibrahim Bin Abdullah
Yee Kim Shing @ Yew Kim Sing
Noor Suhaila Binti Saad [(1)]
Azrul Bin Yahaya (Appointed on 31.05.2021)

[(1)] *In accordance with Clause 165 of the Company's Constitution, General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd), Dato' Wan Ibrahim Bin Wan Ahmad, Dato' Sri Sharifuddin Bin Ab Ghani and Cik Noor Suhaila Binti Saad retire from the Board by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.*

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Datuk Ab. Hamid Bin Mohamad Hanipah
Chuah Ban Cheng
Ding Yong
Ng Shih Shing
Md Diah Bin Ramli
Tee Lay Ling
Cho Dong Wook
Hwang Inchang
Kim Yoonsuh
Adhitya Ulfa
Siti Rohana Binti Abd. Majid (Resigned on 13.12.2021)
Teng Boon Hou @ Andrew Teng (Resigned on 15.07.2021)

Directors' Report

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and of its related corporations during the financial year are as follows:-

	Number of Ordinary Shares			
	At 1.4.2021	Bought	Sold	At 31.3.2022
THE COMPANY				
Direct Interests				
General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)	15,000,000	-	-	15,000,000
Safian Bin Mohd Yunus	-	11,500,000	-	11,500,000
Indirect Interests				
Safian Bin Mohd Yunus				
Hallmark Epitome Sdn. Bhd. [(1)]	142,500,000	-	(30,000,000)	112,500,000
Demi Mekar Sdn. Bhd. [(2)]	-	171,731,300	-	171,731,300
Yee Kim Shing @ Yew Kim Sing				
Kor Lee Lu [(3)]	200,000	-	-	200,000

Notes:-

[(1)] - Deemed interest through his substantial shareholding in Puncak Kuasa Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016 which in turn holds more than 20% of the voting shares of Hallmark Epitome Sdn. Bhd..

[(2)] - Deemed interest through his substantial shareholding in Demi Mekar Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

[(3)] - Deemed interest in shares held by spouse pursuant to Section 59(11)(c) of the Companies Act 2016.

Other than as stated above, none of the other directors who were in office at the end of the financial year had any interest in the shares of the Company or its related corporations during the financial year.

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in warrants of the Company during the financial year are as follows:-

	Number of Warrants			
	At 1.4.2021	Bought	Sold	At 31.3.2022
THE COMPANY				
Direct Interests				
General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)	7,500,000	-	-	7,500,000
Dato' Wan Mohd Safiain Bin Wan Hasan	6,000	36,000	(18,000)	24,000
Indirect Interests				
Yee Kim Shing @ Yew Kim Sing				
Kor Lee Lu [(1)]	100,000	-	-	100,000

Note:-

[(1)] - Deemed interest in warrants held by spouse pursuant to Section 59(11)(c) of the Companies Act 2016.

Directors' Report

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in Note 41 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 41 to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM10,000,000 and RM23,000 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 48 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office. The details of the auditors' remuneration are disclosed in Note 37 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 31 May 2022.

General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)

Chia Kok Khuang

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) and Chia Kok Khuang, being two of the directors of Datasonic Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 97 to 182 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022 and of their financial performance and cash flows for the financial year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the directors dated 31 May 2022.

General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)

Chia Kok Khuang

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Chia Kok Khuang, being the director primarily responsible for the financial management of Datasonic Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 97 to 182 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Chia Kok Khuang
at Kuala Lumpur
in the Federal Territory
on this 31 May 2022

Before me

Chia Kok Khuang

Datin Hajah Raihela Wancik
No. W-275
Commissioner For Oaths

Independent Auditors' Report

to the Members of Datasonic Group Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Datasonic Group Berhad, which comprise the statements of financial position as at 31 March 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 97 to 182.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws* (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report
to the Members of Datasonic Group Berhad (Cont'd)

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Recoverability of Trade Receivables Refer to Notes 4.1(f), 4.10(a), 12 and 47.1(b) to the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
As at 31 March 2022, trade receivables that were past due and not impaired amounted to approximately RM8.732 million. The details of trade receivables and its credit risks are disclosed in Note 47.1(b) to the financial statements. The management applied assumptions in assessing the level of allowance for impairment losses on trade receivables based on the following:- • specific known facts or circumstances on customers' ability to pay; and/or • by reference to past default experiences The Group assessed at each of the reporting date whether there is any objective evidence that trade receivables are impaired based on the validity of contractual terms, analysis of customer creditworthiness, past historical payment trends and expectation of repayment. The impairment assessment involved significant judgements and there is inherent uncertainty in the assumptions applied by the management to evaluate the adequacy of the allowance for impairment losses and estimation of future cash collection. We determined this to be a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to credit risk exposures to assess the recoverability of trade receivables.	Our audit procedures included, amongst others:- • reviewed and understand the management's assessment of recoverability of major trade receivables; • reviewed contractual terms to ensure the Group has contractual right to recognise revenue and collect payments; • reviewed recoverability of major trade receivables including but not limited to the review of subsequent collections; • enquired management on project/receivables status for major customers; • reviewed collections and sales trends during the financial year of major trade receivables; and/or • reviewed management's basis of estimation on the adequacy of the Group's allowance for impairment loss on trade receivables.

Key Audit Matters (Cont'd)

Assessment for Impairment of Development Expenditure Refer to Notes 4.1(j), 4.10(b) and 11 to the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
We determined this to be a key audit matter as the Group carries significant development expenditure which are in the process of development and the inherent subjectivity in impairment testing. For purposes of the annual impairment assessment of development expenditure, significant judgements are involved in the estimation of the present value of future cash flows generated by development expenditure. These assessments involves uncertainties and are significantly affected by assumptions used and judgement made in estimating the future cash flows, which include, amongst others, the achievability of long-term business plans.	Our audit procedures included, amongst others:- • evaluation and determination of the cash-generating units; • reviewed management's estimate of the recoverable amounts and tested the cash flow forecasts for their accuracy; • reviewed the key business drivers underpinning the cash flow forecasts prepared to support the recoverable amount; • evaluated the key assumptions used by management including any customer orders already contracted by the Group; • assessed the reasonableness of cash flow forecast and projections by comparison to historical performance, future outlook and the achievability of the business plans through discussion with management; • evaluated whether the model used to calculate recoverable amount of the individual cash-generating units complies with the requirements of MFRS 136 - Impairment of Assets; and • reviewed sensitivity analysis taking into account the historical forecasting accuracy of the Group to stress test the key assumptions in the impairment model performed by management.

Independent Auditors' Report
to the Members of Datasonic Group Berhad (Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report
to the Members of Datasonic Group Berhad (Cont'd)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Choong Kok Keong
03461/11/2023 J
Chartered Accountant

Kuala Lumpur

31 May 2022

Statements of Financial Position

as at 31 March 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	131,261	134,370	6,664	7,219
Right-of-use assets	6	11,027	13,209	8,953	9,546
Investments in subsidiaries	7	-	-	91,101	91,111
Investment in an associate	8	-	-	-	-
Other investment	9	110	110	-	-
Goodwill	10	4,162	4,162	-	-
Development expenditure	11	15,359	20,341	-	-
Trade receivables	12	2,146	5,294	-	-
		164,065	177,486	106,718	107,876
CURRENT ASSETS					
Projects-in-progress	13	3,180	2,203	-	-
Inventories	14	52,225	48,281	-	-
Trade receivables	12	48,619	33,272	-	-
Other receivables, deposits and prepayments	15	9,442	8,596	548	388
Amounts owing by subsidiaries	16	-	-	51,043	30,732
Tax recoverable		2,392	2,399	-	-
Short-term investments	17	110,111	31,449	75,391	290
Deposits with licensed banks	18	6,107	6,103	-	-
Cash and bank balances	18	4,637	10,742	1,098	1,517
		236,713	143,045	128,080	32,927
TOTAL ASSETS		400,778	320,531	234,798	140,803

The annexed notes form an integral part of these financial statements.

Statements of Financial Position
as at 31 March 2022 (Cont'd)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	261,284	135,000	261,284	135,000
Treasury shares	20	(46,430)	(37,580)	(46,430)	(37,580)
Merger deficit	21	(11,072)	(11,072)	-	-
Foreign exchange translation reserve	22	(56)	(94)	-	-
Retained profits		138,520	139,760	15,539	25,244
Equity attributable to owners of the Company		342,246	226,014	230,393	122,664
Non-controlling interests		269	302	-	-
TOTAL EQUITY		342,515	226,316	230,393	122,664
NON-CURRENT LIABILITIES					
Long-term borrowings	23	23,749	45,974	1,939	3,338
Lease liabilities	26	-	155	-	155
Deferred tax liabilities	27	4,334	4,007	-	-
		28,083	50,136	1,939	3,493
CURRENT LIABILITIES					
Trade payables	28	6,583	1,048	-	-
Other payables and accruals	29	14,648	29,263	883	451
Provision for taxation		-	-	34	67
Amounts owing to subsidiaries	16	-	-	151	12,692
Short-term borrowings	30	8,949	13,011	1,398	1,355
Lease liabilities	26	-	757	-	81
		30,180	44,079	2,466	14,646
TOTAL LIABILITIES		58,263	94,215	4,405	18,139
TOTAL EQUITY AND LIABILITIES		400,778	320,531	234,798	140,803
NET ASSETS PER SHARE (SEN)	31	11.94	8.62		

The annexed notes form an integral part of these financial statements.

Statements of Profit or Loss

and Other Comprehensive Income for the Financial Year Ended 31 March 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
REVENUE	33	136,428	138,414	17,048	55,936
COST OF SALES		(62,906)	(66,425)	-	-
GROSS PROFIT		73,522	71,989	17,048	55,936
OTHER INCOME	34	3,950	1,425	4,355	1,869
		77,472	73,414	21,403	57,805
ADMINISTRATIVE EXPENSES		(63,276)	(59,262)	(19,320)	(19,585)
		14,196	14,152	2,083	38,220
FINANCE COSTS	36	(1,459)	(3,063)	(131)	(191)
PROFIT BEFORE TAXATION	37	12,737	11,089	1,952	38,029
INCOME TAX EXPENSE	38	(2,512)	(3,805)	(173)	(170)
PROFIT AFTER TAXATION		10,225	7,284	1,779	37,859
OTHER COMPREHENSIVE INCOME					
Item that May be Reclassified Subsequently to Profit or Loss					
Foreign currency translation differences		24	176	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		10,249	7,460	1,779	37,859

The annexed notes form an integral part of these financial statements.

Statements of Profit or Loss

and Other Comprehensive Income for the Financial Year Ended 31 March 2022 (Cont'd)

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		10,244	7,302	1,779	37,859
Non-controlling interests		(19)	(18)	-	-
		10,225	7,284	1,779	37,859
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		10,282	7,475	1,779	37,859
Non-controlling interests		(33)	(15)	-	-
		10,249	7,460	1,779	37,859
EARNINGS PER SHARE (SEN)	39				
Basic		0.36	0.28		
Diluted		0.36	0.18		

The annexed notes form an integral part of these financial statements.

Group	Note	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable Merger Deficit RM'000	Non-Distributable Foreign Exchange Translation Reserve RM'000	Distributable Retained Profits RM'000	Attributable to Owners of The Group RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 April 2021		135,000	(37,580)	(11,072)	(94)	139,760	226,014	302	226,316
Profit after taxation for the financial year		-	-	-	-	10,244	10,244	(19)	10,225
Other comprehensive income for the financial year:									
- foreign currency translation differences		-	-	-	38	-	38	(14)	24
Total comprehensive income for the financial year		-	-	-	38	10,244	10,282	(33)	10,249
Contributions by and distributions to owners of the Company:									
- issuance of shares pursuant to Private Placement	19	126,284	-	-	-	-	126,284	-	126,284
- purchase of treasury shares	20	-	(8,850)	-	-	-	(8,850)	-	(8,850)
- dividends	32	-	-	-	-	(11,484)	(11,484)	-	(11,484)
Total transactions with owners		126,284	(8,850)	-	-	(11,484)	105,950	-	105,950
At 31 March 2022		261,284	(46,430)	(11,072)	(56)	138,520	342,246	269	342,515

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

for the Financial Year Ended 31 March 2022 (Cont'd)

Group	Note	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable Merger Deficit RM'000	Non-Distributable Foreign Exchange Translation Reserve RM'000	Distributable Retained Profits RM'000	Attributable to Owners of The Group RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 April 2020		135,000	(26,134)	(11,072)	(267)	158,783	256,310	317	256,627
Profit after taxation for the financial year		-	-	-	-	7,302	7,302	(18)	7,284
Other comprehensive income for the financial year:									
- foreign currency translation differences		-	-	-	173	-	173	3	176
Total comprehensive income for the financial year		-	-	-	173	7,302	7,475	(15)	7,460
Contributions by and distributions to owners of the Company:									
- purchase of treasury shares	20	-	(11,446)	-	-	-	(11,446)	-	(11,446)
- dividends	32	-	-	-	-	(26,325)	(26,325)	-	(26,325)
Total transactions with owners		-	(11,446)	-	-	(26,325)	(37,771)	-	(37,771)
At 31 March 2021		135,000	(37,580)	(11,072)	(94)	139,760	226,014	302	226,316

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

for the Financial Year Ended 31 March 2022 (Cont'd)

Company	Note	Share Capital RM'000	Treasury Shares RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 April 2021		135,000	(37,580)	25,244	122,664
Profit after taxation/Total comprehensive income for the financial year		-	-	1,779	1,779
Contributions by and distributions to owners of the Company:					
- issuance of shares pursuant to Private Placement	19	126,284	-	-	126,284
- purchase of treasury shares	20	-	(8,850)	-	(8,850)
- dividends	32	-	-	(11,484)	(11,484)
At 31 March 2022		261,284	(46,430)	15,539	230,393
At 1 April 2020		135,000	(26,134)	13,710	122,576
Profit after taxation/Total comprehensive income for the financial year		-	-	37,859	37,859
Contributions by and distributions to owners of the Company:					
- purchase of treasury shares	20	-	(11,446)	-	(11,446)
- dividends	32	-	-	(26,325)	(26,325)
At 31 March 2021		135,000	(37,580)	25,244	122,664

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

for the Financial Year Ended 31 March 2022

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit before taxation		12,737	11,089	1,952	38,029
Adjustments for:-					
Allowance for impairment losses on:					
- inventories		-	49	-	-
- trade receivables		3,656	297	-	-
- other receivables		155	-	-	-
Amount owing by a subsidiary written off		-	-	136	-
Amortisation of development expenditure		4,982	3,273	-	-
Bad debts written off		94	-	-	-
Depreciation of property, plant and equipment		11,996	9,725	1,063	1,004
Depreciation of right-of-use assets		514	975	245	339
Property, plant and equipment written off		19	#	14	-
Fair value loss on trade receivable		59	114	-	-
Interest expense:					
- Interest expense on lease liabilities		55	284	4	12
- Other interest expense		1,404	2,779	127	179
Investment in a subsidiary written off		-	-	10	-
Loss on disposal of investment in associate		-	-	-	90
Reversal of excess accrued operational costs		(4,500)	-	-	-
Unrealised loss/(gain) on foreign exchange		18	(830)	(1)	3
Dividend income		-	-	(2,000)	(40,000)
Gain on disposal of plant and equipment		(47)	(62)	(47)	(1)
Interest income		(3,000)	(1,091)	(2,504)	(398)
Writeback of impairment losses on					
- inventories		(121)	(83)	-	-
- trade receivables		-	(3)	-	-
Operating profit/(loss) before working capital changes		28,021	26,516	(1,001)	(743)
Increase in projects-in-progress		(977)	(33)	-	-
(Increase)/Decrease in inventories		(3,823)	7,400	-	-
(Increase)/Decrease in trade and other receivables		(17,025)	50,753	(161)	264
(Decrease)/Increase in trade and other payables		(4,547)	27	434	18
Increase in amount owing by subsidiaries		-	-	(19,306)	(4,957)
Decrease in amount owing to subsidiaries		-	-	(12,690)	(5,058)
CASH FROM/(FOR) OPERATING ACTIVITIES		1,649	84,663	(32,724)	(10,476)
Income tax paid		(2,178)	(2,928)	(206)	(135)
Income tax refund		-	1,019	-	-
Interest paid		(1,459)	(3,063)	(131)	(191)
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(1,988)	79,691	(33,061)	(10,802)

Note:-

 # - Amount less than RM1,000.

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

for the Financial Year Ended 31 March 2022 (Cont'd)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Interest received		3,000	1,091	2,504	398
Dividend received		-	-	1,000	43,000
Proceeds from disposal of plant and equipment		130	103	98	1
Purchase of property, plant and equipment	40(a)	(7,321)	(2,256)	(218)	(546)
(Placement)/Withdrawal of deposits pledged to licensed banks		(4)	15	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(4,195)	(1,047)	3,384	42,853
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Proceeds from issuance of ordinary shares		126,284	-	126,284	-
Dividends paid		(11,484)	(26,325)	(11,484)	(26,325)
Purchase of treasury shares	20	(8,850)	(11,446)	(8,850)	(11,446)
Repayment of lease liabilities	40(b)	(912)	(3,843)	(236)	(81)
Drawdown of trade financing	40(b)	15,125	24,278	-	-
Repayment of trade financing	40(b)	(18,959)	(47,355)	-	-
Repayment of term loans	40(b)	(21,097)	(10,751)	-	-
Repayment of term financing	40(b)	(1,356)	(1,304)	(1,356)	(1,304)
NET CASH FROM/(FOR) FINANCING ACTIVITIES		78,751	(76,746)	104,358	(39,156)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		72,568	1,898	74,681	(7,105)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(11)	30	1	(3)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		42,191	40,263	1,807	8,915
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	18	114,748	42,191	76,489	1,807

Note:-

 # - Amount less than RM1,000.

The annexed notes form an integral part of these financial statements.

Notes to the Financial Statements

for the Financial Year Ended 31 March 2022

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are at Level 6, Bangunan Setia 1, No. 15, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 31 May 2022.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

3.1 BASIS OF ACCOUNTING

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

(a) During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)
Amendment to MFRS 16: Covid-19-Related Rent Concessions
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3. BASIS OF PREPARATION (CONT'D)

3.1 BASIS OF ACCOUNTING (CONT'D)

(b) The Group and the Company has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and the Company upon their initial application.

3. BASIS OF PREPARATION (CONT'D)

3.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Merger Accounting for Common Control Business Combinations

Acquisitions which result in a business combination involving common control entities, are outside the scope of MFRS 3. Accordingly, merger accounting has been used by the Group to account for such common control business combinations.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the interests of the controlling party or parties.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

3. BASIS OF PREPARATION (CONT'D)

3.2 BASIS OF CONSOLIDATION (CONT'D)

(b) Acquisition Method of Accounting for Non-common Control Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(c) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each financial year, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(d) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(e) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

(c) Impairment of Property, Plant and Equipment and Right-of-use Assets

The Group determines whether its property, plant and equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates.

(d) Amortisation of Development Expenditure

The estimates for the residual values, useful lives and related amortisation charges for the development expenditure are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its development expenditure will be insignificant. As a result, residual values are not being taken into consideration for the computation of the amortisation amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(e) Write-down of Inventories and Projects-in-progress

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories and projects-in-progress. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories and projects-in-progress.

(f) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables.

(g) Impairment of Other Receivables

The loss allowances for other financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting period.

(h) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(i) Fair Value Estimates for Certain Financial Assets and Financial Liabilities

The Group carries certain financial assets and financial liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(j) Impairment of Development Expenditure

The Group determines whether the development expenditure are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the financial period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the financial year. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the financial year.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change, if any.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(c) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the financial period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the associate made up to the end of the financial year. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

4.7 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use, and the costs dismantling and removing the items and restoring that site on which they are located.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Furniture and fittings	10%
Motor vehicles	20%
Office equipment	10% - 33.33%
Machineries	Over the project output, 6.67% - 25%
Renovation	10%
Buildings	2%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each financial year to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Assets-in-progress represent assets under construction, and which are not ready for commercial use at the end of the financial year. Assets-in-progress are stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of assets-in-progress include direct cost, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

An item of property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as expense except that expenditure incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

(a) its ability to measure reliably the expenditure attributable to the asset under development;
(b) the product or process is technically and commercially feasible;
(c) its future economic benefits are probable;
(d) its intention to complete and the ability to use or sell the developed asset; and
(e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as expenses are not recognised as assets in the subsequent period.

The development expenditure is amortised on either a unit of production method over the life of the project or straight-line method over a period of 5 years, where applicable, when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each financial year.

4.10 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each financial year for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the assets' fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment losses recognised in respect of a cash-generating units is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.11 PROJECTS-IN-PROGRESS

Projects-in-progress represent costs incurred on projects which are not completed as at the end of the financial year. Projects-in-progress are stated at cost, which includes directly attributable labour costs and an appropriate proportion of directly attributable costs and overheads on such projects. When it is probable that total project costs will exceed total project revenue, the expected loss is recognised as an expense immediately. The revenue is recognised progressively in profit or loss upon completion of the projects based on delivery of goods and customers' acceptance.

4.12 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out method and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on normal capacity of the production facilities.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Where necessary, due allowance is made for obsolete, damaged and slowing-moving items. The Group write down its obsolete or slow moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recovered.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and the estimated costs of dismantling and restoration costs, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment. The principal annual rates used for this purpose are:-

Motor vehicles	20%
Machineries	10%
Leasehold land	Over 54 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

4.16 BORROWING COSTS

Borrowing costs that directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

4.17 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 INCOME TAXES (CONT'D)

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

(c) Sales Tax and Service Tax ("SST")

SST are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are either capitalised or recognised in profit or loss. The amount of SST charged arising from revenue and is payable to the authorities at the end of the reporting period is included in other payables.

4.18 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss or included in the development expenditure, where appropriate, in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss or included in the development expenditure, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.19 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.20 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which derived from the warrants.

4.22 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a) above.
(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related parties also include key management personnel defined as directors having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly.

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Sale of Goods and Software Solutions ("SS")

Revenue from sale of goods and SS is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Rendering of Services

Revenue from providing services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

4.24 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Management Fee

Management fee is recognised on an accrual basis.

(b) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(c) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(d) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Furniture and Fittings RM'000	Motor Vehicles RM'000	Office Equipment RM'000	Machineries RM'000	Renovation RM'000	Buildings RM'000	Freehold Land RM'000	Total RM'000
Cost								
At 1 April 2021	988	1,204	9,063	221,248	15,731	40,830	11,735	300,799
Additions	35	-	436	6,166	150	534	-	7,321
Assets written off	(15)	-	(188)	(142)	-	-	-	(345)
Disposals	(3)	(354)	(12)	(6)	-	(32)	-	(407)
Reclassification from right-of-use assets	-	702	-	2,401	-	-	-	3,103
Translation difference	-	-	#	-	-	-	-	#
At 31 March 2022	1,005	1,552	9,299	229,667	15,881	41,332	11,735	310,471
Accumulated Depreciation								
At 1 April 2021	519	752	6,194	148,930	7,529	2,505	-	166,429
Charge for the year	85	179	1,115	8,473	1,544	600	-	11,996
Assets written off	(10)	-	(174)	(142)	-	-	-	(326)
Disposals	(3)	(303)	(11)	(6)	-	(1)	-	(324)
Reclassification from right-of-use assets	-	354	-	1,081	-	-	-	1,435
Translation difference	-	-	#	-	-	-	-	#
At 31 March 2022	591	982	7,124	158,336	9,073	3,104	-	179,210
Net Book Value	414	570	2,175	71,331	6,808	38,228	11,735	131,261

Note:-
 # - Amount less than RM1,000.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Furniture and Fittings RM'000	Motor Vehicles RM'000	Office Equipment RM'000	Machineries RM'000	Renovation RM'000	Buildings RM'000	Freehold Land RM'000	Total RM'000
Cost								
At 1 April 2020	1,002	1,129	8,503	210,505	15,515	40,830	11,735	289,219
Additions	54	57	795	1,132	218	-	-	2,256
Assets written off	-	-	(146)	-	-	-	-	(146)
Disposals	(68)	(749)	(107)	(160)	-	-	-	(1,084)
Reclassification	-	-	2	-	(2)	-	-	-
Reclassification from right-of-use assets	-	767	-	21,830	-	-	-	22,597
Reclassification to inventories	-	-	-	(12,332)	-	-	-	(12,332)
Translation difference	-	-	16	273	-	-	-	289
At 31 March 2021	988	1,204	9,063	221,248	15,731	40,830	11,735	300,799
Accumulated Depreciation								
At 1 April 2020	502	612	5,409	136,510	6,006	1,925	-	150,964
Charge for the year	85	163	1,037	6,337	1,523	580	-	9,725
Assets written off	-	-	(146)	-	-	-	-	(146)
Disposals	(68)	(708)	(107)	(160)	-	-	-	(1,043)
Reclassification	-	-	#	-	(#)	-	-	-
Reclassification from right-of-use assets	-	685	-	6,237	-	-	-	6,922
Reclassification to inventories	-	-	-	(4)	-	-	-	(4)
Translation difference	-	-	1	10	-	-	-	11
At 31 March 2021	519	752	6,194	148,930	7,529	2,505	-	166,429
Net Book Value	469	452	2,869	72,318	8,202	38,325	11,735	134,370

Note:-
 # - Amount less than RM1,000.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Furniture and Fittings RM'000	Motor Vehicles RM'000	Office Equipment RM'000	Renovation RM'000	Buildings RM'000	Total RM'000
Cost						
At 1 April 2021	315	1,075	1,156	5,706	4,306	12,558
Additions	5	-	100	113	-	218
Assets written off	-	-	(83)	-	-	(83)
Disposals	-	(354)	(2)	-	-	(356)
Transfer from subsidiaries	-	-	12	-	-	12
Transfer to subsidiaries	-	-	(23)	-	-	(23)
Reclassification from right-of-use assets	-	702	-	-	-	702
At 31 March 2022	320	1,423	1,160	5,819	4,306	13,028
Accumulated Depreciation						
At 1 April 2021	92	623	754	3,196	674	5,339
Charge for the year	31	179	197	570	86	1,063
Assets written off	-	-	(69)	-	-	(69)
Disposals	-	(303)	(2)	-	-	(305)
Transfer to subsidiaries	-	-	(18)	-	-	(18)
Reclassification from right-of-use assets	-	354	-	-	-	354
At 31 March 2022	123	853	862	3,766	760	6,364
Net Book Value	197	570	298	2,053	3,546	6,664

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Furniture and Fittings RM'000	Motor Vehicles RM'000	Office Equipment RM'000	Renovation RM'000	Buildings RM'000	Total RM'000
Cost						
At 1 April 2020	292	1,000	894	5,514	4,306	12,006
Additions	23	57	272	194	-	546
Assets written off	-	-	(12)	-	-	(12)
Disposals	-	(132)	(2)	-	-	(134)
Transfer from subsidiaries	-	-	2	-	-	2
Reclassification	-	-	2	(2)	-	-
Reclassification from right-of-use assets	-	150	-	-	-	150
At 31 March 2021	315	1,075	1,156	5,706	4,306	12,558
Accumulated Depreciation						
At 1 April 2020	62	490	549	2,642	588	4,331
Charge for the year	30	115	219	554	86	1,004
Assets written off	-	-	(12)	-	-	(12)
Disposals	-	(132)	(2)	-	-	(134)
Reclassification	-	-	#	(#)	-	-
Reclassification from right-of-use assets	-	150	-	-	-	150
At 31 March 2021	92	623	754	3,196	674	5,339
Net Book Value	223	452	402	2,510	3,632	7,219

Note:-
 # - Amount less than RM1,000.

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(i) The net book values of the property, plant and equipment which were charged to licensed banks for facilities granted to the Group and the Company as at the end of the financial year were as follows:-

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Freehold land	11,735	11,735	-	-
Buildings	38,228	38,325	3,546	3,632
	49,963	50,060	3,546	3,632

(ii) In the previous financial year, no depreciation was provided for the following property and plant as these assets were not available for commercial use:-

	Group	
	2022	2021
	RM'000	RM'000
Building	-	11,832
Machineries	-	3,456
	-	15,288

(iii) In the previous financial year, the Group has reclassified certain machineries amounting to RM12.328 million to inventories from property, plant and equipment. These machineries were previously intended for the Group's internal use and are now held for sale.

6. RIGHT-OF-USE ASSETS

Group	Machineries RM'000	Leasehold Land RM'000	Motor Vehicles RM'000	Total RM'000
Cost				
At 1 April 2021	2,401	13,340	702	16,443
Reclassification to property, plant and equipment	(2,401)	-	(702)	(3,103)
At 31 March 2022	-	13,340	-	13,340
Accumulated Depreciation				
At 1 April 2021	861	2,066	307	3,234
Charge for the year	220	247	47	514
Reclassification to property, plant and equipment	(1,081)	-	(354)	(1,435)
At 31 March 2022	-	2,313	-	2,313
Net Book Value	-	11,027	-	11,027

6. RIGHT-OF-USE ASSETS (CONT'D)

Group	Machineries RM'000	Leasehold Land RM'000	Motor Vehicles RM'000	Total RM'000
Cost				
At 1 April 2020	24,231	13,340	1,469	39,040
Reclassification to property, plant and equipment	(21,830)	-	(767)	(22,597)
At 31 March 2021	2,401	13,340	702	16,443
Accumulated Depreciation				
At 1 April 2020	6,510	1,819	852	9,181
Charge for the year	588	247	140	975
Reclassification to property, plant and equipment	(6,237)	-	(685)	(6,922)
At 31 March 2021	861	2,066	307	3,234
Net Book Value	1,540	11,274	395	13,209

Company	Leasehold Land RM'000	Motor Vehicles RM'000	Total RM'000
Cost			
At 1 April 2021	10,740	702	11,442
Reclassification to property, plant and equipment	-	(702)	(702)
At 31 March 2022	10,740	-	10,740
Accumulated Depreciation			
At 1 April 2021	1,589	307	1,896
Charge for the year	198	47	245
Reclassification to property, plant and equipment	-	(354)	(354)
At 31 March 2022	1,787	-	1,787
Net Book Value	8,953	-	8,953

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

6. RIGHT-OF-USE ASSETS (CONT'D)

Company	Leasehold Land RM'000	Motor Vehicles RM'000	Total RM'000
Cost			
At 1 April 2020	10,740	852	11,592
Reclassification to property, plant and equipment	-	(150)	(150)
At 31 March 2021	10,740	702	11,442
Accumulated Depreciation			
At 1 April 2020	1,390	317	1,707
Charge for the year	199	140	339
Reclassification to property, plant and equipment	-	(150)	(150)
At 31 March 2021	1,589	307	1,896
Net Book Value	9,151	395	9,546

(a) The Group's leasehold land, motor vehicles and machineries which are under lease arrangement are summarised below:-

(i) Leasehold land

The Group entered into 2 non-cancellable operating lease agreements for the use of the land. The leases are for a period of 54 years with no renewal or purchase option in the agreements. The leases do not allow the Group to assign, transfer or sublease the whole or any part of the land. The land were charged to licensed banks for facilities granted to the Group and the Company as at the end of the financial year.

(ii) Motor vehicles and machineries

In the previous financial year, the Group leased its motor vehicles and machineries amounted to approximately RM1,935,000 under hire purchase and finance lease arrangements. These leases are secured by the leased assets. The Group has an option to purchase the assets at the expiry of the lease period at an insignificant amount.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022	2021
	RM'000	RM'000
Unquoted shares, at cost:		
- in Malaysia	90,072	90,072
- outside Malaysia	1,029	1,039
	91,101	91,111

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2022 %	2021 %	Principal Activities
Datasonic Corporation Sdn. Bhd. ("DCSB")	Malaysia	100	100	Personalisation of smart cards.
Datasonic Technologies Sdn. Bhd. ("DTSB")	Malaysia	100	100	Customisation of software and hardware solutions, project management, consultancy, manufacturing and research and development activities.
Datasonic Smart Solutions Sdn. Bhd. ("DSSSB") *	Malaysia	100	100	Research and development and technical consultancy services.
Datasonic Manufacturing Sdn. Bhd. ("DMSB")	Malaysia	100	100	Manufacturing of electrical integrated circuit cards or commonly known as smart cards and its related products.
Datasonic Innovation Sdn. Bhd. ("DISB") ^	Malaysia	100	100	Provision of biometrics solution.
Amalan Fokus Sdn. Bhd. ("AFSB") ^	Malaysia	100	100	Dormant.
Datasonic Digital Sdn. Bhd. ("DDSB") ^	Malaysia	100	100	Dormant.
Datasonic International Sdn. Bhd. ("DINT") ^	Malaysia	100	100	Dormant.
Datasonic New Zealand Limited ("DNZL") ~	New Zealand	100	100	Software development services and computer systems design and related activities.
PT Datasonic Teknologi Indonesia ("PTD") @ #	Indonesia	100	100	Personalisation of smart cards.
Datasonic International W.L.L ("DIWLL") + &	Bahrain	-	100	Dormant.

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2022 %	2021 %	Principal Activities
Datasonic Business Technology Philippines ("DBTP") @ $	Philippines	40	40	Dormant.
Medicloud Malaysia Sdn. Bhd. ("MMSB") ^	Malaysia	100	100	Dormant.
Datasonic Digent Sdn. Bhd. ("DSB") ^	Malaysia	60	60	Dormant.
Held by DMSB				
Constant Ahead Sdn. Bhd. ("CASB") ^	Malaysia	100	100	Dormant.

Notes:-

** - The subsidiary was granted Multimedia Super Corridor status which qualifies for Pioneer Status incentive under the Promotion of Investments Act, 1986 as disclosed in Note 38 to the financial statements.*

@ - These subsidiaries were audited by member firms of Crowe Global of which Crowe Malaysia PLT is a member.

^ - These subsidiaries were audited by other firms of chartered accountants.

~ - No audit requirement of this subsidiary under New Zealand Companies Act 1993 as the Company satisfied the exemption requirements.

 # - 1% held by a wholly-owned subsidiary, DTSB.

+ - 5% held by a wholly-owned subsidiary, DTSB.

& - The subsidiary was liquidated on 29 March 2022.

$ - Although the Company owns less than half of the voting power in DBTP, the Company has control over DBTP by virtue of an agreement with other investor of DBTP. Consequently, the Company consolidates its investment of this subsidiary.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) The non-controlling interests at the end of the financial year comprise the following:-

	Effective Equity Interest		Group	
	2022	2021	2022	2021
	%	%	RM'000	RM'000
DBTP	60	60	271	304
DSB	40	40	(2)	(2)

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests is not presented as the non-controlling interests are not material to the Group.

8. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Unquoted share, at cost	#	#	-	-
Share of post-acquisition loss	(#)	(#)	-	-
	-	-	-	-

Note:-
 # - Amount less than RM1,000.

The details of the associate are as follows:-

Name of Associate	Principal Place of Business	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	Principal Activities
Held by DTSB				
Datasonic Grid Sdn. Bhd. ("DGSB")	Malaysia	25	25	Dormant.

(a) The share of result in the associate is based on the financial statements for the financial year ended 31 March 2022.

(b) The summarised financial information for the associate is not presented as the associate is not material to the Group.

(c) The Group has not recognised the cumulative loss of DGSB, where its share of loss exceeds the Group's cost of investment. The Group's cumulative share of unrecognised loss at the end of the financial year was approximately RM3,000 (2021 - RM2,000) of which approximately RM1,000 (2021 - RM1,000) was the share of the current financial year's loss. The Group has no obligation in respect of this loss.

9. OTHER INVESTMENT

	Group	
	2022	2021
	RM'000	RM'000
Investment in club membership, at fair value	110	110

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

10. GOODWILL

	Group	
	2022	2021
	RM'000	RM'000
Goodwill	4,162	4,162

The amount of goodwill relates to the manufacturing of cards cash-generating unit. The goodwill arose from the investment in subsidiaries and is reviewed for impairment annually.

The Group has assessed the recoverable amount of goodwill, and determined that no impairment is required. The recoverable amount of the manufacturing of cards cash-generating unit is computed using the value in use approach, and this is derived from the present value of the future cash flows from the cash-generating unit based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amount are as follows:-

(i)	Budgeted gross margin	Average gross margin achieved in the 5 years immediately before the budgeted period increased for expected efficiency improvements and cost saving measures.
(ii)	Growth rate	Based on the expected projection of the smart card business.
(iii)	Discount rate (pre-tax)	Reflects specific risks relating to the relevant cash-generating unit.

The values assigned to the key assumptions represent management's assessment of future projections in the cash-generating unit and are based on both external sources and internal historical data.

11. DEVELOPMENT EXPENDITURE

	Group	
	2022	2021
	RM'000	RM'000
At cost:-		
At 31 March 2022/2021	51,807	51,807
Accumulated amortisation:-		
At 1 April 2021/2020	(30,244)	(26,971)
Amortisation during the financial year (Note 37)	(4,982)	(3,273)
At 31 March 2022/2021	(35,226)	(30,244)
Accumulated impairment losses:-		
At 31 March 2022/2021	(1,222)	(1,222)
	15,359	20,341

The development expenditure consist of direct and related costs for overhead and software solutions incurred in the process of development, and attributable to the Group's customised smart card solutions ("CSCS") reportable segment. Their amortisation charges are recognised in profit or loss as Cost of Sales line item.

The Group has assessed the recoverable amounts of the development expenditure and determined that no impairment is required. Their recoverable amounts are determined using the value in use approach, and this is derived from the present value of the future cash flows from the customised software and hardware systems business computed based on the projections of financial budgets covering a period of 5 years (2021 - 3 to 5 years). The key assumptions used in the determination of the recoverable amounts are as follows:-

11. DEVELOPMENT EXPENDITURE (CONT'D)

(i)	Budgeted gross margin	Gross margin is the forecasted margin as a percentage of revenue over the five-year (2021 - three- to five-year) projection periods which were determined based on the expectations of market development and, adjusted for market and economic conditions, internal resource efficiency, where applicable.
(ii)	Growth rate	Based on the expected projection of the customised software and hardware systems business.
(iii)	Discount rate (pre-tax)	Reflects specific risks relating to the relevant cash-generating unit.

12. TRADE RECEIVABLES

	Group	
	2022	2021
	RM'000	RM'000
Trade receivables	33,481	30,316
Allowance for impairment losses	(7,562)	(3,906)
	25,919	26,410
Accrued income	24,846	12,156
	50,765	38,566
The trade receivables are made up of:-		
(a) Non-current:		
Trade receivables	1,436	2,111
Accrued income	710	3,183
	2,146	5,294
(b) Current:		
Trade receivables	24,483	24,299
Accrued income	24,136	8,973
	48,619	33,272
	50,765	38,566
Allowance for impairment losses:-		
At 1 April 2021/2020	(3,906)	(3,612)
Addition (Note 37)	(3,656)	(297)
Write back	-	3
Written off	-	#
At 31 March 2022/2021	(7,562)	(3,906)

The Group's normal trade credit terms range from 30 to 90 (2021 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

The allowance for impairment losses is made on those trade receivables from those companies which are in serious financial difficulties and which have defaulted on payments.

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

12. TRADE RECEIVABLES (CONT'D)

Accrued income represents revenue earned for work performed and goods delivered but the related invoices have yet to be issued.

Note:-
 # - Amount less than RM1,000.

13. PROJECTS-IN-PROGRESS

	Group	
	2022	2021
	RM'000	RM'000
At costs:-		
Site preparation	1,750	1,077
Machinery	212	-
Technical services	1,209	1,102
Others	9	24
	3,180	2,203

14. INVENTORIES

	Group	
	2022	2021
	RM'000	RM'000
At costs:-		
Raw materials	30,701	26,318
Finished goods	1,691	1,147
Spare parts	6,484	7,210
Consumables	1,401	970
Equipment	12,765	13,574
Software	5	5
	53,047	49,224
Less: Allowance for impairment losses	(822)	(943)
	52,225	48,281
Allowance for impairment losses:-		
At 1 April 2021/2020	(943)	(977)
Addition	-	(49)
Writeback	121	83
At 31 March 2022/2021	(822)	(943)
Recognised in profit or loss		
Inventories sold	20,204	18,701
Impairment losses	-	49
Writeback of impairment losses	(121)	(83)

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Other receivables	1,661	869	8	6
Allowance for impairment losses	(155)	-	-	-
	1,506	869	8	6
Deposits	928	956	186	184
Prepayments	7,008	6,771	354	198
	9,442	8,596	548	388

Prepayments consist of downpayment for purchases of materials and machineries.

16. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	Company	
	2022	2021
	RM'000	RM'000
Amounts owing by:-		
for non-trade balances	51,043	30,732
Amounts owing (to):-		
for non-trade balances	(151)	(12,692)

The amounts owing by/(to) subsidiaries represent unsecured payments made on behalf and are interest-free and receivable/(repayable) on demand.

The amounts owing are to be settled in cash and in kind as appropriate.

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

17. SHORT-TERM INVESTMENTS

	Group			
	2022		2021	
	Carrying Amount	Market Value	Carrying Amount	Market Value
	RM'000	RM'000	RM'000	RM'000
Money market funds, at fair value	110,111	110,111	31,449	31,449

	Company			
	2022		2021	
	Carrying Amount	Market Value	Carrying Amount	Market Value
	RM'000	RM'000	RM'000	RM'000
Money market funds, at fair value	75,391	75,391	290	290

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	6,107	6,103	-	-
Cash and bank balances	4,637	10,742	1,098	1,517
Short-term investments	110,111	31,449	75,391	290
	120,855	48,294	76,489	1,807
Less: Deposits pledged to licensed banks	(6,107)	(6,103)	-	-
	114,748	42,191	76,489	1,807

The deposits with licensed banks of the Group at the end of the financial year bore effective interest rates ranging from 1.40% to 3.45% (2021 - 1.50% to 3.45%) per annum. The deposits have maturity periods ranging from 1 to 24 (2021 - 1 to 24) months for the Group.

The deposits which have been pledged to licensed banks as securities for banking facilities granted to the Group are disclosed in Note 30 to the financial statements.

19. SHARE CAPITAL

Group/Company	2022 Number of Shares '000	2022 Share Capital RM'000	2021 Number of Shares '000	2021 Share Capital RM'000
Issued and Fully Paid-Up				
Ordinary shares				
At 1 April	2,700,000	135,000	1,350,000	135,000
Private placement	262,000	126,284	-	-
New shares issued as bonus	-	-	1,350,000	-
At 31 March	2,962,000	261,284	2,700,000	135,000

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

In the previous financial year, the Company issued 1,350,000,000 new ordinary shares by way of bonus issue on the basis of one (1) new ordinary share for every one (1) existing ordinary share held in the Company on 1 October 2020.

During the financial year, the issued share capital of the Company was increased to RM261,284,000 comprising of 2,962,000,000 ordinary shares from private placement. The details of the private placement are disclosed in Note 48(a) to the financial statements.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

20. TREASURY SHARES

During the financial year, the Company purchased 19,446,000 (2021 - 16,740,500) of its issued ordinary shares from the open market at an average price of RM0.45 (2021 - RM0.68) per share. The total consideration paid for the purchase was approximately RM8,850,624 (2021 - RM11,446,000) including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

Of the total 2,962,000,000 (2021 - 2,700,000,000) issued and fully paid-up ordinary shares at the end of the reporting period, 96,641,000 (2021 - 77,195,500) ordinary shares are held as treasury shares by the Company.

21. MERGER DEFICIT

The merger deficit of RM11,072,000 (2021 - RM11,072,000) resulted from the difference between the carrying value of the investments in subsidiaries and the nominal value of the shares of the Company's subsidiaries upon consolidation under the merger accounting principle.

22. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

23. LONG-TERM BORROWINGS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Secured:-				
Term loans (Note 24)	21,810	42,636	-	-
Term financing (Note 25)	1,939	3,338	1,939	3,338
	23,749	45,974	1,939	3,338

24. TERM LOANS (SECURED)

	Group	
	2022	2021
	RM'000	RM'000
Current liabilities (Note 30)	4,126	4,397
Non-current liabilities (Note 23)	21,810	42,636
	25,936	47,033

Details of the repayment terms are as follows:-

Term Loan	Number Of Monthly Instalments	Monthly Instalment Amount	Date Of Commencement Of Repayment	Effective Interest Rate	Group Amount Outstanding	
					2022	2021
		RM'000			RM'000	RM'000
1	120	40	1 November 2011	- (2021 - 4.30%)	-	311
2	144	51	1 January 2015	3.20% (2021 - 3.20%)	2,699	3,218
3	← Note 1 →			- (2021 - 4.20%)	-	7,394
4	← Note 2 →			- (2021 - 4.17%)	-	9,304
5	144	83	1 July 2017	3.05% (2021 - 3.05%)	6,455	7,239
6	84	98	5 February 2018	3.05% (2021 - 3.05%)	3,414	4,590
7	120	134	6 July 2020	3.05% (2021 - 3.05%)	13,368	14,977
					25,936	47,033

24. TERM LOANS (SECURED) (CONT'D)

Notes:-

1 - Term loan 3 was a capital expenditure loan with tenure of up to 60 months from the first day of the following month from the date of first disbursement and is repayable by 13% of each contract proceeds received from the project until full settlement. The term loan can be renewed beyond the tenure of up to 60 months upon the renewal request and to be accepted by the Bank.

2 - Term loan 4 was a capital expenditure loan with tenure of up to 60 months from the first day of the following month from the date of first disbursement and is repayable by 20% of each contract proceeds received from the project until full settlement. The term loan will be availed to the original limit to finance any new contracts and to be accepted by the Bank.

The term loans above are with floating rates ranging from 3.05% to 3.20% (2021 - 3.05% to 4.30%) per annum.

Term loan 1 in the previous financial year was secured by:-

(a) a legal charge over 1 unit of property of the Group; and
(b) a corporate guarantee of the Company.

Term loan 2 is secured by:-

(a) a legal charge over certain properties of the Group; and
(b) a corporate guarantee of the Company.

Term loan 3 is secured by:-

(a) proceeds from the project as disclosed in the footnote (Note 1) above; and
(b) a corporate guarantee of the Company.

Term loan 4 is secured by:-

(a) proceeds from the project as disclosed in the footnote (Note 2) above; and
(b) a corporate guarantee of the Company and a subsidiary.

Term loan 5 is secured by:-

(a) a legal charge over certain properties of the Group; and
(b) a corporate guarantee of the Company.

Term loan 6 is secured by:-

(a) a legal charge over certain properties of the Group; and
(b) a corporate guarantee of the Company.

Term loan 7 is secured by:-

(a) a legal charge over a property of the Group; and
(b) a corporate guarantee of the Company.

During the financial year, term loan 3 amounting to Nil (2021 - RM7,394,000) is secured by a negative pledge that imposes certain covenants on a subsidiary that has received the loan. The significant covenant of the term loan is that the Company's gearing shall not exceed 3.5 times during the subsistence of the financing facilities with the bank.

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

24. TERM LOANS (SECURED) (CONT'D)

During the financial year, term loan 4 amounting to Nil (2021 - RM9,304,000) is secured by a negative pledge that imposes certain covenants on a subsidiary that has received the loan. The significant covenants of the term loan are as follows:-

(i) The Company's gearing shall not exceed 2.0 times during the subsistence of the financing facilities with the bank.

(ii) DTSB shall remain the licensed holder for a customer's contracts. The bank shall be notified in the event of termination or changes in the appointment by the contract awarder.

25. TERM FINANCING (SECURED)

	Group/Company	
	2022	2021
	RM'000	RM'000
Current liabilities (Note 30)	1,398	1,355
Non-current liabilities (Note 23)	1,939	3,338
	3,337	4,693

Details of the repayment terms are as follows:-

Term Financing	Number Of Monthly Instalments	Monthly Instalment Amount	Date Of Commencement Of Repayment	Effective Interest Rate	Group/Company Amount Outstanding	
					2022	2021
		RM'000			RM'000	RM'000
1	120	126	1 July 2014	3.20% (2021 - 3.20%)	3,337	4,693

Term financing 1 is secured by a legal charge over a property of the Group and of the Company and is with floating rate of 3.20% (2021 - 3.20%) per annum.

26. LEASE LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At 1 April 2021/2020	912	4,755	236	317
Interest expenses recognised in profit or loss (Note 36)	55	284	4	12
Repayment of principal	(912)	(3,843)	(236)	(81)
Repayment of interest expenses	(55)	(284)	(4)	(12)
At 31 March 2022/2021	-	912	-	236
Analysed by:-				
Current liabilities	-	757	-	81
Non-current liabilities	-	155	-	155
	-	912	-	236

In the previous financial year, the lease liabilities of the Group and of the Company were secured by the Group's and the Company's motor vehicles and machineries under the lease arrangements as disclosed in Note 6(a)(ii) to the financial statements. These lease arrangements shall expire from 1 to 3 years with effective interest rates ranging from 4.33% to 10.72% per annum and ranging from 4.33% to 4.55% per annum respectively. The interest rates were fixed at the inception of the lease arrangements.

27. DEFERRED TAX LIABILITIES

	Group	
	2022	2021
	RM'000	RM'000
At 1 April 2021/2020	4,007	2,294
Recognised in profit or loss (Note 38)	327	1,713
At 31 March 2022/2021	4,334	4,007

The deferred tax liabilities recognised in the financial statements consist of the tax effects of temporary differences arising from the following item:-

	Group	
	2022	2021
	RM'000	RM'000
Deferred Tax Liabilities		
Accelerated capital allowances	4,334	4,007

The Group has not recognised the deferred tax liability of the following item as the directors are of the opinion that the deferred tax liability will not crystallise in a wholly-owned subsidiary, DSSSB, which was granted Multimedia Super Corridor status which qualifies for Pioneer Status incentive under the Promotion of Investments Act, 1986.

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

27. DEFERRED TAX LIABILITIES (CONT'D)

	Group	
	2022	2021
	RM'000	RM'000
Accelerated capital allowances	22,521	12,541

28. TRADE PAYABLES

	Group	
	2022	2021
	RM'000	RM'000
Trade payables	6,583	1,048

The normal trade credit terms granted to the Group range from 30 to 90 (2021 - 30 to 90) days.

29. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Other payables	1,986	838	172	69
Deferred income	2,124	2,303	-	-
Provisions	3,184	1,650	559	58
Accruals	7,354	24,472	152	324
	14,648	29,263	883	451

Accruals consist of accrued cost for goods or services and subcontracting costs.

30. SHORT-TERM BORROWINGS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Secured:-				
Term loans (Note 24)	4,126	4,397	-	-
Term financing (Note 25)	1,398	1,355	1,398	1,355
Trade financing	3,425	7,259	-	-
	8,949	13,011	1,398	1,355

The trade financing bore effective interest rates ranging from 3.76% to 3.91% (2021 - 3.63% to 3.85%) per annum at the end of the financial year and are secured by a corporate guarantee of the Company. Certain trade financing is secured by a legal charge over a property of the Company and deposits with a licensed bank.

31. NET ASSETS PER SHARE

The net assets per share of the Group is calculated based on the net asset value at the end of the financial year of RM342,246,000 (2021 - RM226,014,000) divided by the number of ordinary shares at the end of the financial year of 2,865,359,000 (2021 - 2,622,805,000).

32. DIVIDENDS

	Group/Company			
	Sen Per Share	2022 RM'000	Sen Per Share	2021 RM'000
In respect of the financial year ended 31 March 2020:				
- Fourth interim single tier tax-exempt dividend declared on 25 June 2020 and paid on 27 July 2020	-	-	0.50	6,595
In respect of the financial year ended 31 March 2021:				
- First interim single tier tax-exempt dividend declared on 28 August 2020 and paid on 1 October 2020	-	-	0.50	6,589
- Second interim single tier tax-exempt dividend declared on 27 November 2020 and paid on 29 December 2020	-	-	0.25	6,584
- Third interim single tier tax-exempt dividend declared on 1 March 2021 and paid on 26 March 2021	-	-	0.25	6,557
- Fourth interim single tier tax-exempt dividend declared on 27 May 2021 and paid on 30 June 2021	0.05	1,442	-	-
In respect of the financial year ended 31 March 2022:				
- First interim single tier tax-exempt dividend declared on 30 August 2021 and paid on 29 September 2021	0.10	2,874	-	-
- Second interim single tier tax-exempt dividend declared on 30 November 2021 and paid on 21 January 2022	0.125	3,586	-	-
- Third interim single tier tax-exempt dividend declared on 28 February 2022 and paid on 30 March 2022	0.125	3,582	-	-
		11,484		26,325

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

32. DIVIDENDS (CONT'D)

In respect of the financial year ended 31 March 2022, the Directors had on 31 May 2022 declared a fourth interim single tier tax-exempt dividend of 0.25 sen per share, the Entitlement Date will be determined and announced in due course. This dividend has not been reflected in the financial statements for the current financial year but it will be accounted for in shareholders' equity as an appropriation of retained profits for the financial year ending 31 March 2023.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2022.

33. REVENUE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Sales of goods and services	136,428	138,414	-	-
Management service fee	-	-	15,048	15,936
Dividend income from subsidiaries	-	-	2,000	40,000
	136,428	138,414	17,048	55,936

The information on the details of revenue is disclosed in Note 44 to the financial statements.

34. OTHER INCOME

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income on financial assets:				
- at fair value through profit or loss	1,803	645	1,499	122
- not at fair value through profit or loss	1,197	446	1,005	276
Rental income	-	-	1,477	1,469
Sundries	950	334	374	2
	3,950	1,425	4,355	1,869

35. STAFF COSTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Salaries and other benefits	38,655	37,161	8,955	8,644
Defined contribution plan	4,610	4,749	953	950
	43,265	41,910	9,908	9,594

36. FINANCE COSTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest expense on financial liabilities not at fair value through profit or loss	1,404	2,779	127	179
Interest expense on lease liabilities (Note 26)	55	284	4	12
	1,459	3,063	131	191

37. PROFIT BEFORE TAXATION

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Amount owing by a subsidiary:				
- Written off	-	-	136	-
Investment in a subsidiary:				
- Written off	-	-	10	-
Property, plant and equipment (Note 5):				
- Depreciation	11,996	9,725	1,063	1,004
- Written off	19	#	14	-
- Gain on disposal	(47)	(62)	(47)	(1)
Depreciation of right-of-use assets (Note 6)	514	975	245	339
Amortisation of development expenditure (Note 11)	4,982	3,273	-	-
Bad debts written off	94	-	-	-
Inventories (Note 14):				
- Allowance for impairment loss	-	49	-	-
- Writeback	(121)	(83)	-	-
Trade receivables (Note 12):				
- Allowance for impairment loss	3,656	297	-	-
- Fair value loss	59	114	-	-
- Writeback	-	(3)	-	-
Other receivables (Note 15):				
- Allowance for impairment loss	155	-	-	-
Reversal of excess accrued operational costs	(4,500)	-	-	-
Auditors' remuneration:				
- Current year	240	235	46	45
Directors' remuneration (Note 41):				
- Non-executive directors:				
- Fees	868	810	868	810
- Allowances	77	67	77	67
- Executive directors' salaries and bonus	3,190	4,154	1,391	1,843

Note:-
 # - Amount less than RM1,000.

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

37. PROFIT BEFORE TAXATION (CONT'D)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting) (Cont'd):-				
Staff costs (Note 35)	43,265	41,910	9,908	9,594
(Gain)/Loss on foreign exchange:				
- Realised	(98)	191	(4)	#
- Unrealised	18	(830)	(1)	3
Lease expenses:				
- Short-term leases	820	827	822	641
- Low-value assets	74	85	22	23

Note:-
 # - Amount less than RM1,000.

38. INCOME TAX EXPENSE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income tax expense:				
- for the financial year	2,051	2,273	234	186
- under/(over)provision in the previous financial years	134	(181)	(61)	(16)
	2,185	2,092	173	170
Deferred tax liabilities (Note 27):				
- for the financial year	566	1,570	-	-
- (over)/underprovision in the previous financial year	(239)	143	-	-
	327	1,713	-	-
	2,512	3,805	173	170

On 6 November 2012, a wholly-owned subsidiary, DSSSB was granted Multimedia Super Corridor status which qualifies for Pioneer Status incentive under the Promotion of Investments Act, 1986 for the period from 18 May 2012 to 17 May 2017 whereby the statutory income from approved activities is exempted from tax. The application for an extension of another five years was approved on 4 April 2018 for the years from 18 May 2017 to 17 May 2022.

38. INCOME TAX EXPENSE (CONT'D)

A reconciliation of the income tax expense applicable to the profit before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	12,737	11,089	1,952	38,029
Tax at the statutory tax rate of 24%	3,057	2,662	468	9,127
Tax effects of:-				
Non-deductible expenses	2,026	1,295	547	590
Non-taxable income	(1,041)	(21)	(840)	(9,629)
Income tax exempted from tax due to pioneer status	(742)	-	-	-
Deferred tax liabilities not recognised due to pioneer status	(2,395)	(170)	-	-
Deferred tax asset not recognised during the financial year	1,409	98	59	98
Utilisation of deferred tax assets previously not recognised	(86)	(8)	-	-
Effects of differential in tax rates of subsidiary	389	(13)	-	-
(Over)/Underprovision in the previous financial year:				
- current taxation	134	(181)	(61)	(16)
- deferred taxation	(239)	143	-	-
Income tax expense for the financial year	2,512	3,805	173	170

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

39. EARNINGS PER SHARE

	Group	
	2022	2021
Profit attributable to owners of the Company (RM'000)	10,244	7,302
Weighted average number of ordinary shares in issue ('000)	2,867,888	2,634,041
Basic earnings per share (sen)	0.36	0.28
Weighted average number of ordinary shares for basic earnings per share ('000)	2,867,888	2,634,041
Shares deemed to be issued for no consideration:		
- warrants ('000)	-	1,350,000
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	2,867,888	3,984,041
Diluted earnings per share (sen)	0.36	0.18

The effects of potential ordinary shares arising from the conversion of Warrants are anti-dilutive and accordingly, they have been ignored in the calculation of dilutive earnings per share. As a result, the diluted earnings per ordinary share was the same as basic earnings per share.

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

40. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment				
Cost of property, plant and equipment purchased (Note 5)	7,321	2,256	218	546

(b) The movements of liabilities arising from financing activities are as follows:-

Group	Term Loans RM'000	Term Financing RM'000	Lease Liabilities RM'000	Trade Financing RM'000	Total RM'000
2022					
At 1 April 2021	47,033	4,693	912	7,259	59,897
Changes in Financing Cash Flows					
Proceeds from drawdown	-	-	-	15,125	15,125
Repayment of borrowing principal	(21,097)	(1,356)	(912)	(18,959)	(42,324)
	(21,097)	(1,356)	(912)	(3,834)	(27,199)
At 31 March 2022	25,936	3,337	-	3,425	32,698
2021					
At 1 April 2020	57,784	5,997	4,755	30,336	98,872
Changes in Financing Cash Flows					
Proceeds from drawdown	-	-	-	24,278	24,278
Repayment of borrowing principal	(10,751)	(1,304)	(3,843)	(47,355)	(63,253)
	(10,751)	(1,304)	(3,843)	(23,077)	(38,975)
At 31 March 2021	47,033	4,693	912	7,259	59,897

40. CASH FLOW INFORMATION (CONT'D)

(b) The movements of liabilities arising from financing activities are as follows (Cont'd):-

Company	Term Financing RM'000	Lease Liabilities RM'000	Total RM'000
2022			
At 1 April 2021	4,693	236	4,929
Changes in Financing Cash Flows			
Repayment of borrowing principal	(1,356)	(236)	(1,592)
	(1,356)	(236)	(1,592)
At 31 March 2022	3,337	-	3,337
2021			
At 1 April 2020	5,997	317	6,314
Changes in Financing Cash Flows			
Repayment of borrowing principal	(1,304)	(81)	(1,385)
	(1,304)	(81)	(1,385)
At 31 March 2021	4,693	236	4,929

(c) The total cash outflows for leases as a lessee are as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Payment of short-term leases	820	827	822	641
Payment of low-value assets	74	85	22	23
Interest paid on lease liabilities	55	284	4	12
Payment of lease liabilities	912	3,843	236	81
	1,861	5,039	1,084	757

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

41. DIRECTORS' REMUNERATION

The directors' remuneration during the financial year are as follows:-

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive:				
- salaries and bonus	1,391	1,843	1,391	1,843
Non-executive:				
- fees	868	810	868	810
- allowances	77	67	77	67
	945	877	945	877
	2,336	2,720	2,336	2,720
Directors of Subsidiaries				
Executive:				
- salaries and bonus	1,799	2,311	-	-
	4,135	5,031	2,336	2,720
Analysis excluding benefits-in-kind:-				
Total executive directors' salaries and bonus	3,190	4,154	1,391	1,843
Total non-executive directors:				
- fees	868	810	868	810
- allowances	77	67	77	67
	945	877	945	877
Total directors' remuneration excluding benefits-in-kind	4,135	5,031	2,336	2,720

42. CONTINGENT LIABILITIES

The following items are disclosed as contingent liabilities as it is not probable that a future sacrifice of economic benefits will be required or the amounts are not capable of reliable measurement:-

(a) Performance guarantees

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Performance guarantees extended to customers	19,833	17,174	19,833	17,174
Performance guarantees extended to a supplier	20	20	-	-
	19,853	17,194	19,833	17,174

(b) Corporate guarantees

Corporate guarantees for banking facilities granted to the subsidiaries	-	-	29,311	54,988

(c) Material litigation

On 1 August 2018, a wholly-owned subsidiary, DTSB, has received a writ of summons together with the statement of claim dated 30 July 2018 ("Suit") filed by Percetakan Keselamatan Nasional Sdn Bhd ("PKN") against DTSB. The Suit is in relation to a disagreement between DTSB and PKN over the price of 1,500,000 Malaysian Passport booklets supplied by PKN to DTSB as DTSB's sub-contractor for the interim period of 6 months from 1 December 2016 to 31 May 2017, before the Malaysian Passport booklets were fully printed and supplied by DTSB to the Government of Malaysia.

On 13 October 2021, the High Court had delivered its judgement for the Defendant i.e. DTSB to pay a total sum of RM15,000,000 to the PKN.

The High Court also dismissed PKN's claim for GST and prejudgement interest calculated from the date of the PKN's invoices. Instead, the High Court had only awarded a post judgment interest rate of 4% per annum.

Cost of RM30,000 was awarded and to be paid to DTSB.

On 2 November 2021, DTSB had been served with a Notice of Appeal filled by PKN at the Court of Appeal on 29 October 2021.

On 24 December 2021, the Court of Appeal had fixed the date of hearing on 15 June 2022 and had further directed the parties to file written submissions on/before 31 May 2022. The pre-hearing case management is on 2 June 2022 to update the Court on the status of filing of the written submission.

The Management estimates that the potential financial impact arising from the appeal by PKN against the High Court's judgement, if any, is up to RM10 million.

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

43. RELATED PARTY DISCLOSURES

The transactions of the Company with its related parties are as follows:-

	Company	
	2022	2021
	RM'000	RM'000
Subsidiaries		
Management services fees	15,048	15,936
Consultancy fee	464	260
Dividend income	2,000	40,000
Equipment transferred from	12	2
Equipment transferred to	5	-
Rental income	1,477	1,469
Rental expense	75	-
Waiver of debts	135	-

44. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the chief operating decision makers in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on the products and services provided.

The Group is organised into three main reportable segments as follows:-

Customised smart card solutions ("CSCS") - provision of large scale customised software and hardware systems for secure ID, total smart card solutions and ICT project management.

Manufacturing ("MA") - manufacturing of cards and booklets.

Investment holding ("IH") - investment holding and provision of management services to the group of companies.

(a) The chief operating decision makers assess the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

(b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than the tax-related assets.

(c) Each reportable segment liabilities is measured based on all liabilities of the segment other than the borrowings and the tax-related liabilities.

Transactions between reportable segments are carried out on agreed terms and such inter-segment transactions are eliminated on consolidation.

44. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

	CSCS RM'000	MA RM'000	IH RM'000	Group RM'000
2022				
Revenue				
External revenue	124,096	12,332	-	136,428
Inter-segment revenue	8,978	1,337	17,048	27,363
	133,074	13,669	17,048	163,791
Consolidation adjustments				(27,363)
Consolidated revenue				136,428
Represented by:-				
Revenue recognised at a point of time				
- Sales of goods and software solutions	111,985	13,669	17,048	142,702
Revenue recognised over time				
- Sales of services	21,089	-	-	21,089
	133,074	13,669	17,048	163,791
Consolidation adjustments				(27,363)
Consolidated revenue				136,428
Results				
Segment profit before interest expense and taxation	32,981	456	2,083	35,520
Finance costs				(1,459)
Consolidation adjustments				(21,324)
Consolidated profit before taxation				12,737
Segment profit before interest expense and taxation includes the following:-				
Gain on disposal of plant and equipment	-	-	47	47
Interest income	487	8	2,505	3,000
Writeback of impairment losses on:				
- inventories	121	-	-	121
Allowance for impairment losses on:				
- trade receivable	(3,656)	-	-	(3,656)
- other receivable	(155)	-	-	(155)
Bad debts written off	(94)	-	-	(94)

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

44. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	CSCS RM'000	MA RM'000	IH RM'000	Group RM'000
Segment profit before interest expense and taxation includes the following (Cont'd):-				
Amortisation of development expenditure	(4,982)	-	-	(4,982)
Depreciation of property, plant and equipment	(8,870)	(2,063)	(1,063)	(11,996)
Depreciation of right-of-use assets	(269)	-	(245)	(514)
Fair value loss on trade receivable	(59)	-	-	(59)
Unrealised foreign exchange loss	(17)	(2)	1	(18)
Property, plant and equipment written off	(4)	(2)	(13)	(19)
2022				
Assets				
Segment assets	241,892	80,554	233,880	556,326
Unallocated assets:				
- deposits with licensed banks				6,107
- cash and bank balances				4,637
- tax recoverable				2,392
Consolidation adjustments				(168,684)
Consolidated total assets				400,778
Addition to non-current assets other than financial instruments is:-				
Property, plant and equipment	2,458	4,644	218	7,320
Liabilities				
Segment liabilities	108,606	23,953	4,552	137,111
Unallocated liabilities:				
- deferred tax liabilities				4,334
Consolidation adjustments				(83,182)
Consolidated total liabilities				58,263

44. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	CSCS RM'000	MA RM'000	IH RM'000	Group RM'000
2021				
Revenue				
External revenue	134,904	3,510	-	138,414
Inter-segment revenue	480	360	55,936	56,776
	135,384	3,870	55,936	195,190
Consolidation adjustments				(56,776)
Consolidated revenue				138,414
Represented by:-				
Revenue recognised at a point of time				
- Sales of goods and software solutions	115,257	3,870	55,936	175,063
Revenue recognised over time				
- Sales of services	20,127	-	-	20,127
	135,384	3,870	55,936	195,190
Consolidation adjustments				(56,776)
Consolidated revenue				138,414
Results				
Segment profit before interest expense and taxation	32,841	2,667	38,310	73,818
Finance costs				(3,063)
Consolidation adjustments				(59,666)
Consolidated profit before taxation				11,089
Segment profit before interest expense and taxation includes the following:-				
Gain on disposal of plant and equipment	61	-	1	62
Interest income	693	-	398	1,091
Writeback of impairment losses on:				
- inventories	-	83	-	83
- allowance for doubtful debts	3	-	-	3
Allowance for impairment losses on:				
- inventories	(14)	(35)	-	(49)
- trade receivable	(297)	-	-	(297)

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

44. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	CSCS RM'000	MA RM'000	IH RM'000	Group RM'000
Segment profit before interest expense and taxation includes the following (Cont'd):-				
Amortisation of development expenditure	(3,273)	-	-	(3,273)
Depreciation of property, plant and equipment	(7,055)	(1,666)	(1,004)	(9,725)
Depreciation of right-of-use assets	(636)	-	(339)	(975)
Fair value loss on trade receivable	(114)	-	-	(114)
Unrealised foreign exchange gain	834	(1)	(3)	830
2021				
Assets				
Segment assets	224,342	82,186	140,698	447,226
Unallocated assets:				
- deposits with licensed banks				6,103
- cash and bank balances				10,742
- tax recoverable				2,399
Consolidation adjustments				(145,939)
Consolidated total assets				320,531
Addition to non-current assets other than financial instruments is:-				
Property, plant and equipment	509	1,200	546	2,255
Liabilities				
Segment liabilities	78,350	51,844	19,200	149,394
Unallocated liabilities:				
- deferred tax liabilities				4,007
- lease liabilities				912
Consolidation adjustments				(60,098)
Consolidated total liabilities				94,215

44. OPERATING SEGMENTS (CONT'D)

GEOGRAPHICAL INFORMATION

No information is presented on the basis of geographical segment as the Group operates primarily in Malaysia during the financial year.

MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:-

	Revenue		Segment
	2022	2021	
	RM'000	RM'000	
Customer #1	66,122	36,471	CSCS, MA
Customer #2	25,633	64,048	CSCS

45. CAPITAL COMMITMENTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Renovation	5	91	-	91
Acquisition of machineries and equipment	681	844	-	18
	686	935	-	109

46. FOREIGN EXCHANGE RATES

The applicable closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the end of the financial year were as follows:-

	2022	2021
	RM	RM
United States Dollar ("USD")	4.20	4.15
New Zealand Dollar ("NZD")	2.91	2.90
Euro ("EUR")	4.68	4.87
Singapore Dollar ("SGD")	3.11	3.08
Indonesian Rupiah 100 ("IDR")	2.86	2.86
Great Britain Pound ("GBP")	5.52	5.71
Swiss Franc ("CHF")	N/A	4.40
Bahraini Dinar ("BHD")	11.18	11.06
Philippine Peso ("PHP")	0.08	0.09

Note:-
N/A - Not applicable.

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

47. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

47.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar, Euro, Singapore Dollar and Great Britain Pound. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

47. FINANCIAL INSTRUMENTS (CONT'D)

47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the financial year is summarised below:-

Foreign Currency Exposure

Group	USD RM'000	NZD RM'000	EUR RM'000	SGD RM'000	IDR RM'000	GBP RM'000	PHP RM'000	RM RM'000	Total RM'000
2022									
Financial Assets									
Other investment	-	-	-	-	-	-	-	110	110
Trade receivables [1]	-	-	-	-	2,327	-	-	23,592	25,919
Other receivables and deposits [2]	-	1	-	-	-	-	311	2,122	2,434
Short-term investments	-	-	-	-	-	-	-	110,111	110,111
Deposits with licensed banks	-	-	-	-	-	-	-	6,107	6,107
Cash and bank balances	131	69	1	1	415	1	-	4,019	4,637
	131	70	1	1	2,742	1	311	146,061	149,318
Financial Liabilities									
Trade payables	3,798	-	379	70	-	-	-	2,336	6,583
Other payables and accruals [3]	-	36	-	-	35	-	13	11,290	11,374
Trade financing	-	-	-	-	-	-	-	3,425	3,425
Term financing	-	-	-	-	-	-	-	3,337	3,337
Term loans	-	-	-	-	-	-	-	25,936	25,936
	3,798	36	379	70	35	-	13	46,324	50,655

47. FINANCIAL INSTRUMENTS (CONT'D)

47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

Group	USD RM'000	NZD RM'000	EUR RM'000	SGD RM'000	IDR RM'000	GBP RM'000	PHP RM'000	RM RM'000	Total RM'000
2022									
Net financial (liabilities)/assets	(3,667)	34	(378)	(69)	2,707	1	298	99,737	98,663
Less: Net financial assets denominated in the respective entities' functional currency	-	(34)	-	-	(2,707)	-	(298)	(99,737)	(102,776)
Currency exposure	(3,667)	-	(378)	(69)	-	1	-	-	(4,113)

Notes:-

(1) - The trade receivables exclude accrued income.

(2) - The other receivables exclude advances to suppliers.

(3) - The other payables and accruals exclude deferred income, value-added tax payable and sales and services tax payable.

47. FINANCIAL INSTRUMENTS (CONT'D)

47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

Group	USD RM'000	NZD RM'000	EUR RM'000	SGD RM'000	IDR RM'000	GBP RM'000	CHF RM'000	BHD RM'000	PHP RM'000	RM RM'000	Total RM'000
2021											
Financial Assets											
Other investment	-	-	-	-	-	-	-	-	-	110	110
Trade receivables [1]	-	-	-	-	8,116	-	-	-	-	18,294	26,410
Other receivables and deposits [2]	-	1	-	-	84	-	-	-	323	1,417	1,825
Short-term investments	-	-	-	-	-	-	-	-	-	31,449	31,449
Deposits with licensed banks	-	-	-	-	-	-	-	-	-	6,103	6,103
Cash and bank balances	128	41	1	1	102	1	-	77	-	10,391	10,742
	128	42	1	1	8,302	1	-	77	323	67,764	76,639

47. FINANCIAL INSTRUMENTS (CONT'D)

47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

Group	USD RM'000	NZD RM'000	EUR RM'000	SGD RM'000	IDR RM'000	GBP RM'000	CHF RM'000	BHD RM'000	PHP RM'000	RM RM'000	Total RM'000
2021											
Financial Liabilities											
Trade payables	-	-	-	-	-	-	4	-	-	1,044	1,048
Other payables and accruals [3]	-	-	-	-	34	-	-	-	21	26,292	26,347
Trade financing	-	-	-	-	-	-	-	-	-	7,259	7,259
Lease liabilities	-	-	-	-	-	-	-	-	-	912	912
Term financing	-	-	-	-	-	-	-	-	-	4,693	4,693
Term loans	-	-	-	-	-	-	-	-	-	47,033	47,033
	-	-	-	-	34	-	4	-	21	87,233	87,292
Net financial assets/ (liabilities)	128	42	1	1	8,268	1	(4)	77	302	(19,469)	(10,653)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currency	-	(42)	-	-	(8,268)	-	-	(77)	(302)	19,469	10,780
Currency exposure	128	-	1	1	-	1	(4)	-	-	-	127

Notes:-

[1] - The trade receivables exclude accrued income.

[2] - The other receivables exclude advances to suppliers.

[3] - The other payables and accruals exclude deferred income, value-added tax payable and sales and services tax payable.

47. FINANCIAL INSTRUMENTS (CONT'D)

47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the financial year, with all other variables held constant:-

	Group	
	2022	2021
	RM'000	RM'000
Effects on Profit After Taxation		
USD/RM:		
- strengthened by 5%	(139)	(5)
- weakened by 5%	139	5
EUR/RM:		
- strengthened by 5%	(14)	(#)
- weakened by 5%	14	#
SGD/RM:		
- strengthened by 5%	(3)	(#)
- weakened by 5%	3	#
GBP/RM:		
- strengthened by 5%	(#)	(#)
- weakened by 5%	#	#
CHF/RM:		
- strengthened by 5%	N/A	(#)
- weakened by 5%	N/A	#

Notes:-
N/A - Not applicable.
 # - Amount less than RM1,000.

47. FINANCIAL INSTRUMENTS (CONT'D)

47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio of fixed and floating rate borrowings.

The Group's fixed rate deposits and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the financial year is disclosed in Notes 24, 25 and 30 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the financial year, with all other variables held constant:-

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Effects on Profit After Taxation				
Increase of 100 basis points (bp)	(248)	(448)	(25)	(36)
Decrease of 100 bp	248	448	25	36

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Equity Price Risk Sensitivity Analysis

If prices for quoted investments at the end of the reporting period strengthen by 1% with all other variables being held constant, the Group's and the Company's profit after taxation and equity would have increased by approximately RM836,000 and RM573,000 (2021 - RM239,000 and RM2,000) respectively. A 1% weakening in the quoted prices would have had an equal but opposite effect on the profit after taxation and equity of the Group and Company.

47. FINANCIAL INSTRUMENTS (CONT'D)

47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by two (2) customers (2021 - two (2) customers) which constituted approximately 80% (2021 - 70%) of its trade receivables (excluding accrued income) at the end of the financial year.

(ii) Exposure to Credit Risk

At the end of the financial year, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of financial assets at amortised cost are credit impaired.

The gross carrying amounts of those financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite they are still subject to enforcement activities.

Trade Receivables

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group considers any receivables having financial difficulty or with significant balances outstanding past due and more than 365 days are deemed credit impaired.

The expected loss rates are based on the payment profiles of sales over a period of 12 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

47. FINANCIAL INSTRUMENTS (CONT'D)

47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables (excluding accrued income) is summarised below:-

Group	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Value RM'000
2022			
Current (not past due)	17,187	-	17,187
Past due:			
- 31 to 60 days	3,354	-	3,354
- 61 to 90 days	101	-	101
- over 90 days	5,277	-	5,277
	8,732	-	8,732
	25,919	-	25,919
Credit impaired:			
- individually impaired	7,562	(7,562)	-
	33,481	(7,562)	25,919
2021			
Current (not past due)	8,568	-	8,568
Past due:			
- 31 to 60 days	3,956	-	3,956
- 61 to 90 days	2,601	-	2,601
- over 90 days	11,285	-	11,285
	17,842	-	17,842
	26,410	-	26,410
Credit impaired:			
- individually impaired	3,906	(3,906)	-
	30,316	(3,906)	26,410

The movements in the loss allowances in respect of trade receivables are disclosed in Note 12 to the financial statements.

47. FINANCIAL INSTRUMENTS (CONT'D)

47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries

The Company applies the general approach to measuring expected credit losses for all intercompany balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

The exposure to credit risk and the loss allowances calculated under MFRS 9 for amount owing by subsidiaries is immaterial and hence, it is not provided for.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

47. FINANCIAL INSTRUMENTS (CONT'D)

47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the financial year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the financial year):-

Group	Weighted Average Effective Interest Rates %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2022						
Non-derivative Financial Liabilities						
Trade payables	-	6,583	6,583	6,583	-	-
Other payables and accruals [1]	-	11,374	11,374	11,374	-	-
Trade financing	3.76 to 3.91	3,425	3,453	3,453	-	-
Term financing	3.20	3,337	3,469	1,485	1,984	-
Term loans	3.05 to 3.20	25,936	28,771	4,864	16,063	7,844
		50,655	53,650	27,759	18,047	7,844

Note:-
[1] - The other payables and accruals exclude deferred income, value-added tax payable and sales and services tax payable.

47. FINANCIAL INSTRUMENTS (CONT'D)

47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the financial year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the financial year) (Cont'd):-

Group	Weighted Average Effective Interest Rates %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2021						
Non-derivative Financial Liabilities						
Trade payables	-	1,048	1,048	1,048	-	-
Other payables and accruals [(1)]	-	26,347	26,347	26,347	-	-
Trade financing	3.63 to 3.85	7,259	7,321	7,321	-	-
Lease liabilities	4.33 to 10.72	912	979	817	162	-
Term financing	3.20	4,693	4,954	1,485	3,469	-
Term loans	3.05 to 4.30	47,033	50,563	5,261	34,359	10,943
		87,292	91,212	42,279	37,990	10,943

Note:-

[(1)] - The other payables and accruals exclude deferred income, value-added tax payable and sales and services tax payable.

47. FINANCIAL INSTRUMENTS (CONT'D)

47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the financial year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the financial year) (Cont'd):-

	Weighted Average Effective Interest Rates %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
Company						
2022						
Non-derivative Financial Liabilities						
Other payables and accruals [1]	-	883	883	883	-	-
Amounts owing to subsidiaries	-	151	151	151	-	-
Term financing	3.20	3,337	3,469	1,485	1,984	-
		4,371	4,503	2,519	1,984	-

Note:-

[1] - The other payables and accruals exclude deferred income, value-added tax payable and sales and services tax payable.

47. FINANCIAL INSTRUMENTS (CONT'D)

47.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the financial year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the financial year) (Cont'd):-

	Weighted Average Effective Interest Rates %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
Company						
2021						
Non-derivative Financial Liabilities						
Other payables and accruals [(1)]	-	451	451	451	-	-
Amounts owing to subsidiaries	-	12,692	12,692	12,692	-	-
Lease liabilities	4.33 to 4.55	236	251	89	162	-
Term financing	3.20	4,693	4,954	1,485	3,469	-
		18,072	18,348	14,717	3,631	-

Note:-

[(1)] - The other payables and accruals exclude deferred income, value-added tax payable and sales and services tax payable.

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

47. FINANCIAL INSTRUMENTS (CONT'D)

47.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory requirements, if any. The debt-to-equity ratio is calculated as total borrowings divided by total equity. The Group includes within total borrowings, loans and borrowings from financial institutions. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the financial year is as follows:-

	Group	
	2022	2021
	RM'000	RM'000
Trade financing (Note 30)	3,425	7,259
Lease liabilities (Note 26)	-	912
Term financing (Note 25)	3,337	4,693
Term loans (Note 24)	25,936	47,033
Total borrowings	32,698	59,897
Total equity	342,515	226,316
Debt-to-equity ratio	0.09	0.26

There was no change in the Group's approach to capital management during the financial year.

The Group is also required to comply with certain loan covenants as disclosed in Note 24 to the financial statements, failing which, the banks may call an event of default. The Group has complied with this requirement.

47. FINANCIAL INSTRUMENTS (CONT'D)

47.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2022	
	Group	Company
	RM'000	RM'000
Financial Assets		
Mandatorily at Fair Value Through Profit or Loss		
Other investment (Note 9)	110	-
Short-term investments (Note 17)	110,111	75,391
	110,221	75,391
Amortised Cost		
Trade receivables [(1)] (Note 12)	25,919	-
Other receivables and deposits [(2)] (Note 15)	2,434	194
Amounts owing by subsidiaries (Note 16)	-	51,043
Deposits with licensed banks (Note 18)	6,107	-
Cash and bank balances (Note 18)	4,637	1,098
	39,097	52,335
Financial Liabilities		
Amortised Cost		
Trade payables (Note 28)	6,583	-
Other payables and accruals [(3)] (Note 29)	11,374	883
Amounts owing to subsidiaries (Note 16)	-	151
Trade financing (Note 30)	3,425	-
Term financing (Note 25)	3,337	3,337
Term loans (Note 24)	25,936	-
	50,655	4,371

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

47. FINANCIAL INSTRUMENTS (CONT'D)

47.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2021	
	Group	Company
	RM'000	RM'000
Financial Assets		
Mandatorily at Fair Value Through Profit or Loss		
Other investment (Note 9)	110	-
Short-term investments (Note 17)	31,449	290
	31,559	290
Amortised Cost		
Trade receivables [1] (Note 12)	26,410	-
Other receivables and deposits [2] (Note 15)	1,825	190
Amounts owing by subsidiaries (Note 16)	-	30,732
Deposits with licensed banks (Note 18)	6,103	-
Cash and bank balances (Note 18)	10,742	1,517
	45,080	32,439
Financial Liabilities		
Amortised Cost		
Trade payables (Note 28)	1,048	-
Other payables and accruals [3] (Note 29)	26,347	451
Amounts owing to subsidiaries (Note 16)	-	12,692
Trade financing (Note 30)	7,259	-
Lease liabilities (Note 26)	912	236
Term financing (Note 25)	4,693	4,693
Term loans (Note 24)	47,033	-
	87,292	18,072

Notes:-

[1] - The trade receivables exclude accrued income.

[2] - The other receivables and deposits exclude advances to suppliers.

[3] - The other payables and accruals exclude deferred income, value-added tax payable and sales and services tax payable.

47. FINANCIAL INSTRUMENTS (CONT'D)

47.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms. The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the financial year:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair	Carrying
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Value	Amount
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2022								
Financial Assets								
Trade receivables (non-current)	-	-	-	-	2,146	-	2,146	2,146
Other investment:								
- club membership	-	110	-	-	-	-	110	110
Short-term investments	110,111	-	-	-	-	-	110,111	110,111
Financial Liabilities								
Term financing	-	-	-	-	3,337	-	3,337	3,337
Term loans	-	-	-	-	25,936	-	25,936	25,936
2021								
Financial Assets								
Trade receivables (non-current)	-	-	-	-	5,294	-	5,294	5,294
Other investment:								
- club membership	-	110	-	-	-	-	110	110
Short-term investments	31,449	-	-	-	-	-	31,449	31,449
Financial Liabilities								
Term financing	-	-	-	-	4,693	-	4,693	4,693
Term loans	-	-	-	-	47,033	-	47,033	47,033

47. FINANCIAL INSTRUMENTS (CONT'D)

47.4 FAIR VALUE INFORMATION (CONT'D)

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair	Carrying
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Value	Amount
Company	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2022								
Financial Asset								
Short-term investments	75,391	-	-	-	-	-	75,391	75,391
Financial Liabilities								
Term financing	-	-	-	-	3,337	-	3,337	3,337
2021								
Financial Asset								
Short-term investments	290	-	-	-	-	-	290	290
Financial Liabilities								
Term financing	-	-	-	-	4,693	-	4,693	4,693

47. FINANCIAL INSTRUMENTS (CONT'D)

47.4 FAIR VALUE INFORMATION (CONT'D)

(a) Fair Value of Financial Instruments Carried at Fair Value

(i) The fair values above have been determined using the following basis:-

(aa) The fair value of the club membership is estimated based on its market price.

(bb) The fair values of short-term investments are measured at their quoted closing bid prices at the end of the financial year.

(ii) There were no transfer between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

(i) The fair values of trade receivables (non-current) are determined using discounted cash flows based on risk-free rates ranging from 3.00% to 3.88% (2021 - 3.00% to 3.88%).

(ii) The fair values of term financing and term loans are determined by discounting the relevant cash flows using current market interest rates for similar instruments at the end of the financial year. The interest rates used to discount the estimated cash flows are as follows:-

	Group		Company	
	2022	2021	2022	2021
	%	%	%	%
Term financing	3.20	3.20	3.20	3.20
Term loans	3.05 to 3.20	3.05 to 4.30	-	-

Notes to the Financial Statements
for the Financial Year Ended 31 March 2022 (Cont'd)

48. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Private Placement

On 6 April 2021, the Company received the gross proceeds amounting to RM126,284,000 from the Private Placement of 262,000,000 new ordinary shares at an issue price of RM0.482 per share of which the issued share capital of the Company was increased to RM261,284,000 comprising of 2,962,000,000 ordinary shares. The Private Placement was completed on 7 April 2021 and the new ordinary shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 8 April 2021.

(b) COVID-19 Pandemic

The outbreak of COVID-19 in early 2020, has affected the business and operating environment of the Group. Several measures taken by the Government to prevent the spread of COVID-19 through implementation of movement control order ("MCO") such as introduction of various standard operating procedures ("SOP"), closure of non-essential services as well as restricted domestic and international travelling, have impacted consumers' spending pattern and the Group's operations directly and indirectly.

The Group expects the operating environment to remain challenging going forward as the disruption and full impact from the COVID-19 pandemic on the economy are still being cautiously assessed by the Government. Subsequent to year end, the Government has relaxed certain SOP i.e. open border for domestic and international travelling which has direct impact to the Group.

The Group is of the view that the COVID-19 pandemic will not significantly affect the fundamentals and going concern of its business operations and that it will continue to remain resilient. Accordingly, the Group's financial statement for the financial year ended 31 March 2022 have been prepared based on the application of going concern assumption.

List of Properties

As at 31 March 2022

No.	Registered/ Beneficial Owner	Title / Address	Description/ Existing use	Tenure	Approximate Age of Building Years	Land Area/ built-up area sq.ft	NBV as at 31 March 2022 (RM'000)	Date of Acquisition
1	Datasonic Corporation Sdn Bhd	HS(D) No.223124, PT No.6 Seksyen 20 Bandar Petaling Jaya, District of Petaling Wisma RPS, No. 2D Jalan Kilang 206 46050 Petaling Jaya, Selangor	4-storey commercial building Currenly used by Regional Personalisation Services Division	60 years leasehold expiring on 3 August 2065	31	12,810	4,206	4-Apr-2011
2	Datasonic Group Berhad	P.N 6862, Lot 321 Seksyen 14 Bandar Petaling Jaya, District of Petaling Lot 20A, Jalan 223, 46100 Petaling Jaya, Selangor	3-storey office building annexed and single story warehouse Currently used by manufacturing division	99 years leasehold expiring on 19 May 2067	30	46,685	12,498	7-Feb-2013
3	Datasonic Technologies Sdn Bhd	Lot 1-1, First Floor Retail Office, Olive Hill Business Park	Retail Office (Completed in February 2017)	Freehold Building	5	14,800	7,265	30-Sep-2013
4	Datasonic Technologies Sdn Bhd	Lot 1-2, First Floor Retail Office, Olive Hill Business Park	Retail Office (Completed in February 2017)	Freehold Building	5	9,673	4,547	30-Sep-2013
5	Datasonic Technologies Sdn Bhd	H.S.(D) 6885 PT 2805 Presint 8 Bandar Putrajaya Daerah Putrajaya Negeri Wilayah Persekutuan Putrajaya Block A1-2-3A Block A1 Promenade@8 Phase 8C1 Precinct 8 Putrajaya	Shop Offices Promenade@8 Currently used by Project Management Team	Freehold Building	9	3,208	1,523	3-Jul-2014

List of Properties

As at 31 March 2022 (Cont'd)

No.	Registered/ Beneficial Owner	Title / Address	Description/ Existing use	Tenure	Approximate Age of Building Years	Land Area/ built-up area sq.ft	NBV as at 31 March 2022 (RM'000)	Date of Acquisition
6	Datasonic Technologies Sdn Bhd	H.S.(D) 6885 PT 2805 Presint 8 Bandar Putrajaya Daerah Putrajaya Negeri Wilayah Persekutuan Putrajaya Block A1-3-2 Block A1 Promenade@8 Phase 8C1 Precinct 8 Putrajaya	Shop Offices Promenade@8 Currently used by Project Management Team	Freehold Building	9	3,341	1,549	3-Jul-2014
7	Datasonic Technologies Sdn Bhd	H.S.(D) 6885 PT 2805 Presint 8 Bandar Putrajaya Daerah Putrajaya Negeri Wilayah Persekutuan Putrajaya Block A2-2-3 Block A2 Promenade@8 Phase 8C1 Precinct 8 Putrajaya	Shop Offices Promenade@8 Currently used by Project Management Team	Freehold Building	9	2,909	1,366	3-Jul-2014
8	Datasonic Technologies Sdn Bhd	H.S.(D) 6885 PT 2805 Presint 8 Bandar Putrajaya Daerah Putrajaya Negeri Wilayah Persekutuan Putrajaya Block A2-3-2 Block A2 Promenade@8 Phase 8C1 Precinct 8 Putrajaya	Shop Offices Promenade@8 Currently used by Project Management Team	Freehold Building	9	3,344	1,559	3-Jul-2014
9	Datasonic Technologies Sdn Bhd	A1-1 Block A, Ground Floor, Radius Business Park, Jalan Teknokrat 2, Cyberjaya 63000 Cyberjaya	Shop Offices Cyberjaya Currently used by Project Management Team	Freehold Building	4	3,019	3,091	6-Feb-2018
10	Datasonic Technologies Sdn Bhd	A1-2 Block A, First Floor, Radius Business Park, Jalan Teknokrat 2, Cyberjaya 63000 Cyberjaya	Shop Offices Cyberjaya Currently used by Project Management Team	Freehold Building	4	3,334	1,977	6-Feb-2018

No.	Registered/ Beneficial Owner	Title / Address	Description/ Existing use	Tenure	Approximate Age of Building Years	Land Area/ built-up area sq.ft	NBV as at 31 March 2022 (RM'000)	Date of Acquisition
11	Datasonic Technologies Sdn Bhd	A1-3 Block A, Second Floor, Radius Business Park, Jalan Teknokrat 2, Cyberjaya 63000 Cyberjaya	Shop Offices Cyberjaya Currently used by Project Management Team	Freehold Building	4	3,334	1,668	6-Feb-2018
12	Datasonic Technologies Sdn Bhd	A1-4 Block A, Third Floor, Radius Business Park, Jalan Teknokrat 2, Cyberjaya 63000 Cyberjaya	Shop Offices Cyberjaya Currently used by Project Management Team	Freehold Building	4	3,334	1,303	6-Feb-2018
13	Datasonic Manufacturing Sdn Bhd	Unit No. 33, HS (D) 158423, PT No. 76949 Mukim Kapar, Daerah Klang Selangor	Factory Currently used by manufacturing division	Freehold Land & Building	3	84,033	17,917	2-Apr-2018
14	Datasonic Technologies Sdn Bhd	No. 57, 57A & 57B, Jalan Perai Jaya 5, Bandar Perai Jaya, 13600 Seberang Perai Tengah, Pulau Pinang	Shop Offices	Freehold Building	24	3,101	521	1-Mar-2022
						Total	**60,990**	

Statistics of Shareholdings

As at 8 July 2022

Issued Shares	:	**2,962,000,000 Ordinary Shares**
Class of Shares	:	**Ordinary Shares**
Treasury Shares	:	**97,641,000 Treasury Shares retained by the Company**
Voting Rights	:	**1 vote per Ordinary Share**

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Issued Shares	% of Issued Shares
Less than 100	42	0.23	741	0.00
100 - 1,000	1,339	7.49	786,788	0.03
1,001 - 10,000	8,355	46.74	48,973,593	1.71
10,001 - 100,000	6,896	38.58	236,049,360	8.24
100,001 - less than 5% of issued shares	1,241	6.94	2,005,533,518	70.02
5% and above of issued shares	3	0.02	573,015,000	20.01
Total	**17,876**	**100.00**	**2,864,359,000#**	**100.00**

Note:-

 # Exclude a total of 97,641,000 treasury shares retained by the Company.

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(As per the Register of Substantial Shareholders)

		Direct Interest		Deemed/Indirect Interest	
No.	Name of Substantial Shareholders	No. of Issued Shares	% of Issued Shares	No. of Issued Shares	% of Issued Shares
1.	Safian bin Mohd Yunus	10,000,000	0.35	424,231,300 [(a)(b)]	14.81
2.	Demi Mekar Sdn Bhd	171,731,300	5.99	-	-
3.	Azlan bin Abdul Kadir	-	-	171,731,300 [(c)]	5.99
4.	Kuantum Juang Sdn Bhd	170,000,000	5.94	-	-
5.	Urusharta Jamaah Sdn Bhd	265,680,800	9.28	-	-
6.	Chew Ben Ben	256,352,700	8.95	900,000 [(d)(e)]	0.03
7.	Datuk Haji Abu Hanifah bin Noordin	52,949,900	1.85	120,235,700 [(f)]	4.20

Notes:-

(a) Deemed interest by virtue of his substantial shareholding in Puncak Kuasa Holdings Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 which in turn holds more than 20% of the voting shares of Hallmark Epitome Sdn Bhd.

(b) Deemed interest by virtue of Section 8 of the Companies Act, 2016 held through Demi Mekar Sdn Bhd and Kuantum Juang Sdn Bhd.

(c) Deemed interest by virtue of Section 8 of the Companies Act, 2016 held through Demi Mekar Sdn Bhd.

(d) Deemed interest by virtue of Section 8 of the Companies Act, 2016 held through Enrich Epitome Sdn Bhd.

(e) Indirect interest held through spouse.

(f) Indirect interest held through spouse and children.

Statistics of Shareholdings
As at 8 July 2022 (Cont'd)

DIRECTORS' SHAREHOLDINGS
(As per the Register of Directors' Shareholdings)

No.	Name of Directors	Direct Interest		Deemed Interest	
		No. of Issued Shares	% of Issued Shares	No. of Issued Shares	% of Issued Shares
1.	General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd)	15,000,000	0.52	-	-
2.	Dato' Wan Mohd Safiain bin Wan Hasan	-	-	-	-
3.	Wan Zalizan bin Wan Jusoh	-	-	-	-
4.	Chia Kok Khuang	-	-	-	-
5.	Safian bin Mohd Yunus	10,000,000	0.35	424,231,300 (a)(b)	14.81
6.	Dato' Sri Sharifuddin bin Ab Ghani	-	-	-	-
7.	Dato' Wan Ibrahim bin Wan Ahmad	-	-	-	-
8.	Dato' Ibrahim bin Abdullah	-	-	-	-
9.	Yee Kim Shing @ Yew Kim Sing	-	-	200,000 (c)	0.01
10.	Noor Suhaila binti Saad	-	-	-	-
11.	Azrul bin Yahaya	-	-	-	-

Notes:-
(a) Deemed interest by virtue of his substantial shareholding in Puncak Kuasa Holdings Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 which in turn holds more than 20% of the voting shares of Hallmark Epitome Sdn Bhd.
(b) Deemed interest by virtue of Section 8 of the Companies Act, 2016 held through Demi Mekar Sdn Bhd and Kuantum Juang Sdn Bhd.
(c) Deemed interest by virtue of Section 59(11)(c) of the Companies Act, 2016 held through spouse.

THIRTY LARGEST SHAREHOLDERS
(As per the Record of Depositors)

No.	Name of Shareholders	No. of Issued Shares	% of Issued Shares
1.	Citigroup Nominees (Tempatan) Sdn Bhd *Urusharta Jamaah Sdn Bhd (1)*	246,283,700	8.60
2.	Citigroup Nominees (Tempatan) Sdn Bhd *Kenanga Investors Berhad for Kuantum Juang Sdn Bhd*	170,000,000	5.94
3.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Demi Mekar Sdn Bhd*	156,731,300	5.47
4.	Maybank Securities Nominees (Tempatan) Sdn Bhd *Construction Lease (M) Sdn Bhd for Titian Tegap Sdn Bhd*	133,846,000	4.67
5.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Private Wealth Management for Daya Lestari Sdn Bhd (PW-M01391) (428998)*	122,000,000	4.26
6.	Harrizal Rizhan bin Abu Hanifah	103,148,200	3.60
7.	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chew Ben Ben (MY3378)*	94,125,280	3.29
8.	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Magna Nirwana Sdn Bhd (MI0043)*	85,500,000	2.98

Statistics of Shareholdings

As at 8 July 2022 (Cont'd)

THIRTY LARGEST SHAREHOLDERS (CONT'D)
(As per the Record of Depositors) (Cont'd)

No.	Name of Shareholders	No. of Issued Shares	% of Issued Shares
9.	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chew Chi Hong (MY4426)*	72,570,000	2.53
10.	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt an for Kenanga Investors Bhd*	63,300,000	2.21
11.	Maybank Securities Nominees (Tempatan) Sdn Bhd *Construction Lease (M) Sdn Bhd for Hallmark Epitome Sdn Bhd*	62,500,000	2.18
12.	Abu Hanifah bin Noordin	52,949,900	1.85
13.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chew Ben Ben*	52,197,700	1.82
14.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chew Ben Ben (8095340)*	51,500,000	1.80
15.	Yap Tian Tion	46,157,000	1.61
16.	Malacca Equity Nominees (Tempatan) Sdn Bhd *Exempt an for Phillip Capital Management Sdn Bhd*	30,529,600	1.07
17.	Malacca Equity Nominees (Tempatan) Sdn Bhd *Exempt an for Phillip Capital Management Sdn Bhd (EPF)*	27,692,700	0.97
18.	HLB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Chii Yng*	27,670,000	0.97
19.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account - Ambank (M) Berhad for Chew Ben Ben (Smart)*	25,986,200	0.91
20.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Jersey Chong Xin Ling*	24,500,000	0.86
21.	Liu, Xin	24,000,000	0.84
22.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tham Choon Sarn*	20,000,000	0.70
23.	Liu, Xin	18,600,000	0.65
24.	M&A Nominee (Tempatan) Sdn Bhd *Pledged Securities Account for Chew Ben Ben (M&A)*	18,161,800	0.63
25.	Citigroup Nominees (Tempatan) Sdn Bhd *Universal Trustee (Malaysia) Berhad for Principal Islamic Small Cap Opportunities Fund*	16,416,100	0.57
26.	Mohamed Hashim bin Mohd Ali (Gen Rtd Tan Sri)	15,000,000	0.52
27.	Tan Sin Chai	14,380,000	0.50
28.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Hallmark Epitome Sdn Bhd (Third Party)*	14,000,000	0.49
29.	Citigroup Nominees (Tempatan) Sdn Bhd *Urusharta Jamaah Sdn Bhd (Affin 2)*	13,522,100	0.47
30.	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Sosial (UOB AMM6939-406)*	12,310,800	0.43
	Total	**1,815,578,380**	**63.39**

Statistics of Warrantholdings

As at 8 July 2022

Issued Warrants : 1,350,000,000 Warrants
Exercise price of Warrant : RM0.54 sen
Issue Date : 6 July 2018
Maturity Date : 5 July 2023

ANALYSIS OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	% of Warrantholders	No. of Issued Warrants	% of Issued Warrants
Less than 100	43	0.65	950	0.00
100 - 1,000	564	8.51	287,736	0.02
1,001 - 10,000	2,073	31.29	12,152,354	0.90
10,001 - 100,000	2,853	43.06	117,224,800	8.68
100,001 - less than 5% of issued warrants	1,090	16.45	1,001,424,160	74.18
5% and above of issued warrants	2	0.03	218,910,000	16.22
Total	**6,625**	**100.00**	**1,350,000,000**	**100.00**

DIRECTORS' WARRANTHOLDINGS
(As per the Register of Directors' Warrantholdings)

		Direct Interest		Deemed Interest	
No.	Name of Directors	No. of Issued Warrants	% of Issued Warrants	No. of Issued Warrants	% of Issued Warrants
1.	General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd)	7,500,000	0.56	-	-
2.	Dato' Wan Mohd Safiain bin Wan Hasan	24,000	0.00	-	-
3.	Wan Zalizan bin Wan Jusoh	-	-	-	-
4.	Chia Kok Khuang	-	-	-	-
5.	Safian bin Mohd Yunus	-	-	-	-
6.	Dato' Sri Sharifuddin bin Ab Ghani	-	-	-	-
7.	Dato' Wan Ibrahim bin Wan Ahmad	-	-	-	-
8.	Dato' Ibrahim bin Abdullah	-	-	-	-
9.	Yee Kim Shing @ Yew Kim Sing	-	-	100,000 [(a)]	0.01
10.	Noor Suhaila binti Saad	-	-	-	-
11.	Azrul bin Yahaya	-	-	-	-

Note:-
(a) Deemed interest by virtue of Section 59(11)(c) of the Companies Act, 2016 held through spouse.

Statistics of Warrantholdings

As at 8 July 2022 (Cont'd)

THIRTY LARGEST WARRANTHOLDERS
(As per the Record of Depositors)

No.	Name of Warrantholders	No. of Issued Warrants	% of Issued Warrants
1.	Enrich Epitome Sdn Bhd	130,250,000	9.65
2.	Gerbang Subur Sdn Bhd	88,660,000	6.57
3.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account - Ambank (M) Berhad for Chew Ben Ben (Smart)*	65,232,200	4.83
4.	Popi Riandani binti Dody Muchtar	53,519,460	3.96
5.	Liu, Xin	46,640,000	3.45
6.	Maybank Nominees (Tempatan) Sdn Bhd *Yeoh Siok Choo*	36,509,300	2.70
7.	Chew Ben Ben	29,800,000	2.21
8.	Yap Tian Tion	21,015,500	1.56
9.	Chu Ben Ting @ Chew Ah Teen	20,000,000	1.48
10.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chew Ben Ben (8095340)*	19,600,000	1.45
11.	Ong Kim Leng	17,918,400	1.33
12.	*CGS-CIMB Nominees (Tempatan) Sdn Bhd* *Pledged Securities Account for Chew Ben Ben (MY3378)*	17,743,000	1.31
13.	Lim Chee Meng	13,780,000	1.02
14.	HLIB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ong Kim Leng*	12,463,900	0.92
15.	Hiew Shene Bang	12,274,100	0.91
16.	Cartaban Nominees (Tempatan) Sdn Bhd *Exempt an for LGT Bank AG (Local)*	11,565,100	0.86
17.	Ong Kim Leng	9,210,000	0.68
18.	UOBM Nominees (Tempatan) Sdn Bhd *United Overseas Bank Nominees (Pte) Ltd for Tan You Tiong*	8,500,000	0.63
19.	Tham Choon Sarn	8,278,100	0.61
20.	Tham Choon Sarn	7,799,500	0.58

Statistics of Warrantholdings
As at 8 July 2022 (Cont'd)

THIRTY LARGEST WARRANTHOLDERS (CONT'D)
(As per the Record of Depositors) (Cont'd)

No.	Name of Warrantholders	No. of Issued Warrants	% of Issued Warrants
21.	Mohamed Hashim bin Mohd Ali (Gen Rtd Tan Sri)	7,500,000	0.56
22.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chiu Hooi Yen (8095516)*	7,200,000	0.53
23.	Lee Siew Peng	6,917,800	0.51
24.	Maybank Nominees (Tempatan) Sdn Bhd *Tan You Tiong*	6,859,800	0.51
25.	Ng Tea Hoo @ Hwang Chow Herk	6,500,000	0.48
26.	Tan Sin Chai	6,190,000	0.46
27.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Radhika Nandrajog A/P Suraj Parkash*	6,000,000	0.44
28.	Kenanga Nominees (Tempatan) Sdn Bhd *Rakuten Trade Sdn Bhd for Mohd Salman @ Leong Yew Mun*	5,700,000	0.42
29.	Kenanga Nominees (Tempatan) Sdn Bhd *Rakuten Trade Sdn Bhd for Lim Chee Yuen*	5,634,400	0.42
30.	Tan Chin Yee	5,510,000	0.41
	Total	**694,770,560**	**51.46**

Notice of Fourteenth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting ("AGM") of DATASONIC GROUP BERHAD (Registration No. 200801008472 (809759-X)) (the "Company") will be held and conducted as a virtual meeting through live streaming from the broadcast venue via Remote Participation and Voting ("RPV") facilities at Conference Room, Level 6, Bangunan Setia 1, No. 15, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia on Wednesday, 14 September 2022 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2022 together with the Reports of the Directors and Auditors thereon.
   (Please refer to Explanatory Note A)

2. To approve the payment of Directors' fees to the Non-Executive Directors of the Company up to an amount of RM1,100,000 from the day after the Fourteenth AGM until the next AGM of the Company, to be payable on monthly basis in arrears. **Ordinary Resolution 1**
   (Please refer to Explanatory Note B)

3. To approve the payment Directors' benefits to the Non-Executive Directors of the Company up to an amount of RM200,000 from the day after the Fourteenth AGM until the next AGM of the Company. **Ordinary Resolution 2**
   (Please refer to Explanatory Note B)

4. To re-elect the following Directors who retire in accordance with Clause 165 of the Constitution of the Company and being eligible, have offered themselves for re-election:-

   a) General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd) **Ordinary Resolution 3**
      (Please refer to Explanatory Note C)

   b) Dato' Sri Sharifuddin bin Ab Ghani **Ordinary Resolution 4**
      (Please refer to Explanatory Note C)

   c) Dato' Wan Ibrahim bin Wan Ahmad **Ordinary Resolution 5**
      (Please refer to Explanatory Note C)

   d) Cik Noor Suhaila binti Saad **Ordinary Resolution 6**
      (Please refer to Explanatory Note C)

5. To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**
   (Please refer to Explanatory Note D)

As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolutions:-

6. **Ordinary Resolution**
Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

"THAT subject to Sections 75 and 76 of the Companies Act, 2016 and the approvals of the relevant governmental/regulatory authorities, the Directors of the Company be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the number of issued shares of the Company for the time being and the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company."
(Please refer to Explanatory Note E)

Ordinary Resolution 8

7. **Ordinary Resolution**
Proposed Renewal of Share Buy-Back Authority

"THAT subject to the Companies Act, 2016 ("the Act"), the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares as may be determined by the Directors of the Company from time to time through Bursa Malaysia upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:-

a) the aggregate number of ordinary shares to be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company including the shares previously purchased and retained as treasury shares (if any); and

b) the maximum fund to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase, upon such terms and conditions as set out in the Statement to Shareholders dated 29 July 2022.

THAT the authority conferred by this resolution shall continue to be in force until:-

a) the conclusion of the next AGM of the Company following this AGM at which this resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that next AGM, the authority is renewed, either unconditionally or subject to conditions; or

b) the expiration of the period within which the next AGM of the Company is required by law to be held; or

c) the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) of the ordinary shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Malaysia and/or any other relevant governmental and/or regulatory authorities (if any).

THAT upon completion of the purchase(s) of the ordinary shares by the Company, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manners:-

Notice of Fourteenth Annual General Meeting

a) distribute the ordinary shares as share dividends to shareholders; and/or

b) resell the ordinary shares or any of the ordinary shares in accordance with the relevant rules of Bursa Malaysia; and/or

c) transfer the ordinary shares or any of the ordinary shares for the purposes of or under an employees' share scheme; and/or

d) transfer the ordinary shares or any of the ordinary shares as purchase consideration; and/or

e) cancel the ordinary shares or any of the ordinary shares; and/or

f) sell, transfer or otherwise use the ordinary shares for such other purposes as allowed by the Act.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as necessary or expedient to implement, finalise or complete or to give full effect to the purchase(s) of the ordinary shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required or imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

Ordinary Resolution 9

(Please refer to Explanatory Note F)

8. **Ordinary Resolution**
Retention of General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd) as Independent Non-Executive Director of the Company

"THAT subject to the passing of Ordinary Resolution 3, General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd) who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company."

Ordinary Resolution 10

(Please refer to Explanatory Note G)

9. **Ordinary Resolution**
Retention of Dato' Wan Mohd Safiain bin Wan Hasan as Independent Non-Executive Director of the Company

"THAT Dato' Wan Mohd Safiain bin Wan Hasan who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company."

Ordinary Resolution 11

(Please refer to Explanatory Note G)

10. **Ordinary Resolution**
Retention of Dato' Wan Ibrahim bin Wan Ahmad as Independent Non-Executive Director of the Company

"THAT subject to the passing of Ordinary Resolution 5, Dato' Wan Ibrahim bin Wan Ahmad who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company."

Ordinary Resolution 12

(Please refer to Explanatory Note G)

11. **Ordinary Resolution**
Retention of Mr Yee Kim Shing @ Yew Kim Sing as Independent Non-Executive Director of the Company

"THAT Mr Yee Kim Shing @ Yew Kim Sing who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company."
(Please refer to Explanatory Note G)

Ordinary Resolution 13

12. To transact any other business of which due notice has been given in accordance with the Companies Act, 2016.

By Order of the Board

NIU CHEW WEI (MAICSA 7022900)
SSM Practising Certificate Registration No.: 202008001346
Company Secretary

Kuala Lumpur
29 July 2022

Notice of Fourteenth Annual General Meeting

NOTES:

(1) As part of the initiatives and the safety measures to curb the spread of Coronavirus Disease 2019 ("COVID-19"), and having regard to the well-being and the safety of shareholders of the Company, the Fourteenth AGM will be conducted on a fully virtual basis through live streaming from the broadcast venue via online remote voting via the Remote Participation Voting ("RPV") Facilities to be provided by SS E Solutions Sdn Bhd. Please follow the procedures provided in the Administrative Guide for the Fourteenth AGM in order to register, participate and vote remotely via the RPV Facilities. With the RPV facilities, members and proxies are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.

(2) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the Meeting to be at the main venue in Malaysia. No Shareholders/Proxy(ies)/Corporate Representative(s) from the public will be allowed to be physically present on the day of the Fourteenth AGM.

(3) A member of the Company entitled to attend, participate and vote at the meeting is entitled to appoint a proxy or proxies to attend, participate, speak and vote in his stead. A proxy need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. Since the Fourteenth AGM will be conducted fully virtual, a member who is unable to attend, participate and vote at the Meeting may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy. For Corporate Shareholder, Authorised Nominee and Exempt Authorised Nominee, you may also appoint a Proxy who is not the Chairman of the Meeting.

(4) Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

(5) Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") as defined under the Securities Industries (Central Depositories) Act. 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

(6) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of its attorney or duly authorised officer.

(7) The instrument appointing a proxy or proxies and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited not less than 48 hours before the time set for holding the meeting or at any adjournment thereof through either one of the following avenues:-

   (a) In Hardcopy Form of Proxy

      (i) To be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn Bhd (Registration No. 197701005827 (36869T)) at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur; or
      (ii) To be submitted via fax at +603 2094 9940 or +603 2095 0292 or emailed to info@sshsb.com.my.

   (b) By Electronic Form of Proxy

      (i) To be submitted electronically via Securities Services e-Portal at https://sshsb.net.my/. Please refer to the Administrative Guide available for download at http://www.datasonic.com.my for further details.

(8) For the purpose of determining members who shall be entitled to attend, participate and vote at the Fourteenth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 7 September 2022. Only depositors whose names appear on the Record of Depositors as at 7 September 2022 shall be entitled to attend, participate and vote at the said meeting or appoint proxy(ies) to attend, participate, speak and vote on their behalf.

EXPLANATORY NOTES:

A) To receive the Audited Financial Statements

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

B) Ordinary Resolutions 1 and 2 – Directors' Fees and Benefits Payable To Non-Executive Directors

Section 230(1) of the Companies Act, 2016, provides amongst others, that the fees of the Directors and any benefits payable to the Directors of the Company shall be approved at a general meeting.

The proposed Ordinary Resolutions 1 and 2, if passed, will allow payment of Directors' fees and benefits to Non-Executive Directors of the Company on a monthly basis and/or as and when incurred within the stipulated period.

The proposed Directors' benefits payable comprises of meeting allowance and other benefits.

The estimated amount of Directors' benefits payable is based on the size of the Board of Directors ("Board") and Board Committees and the number of scheduled Board and Board Committees meetings for the period commencing from the day after the Fourteenth AGM until the next AGM of the Company.

C) Ordinary Resolutions 3, 4, 5 and 6 – To re-elect Directors who retire in accordance with Clause 165 of the Constitution of the Company

General Tun (Dr) Mohamed Hashim bin Mohd Ali, Dato' Sri Sharifuddin bin Ab Ghani, Dato' Wan Ibrahim bin Wan Ahmad and Cik Noor Suhaila binti Saad are standing for re-election as Directors of the Company in accordance with Clause 165 of the Constitution of the Company and being eligible, have offered themselves for re-election. The profile of the Directors standing for re-election are set out in the Directors' profile section of the 2022 Annual Report.

The Board through the Nomination and Remuneration Committee ("NRC") has assessed the performance and time commitment of the Directors who are seeking for re-election at the Fourteenth AGM, taking into consideration the results of the evaluation on the effectiveness of the Board, Board Committees and Directors' self-assessment; time commitment in discharging their roles and responsibilities, including attendance at Board or Board Committees meetings, briefings and site visitations; participation in continuing training programmes, contribution to the Board through their skills, knowledge, expertise and experience; and directorships in other public listed companies, public companies and corporations.

The NRC also has undertaken annual assessment of independence of all the Independent Non-Executive Directors, including General Tun (Dr) Mohamed Hashim bin Mohd Ali, Dato' Sri Sharifuddin bin Ab Ghani, Dato' Wan Ibrahim bin Wan Ahmad and Cik Noor Suhaila binti Saad. All the Independent Non-Executive Directors have provided confirmation in writing of their independence.

The Board (save for the retiring Directors who had abstained from deliberation and voting) approved the NRC's recommendation that the Directors who retire in accordance with Clause 165 of the Constitution of the Company are eligible to stand for re-election.

D) Ordinary Resolution 7 – Re-appointment of Messrs. Crowe Malaysia PLT as Auditors of the Company

The Audit Committee ("AC") has assessed and evaluated the performance, suitability and competencies of Messrs. Crowe Malaysia PLT based on the guidelines and criterion as disclosed in the AC Report of the 2022 Annual Report.

Notice of Fourteenth Annual General Meeting

The Board was satisfied with the effective assessment procedures performed and reported by the AC. Accordingly, the Board approved the Audit Committee's recommendation to re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next AGM of the Company. Messrs. Crowe Malaysia PLT have indicated their willingness to be re-appointed as Auditors of the Company.

E) Special Business
Ordinary Resolution 8 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

Ordinary Resolution 8, if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an aggregate amount not exceeding ten per centum (10%) of the issued shares of the Company for the time being for such purposes as they consider would be in the interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next AGM. This renewed mandate will provide flexibility to the Company for the allotment of shares for the purpose of funding working capital, future expansion, investment and/or acquisition(s) as deemed necessary.

As at the date of this notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Thirteenth AGM held on 15 September 2021 which will lapse at the conclusion of the Fourteenth AGM.

F) Special Business
Ordinary Resolution 9 – Proposed Renewal of Share Buy-Back Authority

Ordinary Resolution 9, if passed, will empower the Company to purchase up to 10% of the total number of issued shares of the Company.

The details on the Proposed Renewal of Share Buy-Back Authority are set out in the Statement to Shareholders dated 29 July 2022.

G) Special Business
Ordinary Resolutions 10, 11, 12 and 13 – Retention of General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd), Dato' Wan Mohd Safiain bin Wan Hasan, Dato' Wan Ibrahim bin Wan Ahmad and Mr Yee Kim Shing @ Yew Kim Sing as Independent Non-Executive Directors of the Company

General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd), Dato' Wan Mohd Safiain bin Wan Hasan, Dato' Wan Ibrahim bin Wan Ahmad and Mr Yee Kim Shing @ Yew Kim Sing were appointed as Independent Non-Executive Directors on 27 June 2011 and have therefore served for a cumulative term of more than nine (9) years.

The Board through the NRC had assessed the performance and independence of General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd), Dato' Wan Mohd Safiain bin Wan Hasan, Dato' Wan Ibrahim bin Wan Ahmad and Mr Yee Kim Shing @ Yew Kim Sing and recommended them to be retained as Independent Non-Executive Directors of the Company based on the following justifications:-

a) They have met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia and are therefore able to give independent opinion to the Board;
b) Being Directors for more than nine (9) years have enabled them to contribute positively during deliberations/ discussions at meetings as they are familiar with the operations of the Company and possess sound knowledge of the Company's operations;
c) They have contributed sufficient time and exercised due care during their tenure as Independent Non-Executive Directors;
d) They have discharged their professional duties in good faith and also in the best interest of the Company and shareholders;
e) They have the calibre, qualifications, experiences and personal qualities to challenge management in an effective and constructive manner;
f) They have never compromised on their independent judgement; and
g) They have ensured that there were effective checks and balances in Board proceedings.

The proposed Ordinary Resolutions 10, 11, 12 and 13, if passed, will allow General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd), Dato' Wan Mohd Safiain bin Wan Hasan, Dato' Wan Ibrahim bin Wan Ahmad and Mr Yee Kim Shing @ Yew Kim Sing to be retained as Independent Non-Executive Directors of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Details of individuals who are standing for election as Directors

As at the date of this Notice, there are no individuals who are standing for election as Directors at this forthcoming Fourteenth AGM of the Company.

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of the general mandate for the Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016 are set out in Explanatory Note E of the Notice of Fourteenth AGM.

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DATASONIC GROUP

DATASONIC GROUP BERHAD
(Registration No. 200801008472 (809759-X))
(Incorporated in Malaysia)

FORM OF PROXY

No. of Ordinary Shares held	
CDS Account No.	

*I/We, _____

*NRIC No./Passport No./Company Registration No. _____

of _____

being a *member/members of DATASONIC GROUP BERHAD ("the Company"), hereby appoint _____

_____ *NRIC No./Passport No. _____

of _____

*and/or failing *him/her, _____

_____ *NRIC No./Passport No. _____

of _____

or failing *him/her, #the Chairman of the Meeting as *my/our proxy to attend, participate and vote for *me/us and on *my/our behalf at the Fourteenth Annual General Meeting of the Company to be held and conducted as a virtual meeting through live streaming from the broadcast venue via Remote Participation and Voting ("RPV") facilities at Conference Room, Level 6, Bangunan Setia 1, No. 15, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia on Wednesday, 14 September 2022 at 10:00 a.m. or at any adjournment thereof.

Please indicate your voting instructions with an "X" in the appropriate space. Unless voting instructions are specified herein, the proxy/proxies will vote or abstain from voting as he/she thinks fit.

No.	Resolutions	For	Against
1.	To approve the payment of Directors' fees to the Non-Executive Directors of the Company up to an amount of RM1,100,000 from the day after the Fourteenth AGM until the next AGM of the Company, to be payable on monthly basis in arrears		
2.	To approve the payment Directors' benefits to the Non-Executive Directors of the Company up to an amount of RM200,000 from the day after the Fourteenth AGM until the next AGM of the Company		
3.	To re-elect General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd) as Director of the Company		
4.	To re-elect Dato' Sri Sharifuddin bin Ab Ghani as Director of the Company		
5.	To re-elect Dato' Wan Ibrahim bin Wan Ahmad as Director of the Company		
6.	To re-elect Cik Noor Suhaila binti Saad as Director of the Company		
7.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration		
8.	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016		
9.	Proposed Renewal of Share Buy-Back Authority		
10.	To retain General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd) as Independent Non-Executive Director of the Company		
11.	To retain Dato' Wan Mohd Safiain bin Wan Hasan as Independent Non-Executive Director of the Company		
12.	To retain Dato' Wan Ibrahim bin Wan Ahmad as Independent Non-Executive Director of the Company		
13.	To retain Mr Yee Kim Shing @ Yew Kim Sing as Independent Non-Executive Director of the Company		

The proportion of *my/our shareholdings to be represented by *my/our proxies are as follows:-

	No. of Shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

 # If you wish to appoint other person(s) to be your proxy/proxies, kindly strike out the words "The Chairman of the Meeting" and insert the name(s) of the person(s) desired.

** Delete if not applicable*

Dated this _____ day of _____ 2022

_____
Signature of Shareholder or Common Seal

Contact No./Email address: _____

NOTES:

(1) As part of the initiatives and the safety measures to curb the spread of Coronavirus Disease 2019 ("COVID-19"), and having regard to the well-being and the safety of shareholders of the Company, the Fourteenth AGM will be conducted on a fully virtual basis through live streaming from the broadcast venue via online remote voting via the Remote Participation Voting ("RPV") Facilities to be provided by SS E Solutions Sdn Bhd. Please follow the procedures provided in the Administrative Guide for the Fourteenth AGM in order to register, participate and vote remotely via the RPV Facilities. With the RPV facilities, members and proxies are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.

(2) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the Meeting to be at the main venue in Malaysia. No Shareholders/Proxy(ies)/Corporate Representative(s) from the public will be allowed to be physically present on the day of the Fourteenth AGM.

(3) A member of the Company entitled to attend, participate and vote at the meeting is entitled to appoint a proxy or proxies to attend, participate, speak and vote in his stead. A proxy need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. Since the Fourteenth AGM will be conducted fully virtual, a member who is unable to attend, participate and vote at the Meeting may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy. For Corporate Shareholder, Authorised Nominee and Exempt Authorised Nominee, you may also appoint a Proxy who is not the Chairman of the Meeting.

(4) Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

(5) Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") as defined under the Securities Industries (Central Depositories) Act. 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

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AFFIX
STAMP

DATASONIC GROUP BERHAD
(Registration No. 200801008472 (809759-X))

c/o Securities Services (Holdings) Sdn Bhd
(Registration No. 197701005827 (36869T))
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Malaysia

fold here

(6) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of its attorney or duly authorised officer.

(7) The instrument appointing a proxy or proxies and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited not less than 48 hours before the time set for holding the meeting or at any adjournment thereof through either one of the following avenues:-
   (a) In Hardcopy Form of Proxy
      (i) To be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn Bhd (Registration No. 197701005827 (36869T)) at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur; or
      (ii) To be submitted via fax at +603 2094 9940 or +603 2095 0292 or emailed to info@sshsb.com.my.
   (b) By Electronic Form of Proxy
      (i) To be submitted electronically via Securities Services e-Portal at https://sshsb.net.my/. Please refer to the Administrative Guide available for download at http://www.datasonic.com.my for further details.

(8) For the purpose of determining members who shall be entitled to attend, participate and vote at the Fourteenth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 7 September 2022. Only depositors whose names appear on the Record of Depositors as at 7 September 2022 shall be entitled to attend, participate and vote at the said meeting or appoint proxy(ies) to attend, participate, speak and vote on their behalf.

Personal Data Protection Notice

The Personal Data Protection Act, 2010 which regulates the processing of personal data in commercial transactions, applies to Datasonic Group Berhad ("the Company").

A member of the Company entitled to attend, speak and vote at the Annual General Meeting or at any adjournment thereof, is entitled to appoint a proxy(ies) and/or representative(s) to attend, speak and vote in his/her stead.

In connection with the aforesaid purposes, personal data is or will be collected by the Company or its agents from the information provided or furnished by the member(s) which includes, but is not limited to:-

- Name.
- Shareholding(s).
- Central Depository System account number.
- National Registration Identity Card/Passport number.
- Correspondence address.
- Contact details.
- Any other personal data of the member(s) and/or the member's proxy(ies) and/or representative(s).

In addition to the personal data provided by the member(s) to the Company or its agents directly, the Company or its agents may collect the personal data of the member(s) from a variety of sources, including but not limited to, Bursa Malaysia Depository Sdn Bhd, stockbrokers and remisiers.

The Company or its agents may use and process the personal data of the member(s) and/or the member's proxy(ies) and/or representative(s) for the purposes which include, but not limited to:-

- Processing and administration by the Company or its agents of proxy(ies) and/or representative(s) appointed for the Annual General Meeting or at any adjournment thereof.

- Preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting or at any adjournment thereof.

- Communicate with the member(s).

- Responding to inquiries from the member(s).

- Compliance with any applicable law, listing requirement, guideline and regulation.

(collectively known as "Purposes")

However, if a member(s) fails to supply the Company or its agents with such personal data, the Company or its agents may not be able to process or disclose the personal data for any of the Purposes.

In addition, the personal data may be disclosed or transferred to companies within the Datasonic Group or its agents or any third party or persons for the Purposes and all such other purposes that are related to the Purposes including but not limited to the share registrar, accountants, auditors, consultants, lawyers and financial or professional advisers appointed by the Company.

If so required for any of the Purposes, the personal data may be transferred to locations outside Malaysia.

The member(s) is responsible for ensuring that the personal data provided or furnished to the Company or its agents is accurate, complete, not misleading and up to date.

The Company or its agents may request the member(s) assistance to procure the consent of proxy(ies) and/or representative(s) whose personal data is provided by the member(s) to the Company or its agents and the member(s) agrees to use his/her best endeavours to do so.

Personal Data Protection Notice

The Company or its agents will not keep the personal data for longer than is necessary and will take reasonable steps to destroy and/or delete from the records and system.

Member(s) of the Company may access and request for correction of his/her personal data. If the member(s) has any enquiry or complaint in respect of his/her personal data, please contact the Company at:-

Datasonic Group Berhad (Registration No. 200801008472 (809759-X))
Level 6, Bangunan Setia 1
No. 15, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

Attention : Company Secretarial Department
Telephone No. : (603) 2632 9699
Fax No. : (603) 2011 3560

By providing the personal data to the Company or its agents, the member(s) expressly agrees, confirms and consents to the processing of the member(s)' personal data by the Company or its agents for the Purposes.

In the event of any inconsistency between the English version and the Bahasa Malaysia version of this Notice, the English version shall prevail.

Notis Perlindungan Data Peribadi

Akta Perlindungan Data Peribadi, 2010 yang mengawal selia pemprosesan data peribadi dalam transaksi komersial, diaplikasikan kepada Datasonic Group Berhad ("Syarikat").

Seorang ahli Syarikat yang layak untuk menghadiri, bercakap dan mengundi di Mesyuarat Agung Tahunan atau pada sebarang penangguhannya, berhak untuk melantik seorang proksi(-proksi) dan/atau wakil(-wakil) untuk hadir, bercakap dan mengundi bagi pihak beliau.

Sehubungan dengan maksud tersebut di atas, data peribadi telah atau akan diambil oleh Syarikat atau ejen-ejennya daripada maklumat yang diberikan atau dikemukakan oleh ahli(-ahli) yang termasuk, tetapi tidak terhad kepada:-

- Nama.
- Pegangan Saham.
- Pusat Sistem Depositori nombor akaun.
- Nombor Kad Pengenalan Pendaftaran Negara/Pasport.
- Alamat surat menyurat.
- Butiran perhubungan.
- Lain-lain data peribadi ahli(-ahli) dan/atau proksi(-proksi) dan/atau wakil(-wakil) ahli.

Selain daripada data peribadi yang diberikan oleh ahli(-ahli) kepada Syarikat atau ejen-ejennya secara langsung, Syarikat atau ejen-ejennya boleh mengumpul data peribadi ahli daripada pelbagai sumber, termasuk tetapi tidak terhad kepada, Bursa Malaysia Depository Sdn Bhd, broker saham dan remisier-remisier.

Syarikat atau ejen-ejennya boleh mengguna dan memproses data peribadi ahli(-ahli) dan/atau proksi(-proksi) dan/atau wakil (-wakil) ahli bagi maksud yang termasuk, tetapi tidak terhad kepada:-

- Pemprosesan dan pentadbiran oleh Syarikat atau ejen-ejennya bagi proksi(-proksi) dan/atau wakil(-wakil) yang dilantik bagi Mesyuarat Agung Tahunan atau pada sebarang penangguhannya.

- Penyediaan dan penyusunan senarai kehadiran, minit dan dokumen lain yang berkaitan dengan Mesyuarat Agung Tahunan atau pada sebarang penangguhannya.

- Berkomunikasi dengan ahli(-ahli).

- Membalas pertanyaan daripada ahli(-ahli).

- Mematuhi mana-mana undang-undang, keperluan penyenaraian, garis panduan dan peraturan.

(Secara kolektif dikenali sebagai "Tujuan-Tujuan")

Walau bagaimanapun, jika ahli(-ahli) tidak membekalkan Syarikat atau ejen-ejennya dengan data peribadi tersebut, Syarikat atau ejen-ejennya mungkin tidak dapat memproses atau menzahirkan data peribadi untuk mana-mana Tujuan-Tujuan tersebut.

Di samping itu, data peribadi boleh dizahirkan atau dipindahkan kepada syarikat-syarikat dalam Kumpulan Datasonic atau ejen-ejennya atau mana-mana pihak ketiga atau orang bagi Tujuan-Tujuan tersebut dan semua maksud lain yang berkaitan dengan Tujuan-Tujuan tersebut termasuk tetapi tidak terhad kepada pendaftar saham, akauntan, juruaudit, perunding, peguam dan penasihat kewangan atau profesional yang dilantik oleh Syarikat.

Jika dikehendaki sedemikian untuk mana-mana Tujuan-Tujuan, data peribadi boleh dipindahkan ke lokasi di luar Malaysia.

Ahli(-ahli) adalah bertanggungjawab untuk memastikan bahawa data peribadi yang diberikan atau dikemukakan kepada Syarikat atau ejen-ejennya adalah tepat, lengkap, tidak mengelirukan dan terkini.

Notis Perlindungan Data Peribadi

Syarikat atau ejen-ejennya boleh meminta bantuan ahli(-ahli) untuk mendapatkan persetujuan proksi(-proksi) dan/atau wakil(-wakil) yang data peribadinya telah disediakan oleh ahli(-ahli) kepada Syarikat atau ejen-ejennya dan ahli(-ahli) bersetuju untuk berusaha terbaik untuk berbuat demikian.

Syarikat atau ejen-ejennya tidak akan menyimpan data peribadi lebih daripada yang diperlukan dan akan mengambil langkah-langkah munasabah untuk memusnahkan dan/atau menghapuskan dari rekod dan sistem.

Ahli(-ahli) Syarikat boleh mengakses dan meminta pembetulan maklumat peribadi beliau. Jika ahli(-ahli) mempunyai sebarang pertanyaan atau aduan berkenaan dengan data peribadi beliau, sila hubungi Syarikat pada:-

Datasonic Group Berhad (No. Pendaftaran 200801008472 (809759-X))
Tingkat 6, Bangunan Setia 1
No. 15, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

Untuk Perhatian : Jabatan Kesetiausahaan Syarikat
No. Telefon : (603) 2632 9699
No. Fax : (603) 2011 3560

Dengan menyediakan data peribadi kepada Syarikat atau ejen-ejennya, ahli(-ahli) secara nyata bersetuju, mengesahkan dan bersetuju dengan pemprosesan peribadi ahli(-ahli) oleh Syarikat atau ejen-ejennya untuk Tujuan-Tujuan tersebut.

Jika berlaku apa-apa percanggahan antara versi Bahasa Inggeris dengan versi Bahasa Malaysia dalam Notis ini, versi Bahasa Inggeris akan diguna pakai.

www.datasonic.com.my

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