

DATASONIC[®]
GROUP
ANNUAL REPORT **2023**



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

We pledge to continue to strengthen our core competencies and enhance our capabilities in pursuit of maximum value 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*

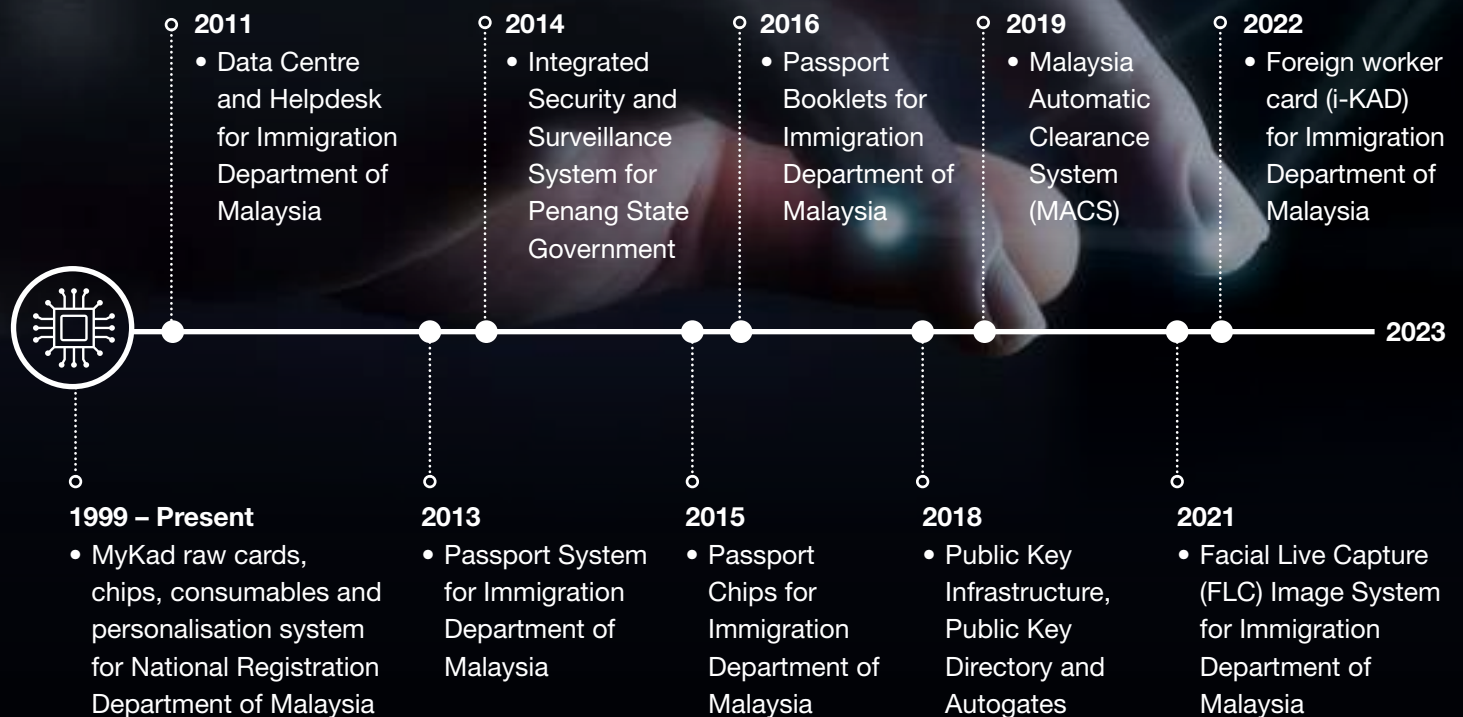
PRODUCTS

- Centralised Issuance System
- Distributed Issuance System
- Biometric Verification
- Desktop Embossers
- Consumables and Supplies

SOLUTIONS

- Identifications and Security Documents
- Border Control
- Credit and Debit Card Personalisation
- Terminal and Kiosks
- Perimeter Security and Surveillance
- Telecommunications Network Infrastructure
- Data Analytics
- Artificial Intelligence
- Fintech and Digital Payment
- Custom Solutions

Achievements & *Milestones*



VISION, MISSION AND *Strategies*

VISION

To enrich lives through creative and innovative Information and Communication Technology Solutions.

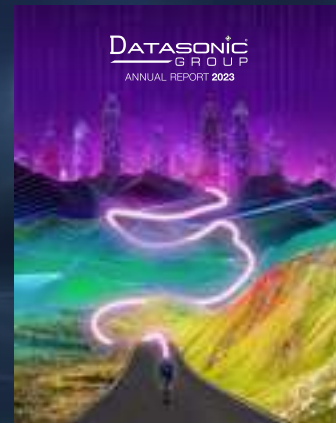
MISSION

- To focus on our customers' challenges and needs.
- To sustainably provide our customers with excellent solutions and services.
- To consistently create, attain and extend maximum value to all our customers and stakeholders.

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 innovation and leading-edge technologies to stay ahead of the global competition.
- To recognize, 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.

COVER *Rationale*



Datasonic continuously forge and pave new ways in the journey of technology.

The grids, illuminated neon line and the person are representations of Datasonic's ability and expertise to blaze new trails in the journey of technology.

The overall design gives out a sense of never-ending exploration and betterment as Datasonic leads the way in its journey through technology.



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15th

ANNUAL GENERAL MEETING



Fully Virtual Basis

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



Wednesday,
2 August 2023



10:00 a.m.



QR CODE

or you can scan to download
This Annual Report is available at
www.datasonic.com.my

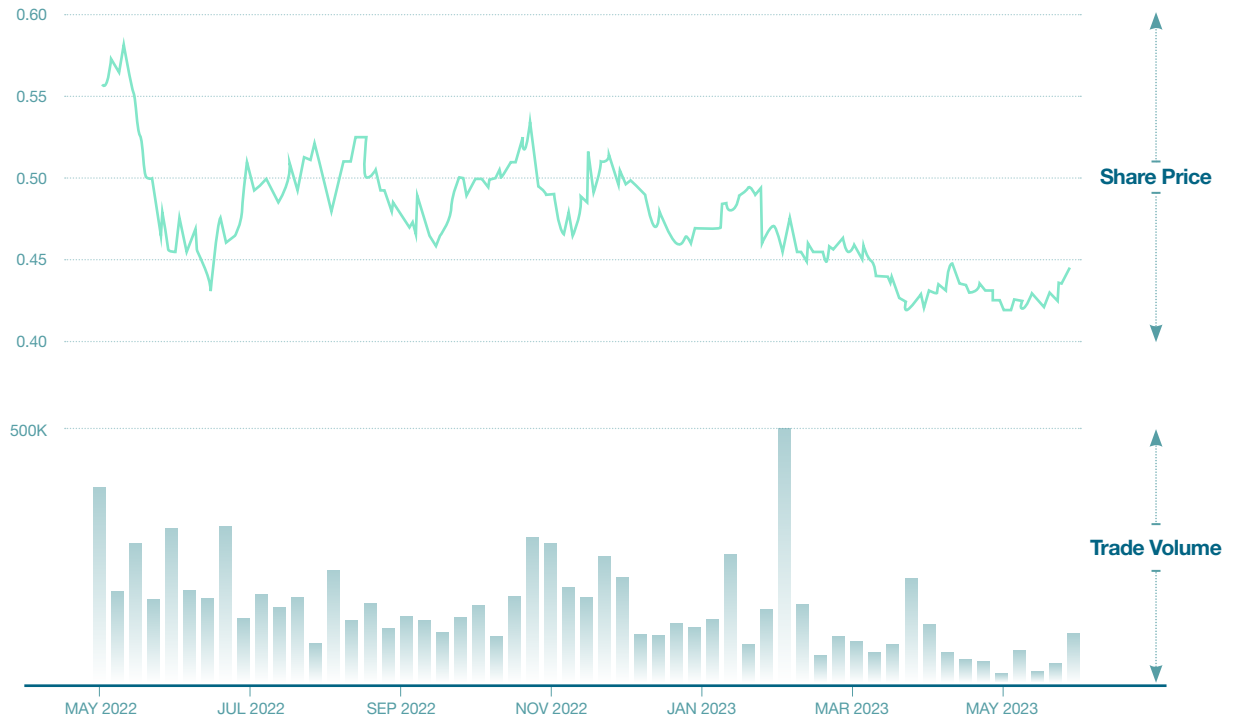


01

ABOUT DATASONIC

SHARE PRICE

Performance



DATASONIC SHARE PRICE PERFORMANCE AND VOLUME TRADED FOR THE PERIOD FROM 31 MAY 2022 TO 31 MAY 2023



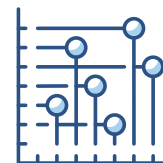
HIGHEST PRICE :
RM0.590
(01 JUNE 2022)



LOWEST PRICE :
RM0.410
(27 MARCH 2023)



HIGHEST VOLUME TRADED :
**51,612,200
SHARES**
(7 FEBRUARY 2023)



LOWEST VOLUME TRADED :
**472,600
SHARES**
(16 MAY 2023)

CORPORATE

Highlights

REVENUE (RM MILLION)

2023	344.71
2022	136.43
2021	138.41

RM344.71 million Revenue



EARNINGS BEFORE INTEREST, TAXES DEPRECIATION AND AMORTISATION (EBITDA) (RM MILLION)

2023	146.31
2022	28.69
2021	27.03

RM146.31 million

Earnings Before Interest, Taxes Depreciation and Amortisation (EBITDA) (RM MILLION) Include Other Income, excluded Interest Income



PROFIT AFTER TAX (PAT) (RM MILLION)

2023	76.35
2022	10.23
2021	7.28

RM76.35 MILLION Profit After Tax (PAT)



EARNINGS PER SHARE (EPS) (SEN)

2023	2.68
2022	0.36
2021	0.28

RM2.68 sen

Earnings Per Share (EPS) (SEN) Based on weighted average 2.85 billion of ordinary shares



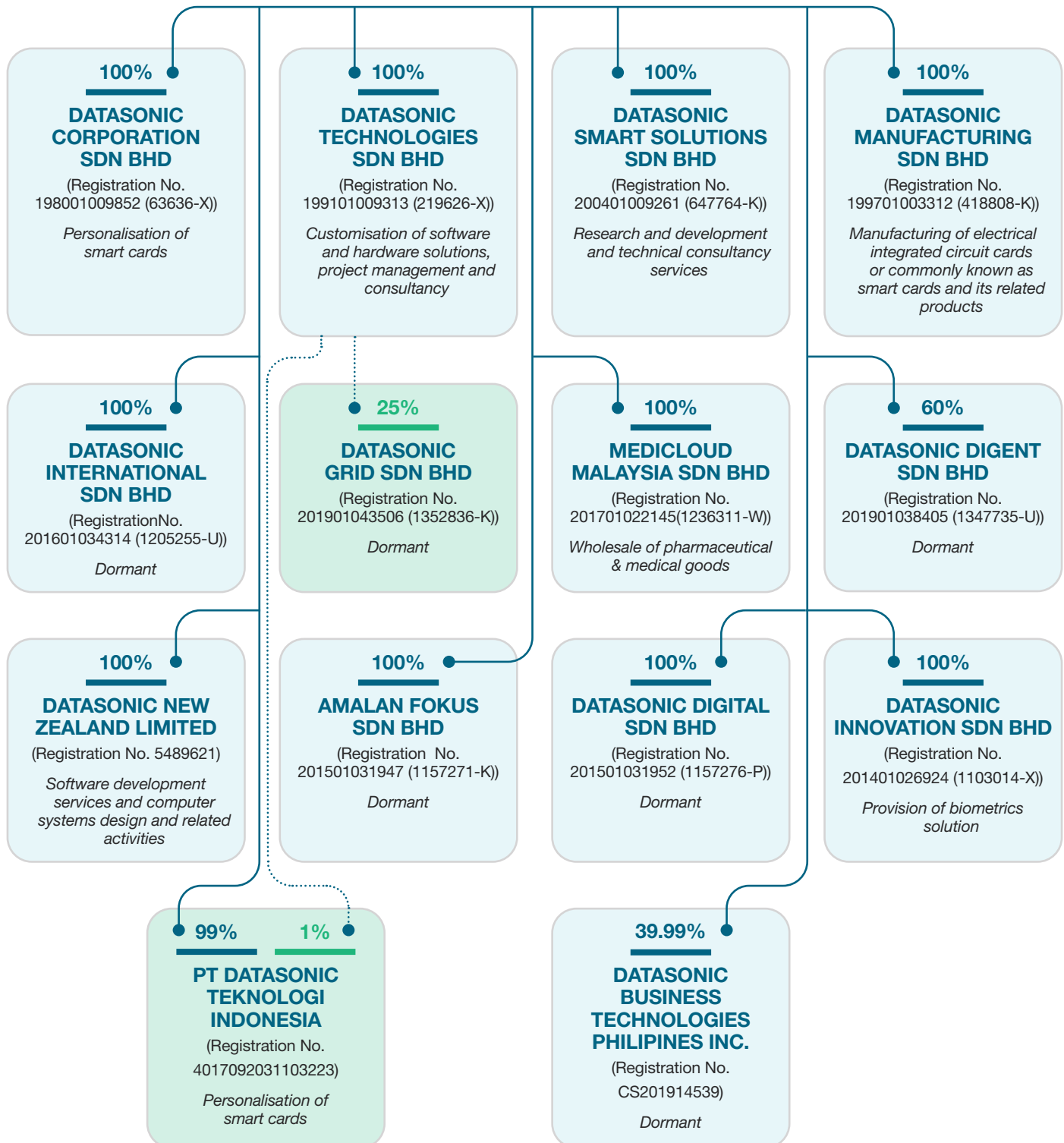
CORPORATE Structure



DATASONIC GROUP BERHAD

(Registration No. 200801008472(809759-X))

Investment holding and provision of management services



CORPORATE *Information*

BOARD OF DIRECTORS

DATUK HAJI ABU HANIFAH BIN NOORDIN
Executive Chairman

DATO' WAN MOHD SAFIAIN BIN WAN HASAN
Independent Non-Executive Deputy Chairman

MR CHEW CHI HONG
Executive Director

MR CHIA KOK KHUANG
Executive Director

ENCIK AZRUL BIN YAHAYA
Non-Independent Non-Executive Director

TAN SRI AHMAD ZAKI ANSORE BIN MOHD YUSOF
Independent Non-Executive Director

TAN SRI BORHAN BIN DOLAH
Independent Non-Executive Director

TAN SRI DATO' SERI DR KHALID BIN ABU BAKAR
Independent Non-Executive Director

DATO' IBRAHIM BIN ABDULLAH
Independent Non-Executive Director

CP (R) DATUK MOHD KHALIL BIN KADER MOHD
Independent Non-Executive Director

DATIN NORMALIZA BINTI KAIRON
Independent Non-Executive Director

ENCIK SAFIAN BIN MOHD YUNUS
Non-Independent Non-Executive Director

DATO' ROSELEEN BINTI BUYONG
Non-Independent Non-Executive Director

DATO' WAN IBRAHIM BIN WAN AHMAD
Independent Non-Executive Director

MR YEE KIM SHING @ YEW KIM SING
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman

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

Member

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

Datin Normaliza binti Kairon
Independent Non-Executive Director

Encik Azrul bin Yahaya
Non-Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Chairman

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

Member

Dato' Ibrahim bin Abdullah
Independent Non-Executive Director

Dato' Roseleen binti Buyong
Non-Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Chairman

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

Member

CP (R) Datuk Mohd Khalil bin Kader Mohd
Independent Non-Executive Director

Dato' Roseleen binti Buyong
Non-Independent Non-Executive Director



CORPORATE
INFORMATION**EMPLOYEES' SHARE
OPTION SCHEME
COMMITTEE****Chairman**

Datuk Haji Abu Hanifah bin Noordin
Executive Chairman

Member

Mr Chia Kok Khuang
Executive Director

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

Datuk Ab Hamid bin Mohamad Hanipah

Managing Director of Datasonic Technologies Sdn Bhd

Puan Talya Zholeikha binti Abu Hanifah

Executive Vice President, Human Capital Development

COMPANY SECRETARIES

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

Lee Jin Foong
(MAICSA 7077841)
(SSM Practising Certificate
Registration No.: 202308000123)

HEAD OFFICE

Level 6, Bangunan Setia 1
No. 15, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur
Tel No.: (603) 2632 9699
Fax No.: (603) 2632 9600
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
& 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
(36869-T))
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 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

THE YEAR AT *A Glance*





THE YEAR AT A GLANCE

DATASONIC EVENT HIGHLIGHT YEAR 2023



CORPORATE RAYA EVENT



IFTAR RAMADHAN DATASONIC



FANTASTIC 4 LAWN BOWLS TOURNAMENT



KL OCBC CYCLE



GOTONG-ROYONG @ ASDAF



MEET & LUNCH WITH MEDIA



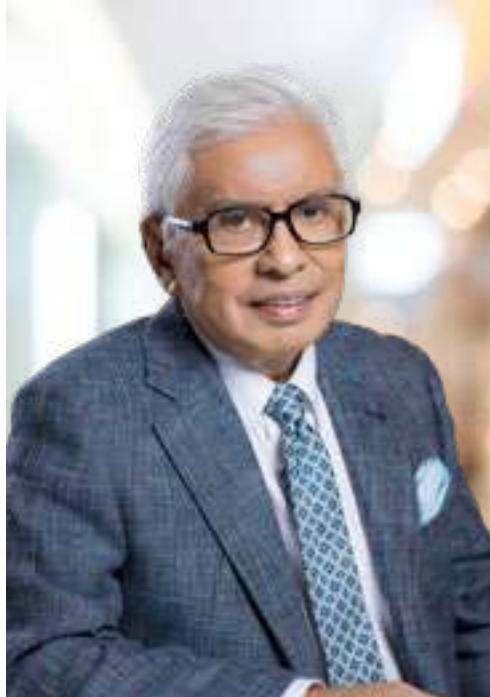


02

OUR
LEADERSHIP

PROFILE OF

Directors



MALE



MALAYSIAN



71 YEARS OLD

Executive Chairman

DATUK HAJI ABU HANIFAH BIN NOORDIN

Board Committees Membership(s)

- Employees' Share Option Scheme Committee (Chairman)

Date of Appointment : 14 September 2022**Length of Service** : <1 year**Date of Last Re-election** : Not Applicable

Datuk Haji Abu Hanifah is the Founder of Datasonic Group Berhad (DGB). He was the first Managing Director of DGB until his retirement on 31 January 2020. He rejoined DGB on 14 September 2022 as the Executive Deputy Chairman and Chief Executive Officer and subsequently redesignated as Executive Chairman on 29 September 2022.

Datuk Haji Abu Hanifah graduated from University Malaya with an Honours Degree in Economics and subsequently qualified as a Chartered Accountant and Certified Public Accountant in 1976. He was a practising accountant for more than 20 years and was the Chairman and Managing Partner of Ernst & Whinney/Einst & Young for 9 years. He also served as the President of the Malaysian Institute of Accountants (MIA) in 1987 and led the Institute for 13 years until 2000.

Datuk Haji Abu Hanifah sits on the Board of Titiwangsa Foundation. Previously, he had also served on the boards of several public listed companies, government-linked companies and government committees.

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

PROFILE OF DIRECTORS



MALE



MALAYSIAN



76 YEARS OLD

Independent Non-Executive Deputy Chairman

DATO' WAN MOHD SAFIAIN BIN WAN HASAN

Board Committees Membership(s)

- Risk Management Committee (Chairman)
- Audit Committee (Member)

Date of Appointment : 27 June 2011

Length of Service : 12 years

Date of Last Re-election : 15 September 2021

Dato' Wan Mohd Safiain bin Wan Hasan was appointed as 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 in 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 in 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.

PROFILE OF
DIRECTORS

MALE



MALAYSIAN



46 YEARS OLD

Executive Director

**MR CHEW
CHI HONG****Board Committees Membership(s)**

- None

Date of Appointment : 14 September 2022**Length of Service** : <1 year**Date of Last Re-election** : Not Applicable

Mr. Chew Chi Hong hold a Bachelor of Arts, majoring in Marketing from University of Hertfordshire, United Kingdom in 1999.

He has more than 20 years of working experience in the Information Communication Technology (ICT) industry in semiconductors and smart card technology. His career spanned a wide portfolio from Sales and Marketing, Corporate Planning, Strategic Development to operations management.

He joined Datasonic as Senior Manager in Corporate Planning and Strategic Development in 2006 and was subsequently promoted as Chief Operating Officer in 2007 and assume the position Chief Corporate Officer in 2021. In 2022, he was promoted to the position of Executive Director.

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.

PROFILE OF DIRECTORS



MALE



MALAYSIAN



45 YEARS OLD

Executive Director

MR CHIA KOK KHUANG

Board Committees Membership(s)

- Employees' Share Option Scheme Committee (Member)

Date of Appointment : 29 March 2021

Length of Service : 2 years

Date of Last Re-election : 15 September 2021

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

Mr Chia was appointed as Deputy Managing Director of the Company on 29 March 2021 and was subsequently redesignated to Executive Director on 14 September 2022.

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.

PROFILE OF
DIRECTORS

MALE



MALAYSIAN



35 YEARS OLD

Non-Independent Non-Executive Director**ENCIK AZRUL
BIN YAHAYA****Board Committees Membership(s)**

- Audit Committee (Member)

Date of Appointment : 31 May 2021**Length of Service** : 2 years**Date of Last Re-election** : 15 September 2021

Encik Azrul is an accomplished financial expert with over a decade of experience in the industry. He graduated with a Diploma in Investment Analysis and a Bachelor of Business Administration (Hons) in Islamic Banking from Universiti Teknologi MARA.

Currently, he serves as the Head of Operations & Treasury of Urusharta Jamaah Sdn Bhd (UJ) and is part of the pioneer team responsible for managing assets worth over RM10 billion. He also sits on the Management Executive Committee (MEC) of UJ, where he contributes his expertise and leadership skills to guide the company's growth and development.

Throughout his career, Encik Azrul has gained extensive experience in treasury, investment operations, valuation, performance measurement and reporting. He has worked for several foreign and local financial companies in various capacities, honing his skills and expanding his knowledge base.

As a technology-savvy professional, Encik Azrul has been instrumental in driving digitalization initiatives such as Robotic Process Automation (RPA), data analytics, and financial systems integration. He has led successful projects that have helped reduce business costs, streamline processes, and improve efficiency.

Prior to joining UJ, Encik Azrul was the Head of Client Experience and Investment Operations Manager of Hong Leong Asset Management. He also 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.

PROFILE OF DIRECTORS



MALE



MALAYSIAN



66 YEARS OLD

Independent Non-Executive Director

**TAN SRI AHMAD
ZAKI ANSORE
BIN MOHD YUSOF**

Board Committees Membership(s)

- None

Date of Appointment : 29 September 2022

Length of Service : <1 year

Date of Last Re-election : Not Applicable

Tan Sri Ahmad Zaki Ansore bin Mohd Yusof holds a Master of Arts in Science Policy from Saitama University, Japan and a Bachelor Degree in Economics (Hons) from National University of Malaysia (UKM).

Tan Sri Ahmad Zaki Ansore has 37 years of service in the public sector in various capacities. He started his career in the Economics and International Division, Ministry of Finance in January 1983 followed by stints in the Public Service Department, Ministry of Primary Industry/Plantation Industry and the Implementation Coordination Unit Prime Minister Department (ICU JPM) before assuming the post of the Director General in April 2016, he had served as the Deputy Director, Federal Development Office of Sabah in 1996, Deputy Director, Johor Development Office, before assuming the Deputy Director General of ICU JPM in June 2007.

Tan Sri Ahmad Zaki Ansore was then promoted to head the Post Flood Recovery Unit, Prime Minister Department in February 2015 and then was appointed as the Director General of ICU JPM in April 2017. During his time in the civil service, he had attended numerous trainings and courses. He had also attended short term Executive Development program from the University of Oxford and Harvard Business School.

Tan Sri Ahmad Zaki Ansore was also a member of several Committees set up by the Government, such as the National Development Council, PEMUDAH, the Eastern Corridor Development Committee, the Northern Corridor Development Committee, a board member of ISIS and Penang Regional Development Authority (PERDA). He retired from the civil service since December 2018.

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

PROFILE OF
DIRECTORS

MALE



MALAYSIAN



63 YEARS OLD

Independent Non-Executive Director

**TAN SRI BORHAN
BIN DOLAH****Board Committees Membership(s)**

- None

Date of Appointment : 12 October 2022**Length of Service** : <1 year**Date of Last Re-election** : Not Applicable

Tan Sri Borhan bin Dolah holds a Master of Public Administration from the University of Hartford USA and Bachelor of Art (Hons) from the Universiti Malaya. He holds a Diploma in Public Administration INTAN.

Tan Sri Borhan has 35 years of service in the public sector. He had held numerous strategic positions in the Government where he used to be the Director-General of Public Services Department, Secretary-General of the Ministry of Rural Development, Sabah Federal Secretary, Deputy Secretary-General (Finance and Development) of the Prime Ministers Department and Director-General of the Youth and Sports Department.

Tan Sri Borhan has served as a government's representative on EPF Board, Permanent Member of the Executive Council on the National Cost of Living Action Council, Chairman of Investment Committee of South East Johore Development Authority, Chairman of the Board of Directors of FELCRA Asset Management and Professor Of Practice at Putra Business School, Universiti Putra Malaysia (UPM).

Tan Sri Borhan currently serves as Chairman of the Malaysian Anti-Corruption Commissions Consultation and Corruption Prevention Panel (CCPP), Chairman of the Panel of Experts Committee, Ministry of Youth and Sports, Chief of the Single Border Agency Nucleus Team, Ministry of Home Affairs and Director of RISDA Holding Sdn Bhd.

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

PROFILE OF DIRECTORS



MALE



MALAYSIAN



65 YEARS OLD

Independent Non-Executive Director

TAN SRI DATO' SERI DR KHALID BIN ABU BAKAR

Board Committees Membership(s)

- None

Date of Appointment : 29 September 2022

Length of Service : <1 year

Date of Last Re-election : Not Applicable

Tan Sri Dato' Seri Dr Khalid bin Abu Bakar holds Bachelor Degree in Law from International Islamic University Malaysia and Wolfsons Leadership Course from Cambridge University, United Kingdom.

Tan Sri Dato' Seri Dr Khalid started his career with the Royal Malaysian Police (PDRM) on 5 December 1976. Upon completing the basic training as Probationary Inspector, he was transferred to the Anti-Narcotics Branch at Bukit Aman, Kuala Lumpur. Prior to reaching the summit of PDRMs hierarchy, he had served various posts including the Deputy Director of Bukit Aman Criminal Investigation Department; the Head of Management at the Pahang Police Contingent; Kuantan District Police Chief and the State Police Chief of Negeri Sembilan and Selangor.

Tan Sri Dato' Seri Dr Khalid was appointed as the Director of the Internal Security and Public Order Department on 25 October 2010 before being promoted as Deputy Inspector-General of Police on 15 April 2011. Tan Sri Dato' Seri Dr Khalid was appointed as the Inspector-General of Police on 17 May 2013. During his time in the force, he received extended experience at the international level where he attended various courses and capability development programmes in countries like Australia, Japan, Thailand, Canada and the Netherlands.

Tan Sri Dato' Seri Dr Khalid was the driving force in establishing various strategic alliances and collaborations with foreign enforcement agencies in combating global security issues. On 5 September 2017, Tan Sri Dato' Seri Dr Khalid was appointed as Special Envoy to the Prime Minister of Malaysia in matters relating to combating terrorism, extremism and human trafficking on the international stage.

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

PROFILE OF DIRECTORS



MALE



MALAYSIAN



66 YEARS OLD

Independent Non-Executive Director

**DATO' IBRAHIM
BIN ABDULLAH**

Board Committees Membership(s)

- Nomination and Remuneration Committee (Member)

Date of Appointment : 5 February 2020

Length of Service : 3 years

Date of Last Re-election : 17 September 2020

Dato' Ibrahim bin Abdullah graduated from National University of Malaysia (UKM) in 1981 with a Bachelor of Arts (Geography).

He had joined the Public Service as an Assistant Secretary at the Ministry of Home Affairs in December 1981 and has since held various positions at the Ministry of Home Affairs, the Prime Minister Department, Jakim, Langkawi District, Immigration Department of Malaysia and the last position was the Deputy Director General of Immigration Department until June 2017.

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

PROFILE OF DIRECTORS



MALE



MALAYSIAN



63 YEARS OLD

Independent Non-Executive Director

CP (R) DATUK MOHD KHALIL BIN KADER MOHD

Board Committees Membership(s)

- Risk Management Committee (Member)

Date of Appointment : 14 September 2022

Length of Service : <1 year

Date of Last Re-election : Not Applicable

CP (R) Datuk Mohd Khalil bin Kader Mohd holds a Post-Graduate Diploma in Human Resource Management and a Master of Science in Human Resources Management from the Glasgow Caledonian University, United Kingdom along with a Master of Arts in Security and Policy Analysis Studies from National University of Malaysia (UKM).

CP (R) Datuk Mohd Khalil has joined the Royal Malaysian Police ("RMP") in 1982 and served in the RMP for almost 40 years.

CP (R) Datuk Mohd Khalil retired as the Director of Narcotics Crime Investigation Department, Royal Malaysia Police in February 2020. During his tenure with the RMP, he had served in various positions including Johor Police Chief, Chief of Inspector General's Secretariat and Principal Assistant Director of Serious Crime Special Investigation. Currently, he is the Personal Security Advisor to His Majesty Sultan of Johor, Security and Government Affairs Consultant to Top Glove and Group Security Advisor to JCORP.

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

PROFILE OF
DIRECTORS

MALE



MALAYSIAN



48 YEARS OLD

Non-Independent Non-Executive Director**ENCIK SAFIAN
BIN MOHD YUNUS****Board Committees Membership(s)**

- None

Date of Appointment : 29 March 2021**Length of Service** : 2 years**Date of Last Re-election** : 15 September 2021

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

Encik Safian was appointed as Executive Director of the Company on 29 March 2021 and subsequently redesignated to Non-Independent Non-Executive Director on 12 October 2022.

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 as well as 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 to 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.

PROFILE OF DIRECTORS



MALE



MALAYSIAN



74 YEARS OLD

Independent Non-Executive Director

DATO' WAN IBRAHIM BIN WAN AHMAD

Board Committees Membership(s)

- Nomination and Remuneration Committee (Chairman)
- Employees' Share Option Scheme Committee (Member)

Date of Appointment : 27 June 2011

Length of Service : 12 years

Date of Last Re-election : 14 September 2022

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 as the Director General of National Anti-Drug Agency. 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 as an Advisor to Cito Holdings Sdn Bhd and Dibena Enterprise Sdn Bhd.

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

PROFILE OF
DIRECTORS

FEMALE



MALAYSIAN



52 YEARS OLD

Independent Non-Executive Director

**DATIN NORMALIZA
BINTI KAIRON****Board Committees Membership(s)**

- Audit Committee (Member)

Date of Appointment : 12 October 2022**Length of Service** : <1 year**Date of Last Re-election** : Not Applicable

Datin Normaliza binti Kairon graduated with a Bachelor of Accounting from University of Malaya in 1995 and in 2006, she obtained her Master of Business Administration (major in Finance) from Open University Malaysia. She is a Chartered Accountant (Malaysia) and a member of Malaysian Institute of Accountants (MIA) since 1998, as well as a Certified Practising Accountant (CPA) and a member of CPA Australia since 2014.

Datin Normaliza spent 10 years with the Securities Commission, joining in 1998 in a newly established team entrusted to enforce the Malaysian approved accounting standards and other corporate reporting requirements on public listed companies (PLCs). The same team was also assigned to monitor the PLCs' corporate governance practices when the first Malaysian Code of Corporate Governance (MCCG) was introduced in 2000.

Her corporate experience includes her involvement in the preparation of financial and corporate reports, and transformation initiatives of Malaysian companies in the financial services & automotive industries. Between 2011 and 2014, Datin Normaliza was attached with a government agency assigned to implement initiatives under the Economic Transformation Programme, which include her role in the establishment of Yayasan Peneraju Pendidikan Bumiputera (YPPB) and programs with the economic corridors.

Datin Normaliza is an advocate of the sustainable development agenda and an alumna of the United Nations' SDG Academy.

She is an independent Non-Executive Chairperson of Aurelius Technologies Berhad.

PROFILE OF DIRECTORS



FEMALE



MALAYSIAN



70 YEARS OLD

Non-Independent Non-Executive Director

DATO' ROSELEEN BINTI BUYONG

Board Committees Membership(s)

- Nomination and Remuneration Committee (Member)
- Risk Management Committee (Member)

Date of Appointment : 14 September 2022

Length of Service : <1 year

Date of Last Re-election : Not Applicable

Dato' Roseleen binti Buyong holds a Diploma in Personnel Management from the Malaysian Institute of Personnel Management (MIPM). She is a Certified Solution - Focused Coach from the Canadian Council of Professional Certification.

A self-made professional and entrepreneur, Dato' Roseleen binti Buyong has extensive and broad-based hands-on corporate experience which spreads across the fields of Human Resource, Corporate Affairs, Communications and Branding, General Management, Business Development and the Malaysian Capital Market.

A major part of Dato' Roseleen's professional career has been in the human resource management and corporate affairs of various multinationals and public listed companies including Harper Gilfillan Holdings, AIA Co. Ltd., TA Securities Berhad and OSK Holdings Berhad. She was also the main contact person for public relations with her various multinationals employers particularly in dealing with the Malaysian Government.

Dato' Roseleen was the Executive Secretary of the Association of Stockbroking Companies Malaysia (ASCM) where she worked very closely with all member companies, mainly the broker owners, Bursa Malaysia Securities Berhad (then known as KLSE), the Securities Commission, and the Ministry of Finance.

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

PROFILE OF
DIRECTORS

MALE



MALAYSIAN



85 YEARS OLD

Independent Non-Executive Director

MR YEE KIM SHING
@ YEW KIM SING**Board Committees Membership(s)**

- Audit Committee (Chairman)

Date of Appointment : 27 June 2011
Length of Service : 12 years
Date of Last Re-election : 15 September 2021

Mr Yee Kim Shing graduated from 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, retiring as a senior partner in Ernst & Whinney (now known as Ernst & Young) in 1990.

He is an Independent Director and Chairman of Audit Committee, member of the Risk Management Committee, Nominating Committee and Remuneration Committee of Pacific & Orient Berhad.

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 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 2023

The details of the Directors' attendance at Board meetings are set out on page 78 of the Annual Report.

KEY SENIOR MANAGEMENT'S

Profile

DATUK HAJI AB HAMID BIN MOHAMAD HANIPAH

Director of subsidiaries of Datasonic Group



MALE



MALAYSIAN



69 YEARS OLD



DATE OF APPOINTED : 1 June 2014
LENGTH OF SERVICE : 9 years

Datuk Haji Ab Hamid bin Mohamad Hanipah began his career as a government security officer in the year 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 Royal Institute of Public Administration (RIPA) in London, INTAN Kuala Lumpur and special branch school.

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

He sits on the board of several subsidiary companies of the Group. He is also a Director of Safe Shield Security Sdn Bhd.

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

ENCIK MD DIAH BIN RAMLI

Director of subsidiaries of Datasonic Group



MALE



MALAYSIAN



62 YEARS OLD



DATE OF APPOINTED : 17 January 2008
LENGTH OF SERVICE : 15 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, U.K 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, later promoted to Senior Manager in 2004. Has vast experience after amassing through involvement in various business and management portfolio within the Group.

In 2005 he was appointed as Executive Director of Dibena Enterprise Sdn Bhd, the promoter and substantial shareholder of the Datasonic Group. He was a Director of Datasonic Group from 2011 until 2019. He sits on the board of several subsidiary companies of the Group.

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

KEY SENIOR MANAGEMENT'S
PROFILE**ENCIK HASHIM BIN ABU**

Head of Government Sector 1 / Chief Technical Officer

**MALE****MALAYSIAN****57 YEARS OLD**

DATE OF APPOINTED : 1 November 2011
LENGTH OF SERVICE : 12 years

Encik Hashim bin Abu holds a Bachelor of Science in Electronics Engineering from Saitama University, Japan. He was a member of Asia Pacific Technical Ladder Community since 1995. He has involved in many R&D for electronics industry including few world first microelectronics solutions.

He brings with him more than 32 years of experience in the industry from multinational company, government agency and government link company.

Prior joining Datasonic, he was a senior management member of Mimos Berhad before seconded to its subsidiary, Malaysia Microelectronics Solutions Sdn. Bhd. as Operations Director. He has involved in few government projects including as technical committee member for MyKad implementation (2002-2008), technical evaluation committee member for MM Chip project under MiGHTS Jabatan Perdana Menteri (2004-2006), technical committee member for Standard Malaysia ISO TC-9 (2004-2010). He was also a JEDEC (Joint Electronics Device Engineering Council) Technical Committee member from 1995 to 2010.

In Datasonic, he led the engineering team as Project Director for maintenance of Malaysia passport personalisation (2011-2013), leading the team for Polycarbonate Datapage migration and maintenance of the personalisation system (2013-current), and deployment and maintenance of ICAO compliant chip system and border control for Malaysian citizen autogate system (2016-current).

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

KEY SENIOR MANAGEMENT'S PROFILE

DATO' AHMAD SYahril BIN ABDULLAH

Chief of Special Projects



MALE



MALAYSIAN



45 YEARS OLD



DATE OF APPOINTED : 20 September 2022
LENGTH OF SERVICE : <1 year

Dato' Ahmad Syahril bin Abdullah is a graduate of University Malaya, having successfully attained his Bachelor of Business Administration, prior to completing his MBA from Asia eUniversity, Kuala Lumpur.

Dato' Ahmad Syahril was appointed as the Chief of Special Projects on 20 September 2022.

Dato' Ahmad Syahril has over 25 years of professional and corporate experience in sectors encompassing banking, planning, corporate sales and accounts, project management, business and marketing, as well as strategic and corporate services. He has held key roles within reputable organizations such as TIME dotCom, Pixelasia, and Dagang Nexchange, with his last leadership role being at Theta Edge Berhad. Previously, he had also served Datasonic Group as Director of Business and Marketing from 2005 to 2007 before he left to pursue other opportunity.

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

ENCIK MUHAYUDDIN BIN MUSA

Deputy Managing Director of Datasonic Technologies Sdn Bhd



MALE



MALAYSIAN



60 YEARS OLD



DATE OF APPOINTED : 16 January 2023
LENGTH OF SERVICE : <1 year

Encik Muhayuddin bin Musa graduated with a Bachelor of Commerce (Hons) degree from the Carleton University, Ottawa, Canada. He holds a Diploma, Grade 13 from Mack International Academy of Arts & Sciences, Toronto, Canada.

He was appointed as Deputy Managing Director of Datasonic Technologies Sdn Bhd on 16 January 2023.

He brings with him more than 25 years of senior management experience in various public listed companies in the printing, manufacturing and banking industries. Prior to this appointment, he was the Group Chief Executive Officer of Destini Berhad and Managing Director/Chief Executive Officer of Computer Forms (Malaysia) Berhad.

Currently, he is also an Independent Non-Executive Chairman of Malpac Holdings Berhad and an Independent Non-Executive Director of Federal International Holdings Berhad.

KEY SENIOR MANAGEMENT'S
PROFILE**DATO' ROSLI BIN RASHID**

Head of Government Sector 2, Datasonic Corporation Sdn Bhd

**MALE****MALAYSIAN****58 YEARS OLD**

DATE OF APPOINTED : 1 October 2022
LENGTH OF SERVICE : <1 year

Dato' Rosli Bin Rashid graduated with a Bachelor of Business Administration from Western Illinois University in 1988 with double major in Management and Finance.

He was appointed as Director of Business Development of Datasonic Technologies Sdn Bhd in October 2022.

Prior to joining the Company, Dato' Rosli holds key roles within reputable organisations starting as banker in 1988 at BSN Commercial Bank, then in 1996 as Business Development Manager to Director of Gold Bridge Engineering & Construction Berhad. On January 2016, he was the CEO of Destini Berhad's subsidiary company while his last post was General Manager of Business Strategic Sector & Acquisition for TH Heavy Industries Berhad.

He brings with him 25 years of corporate experience in various industries encompassing banking, construction and property development, project management, shipbuilding and ship repair as well as business and marketing.

Currently, he is Head of Government Sector 2, Datasonic Corporation Sdn Bhd.

He holds directorship in Gold Bridge Engineering & Construction Berhad, a public company.

ADDITIONAL INFORMATION ON THE KEY SENIOR MANAGEMENT**Family Relationship with any Director and/or Major Shareholder**

None of the Key Senior Management have family relationship with any other Directors and/or Major Shareholders of the Company.

Conflict of Interest

None of the Key Senior Management have any conflict of interest with the Company.

Conviction for Offences (within the past 5 years, other than traffic offences)

None of the Key Senior Management 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.

The background is a solid teal color. It features several large, semi-transparent circles of varying shades of teal. Overlaid on these circles is a pattern of small, dark teal dots arranged in a grid. A white, stylized map of the Americas is positioned diagonally across the center of the page, from the top left towards the bottom right.

03

PERSPECTIVE

SPEECH FROM OUR *Chairman*

Dear Esteemed Shareholders,

On behalf of the Board of Directors, I am delighted to share with you the Annual Report of Datasonic Group Berhad ("Datasonic") for the financial year ended 31 March 2023 ("FY2023").

In the financial year under review, our business recovered healthily as we benefitted from the pent-up recovery effects from the pandemic. On the back of this, Datasonic registered a solid profit attributable to the owners of the Group ("net profit") at RM76.4 million for FY2023. This was a surge of 7.5 folds from RM10.2 million achieved in the previous year. As for the top-line performance, FY2023 revenue rose 152.7% year-on-year ("YoY") to an all-time high of RM344.7 million. Following the good performance, we declared a total dividend of 2.0 sen per share, amounting to RM56.7 million. This represents a dividend payout ratio of 74.2% based on FY2023 net profit of RM76.4 million.

For more detailed analysis of our financial performance, please refer to the Management Discussion and Analysis section of this Annual Report.

”

Datuk Haji Abu Hanifah bin Noordin
Executive Chairman





FY 2023 REVENUE:

RM344.7
MILLION

+152.7% YoY



FY 2023 NET PROFIT:

RM76.4
MILLION

+7.6 Folds



FY 2023 DIVIDEND PAYOUT:

74.2%
OF FY2023 NET PROFIT

ECONOMIC LANDSCAPE

At the start of FY2023, there was a prevailing sense of optimism as the world seemed to be making progress towards endemicity and the global economy was gaining momentum. However, this positive sentiment was short-lived due to the lingering effects of the Covid-19 pandemic, as well as geopolitical turbulence, including the Russia-Ukraine conflict and US-China trade tensions. These factors, combined with rising inflation, interest rates and recessionary concerns, have significantly escalated market uncertainties. Due to these challenges, the global economic recovery has been impacted, with the International Monetary Fund ("IMF") estimated that global gross domestic product ("GDP") growth moderating to 3.4% in 2022, compared to the 6.0% achieved in 2021.

Conversely, economic conditions in Malaysia have been more encouraging with the reopening of the economy leading to a healthy pick-up in business activities. As a result, our GDP growth expanded firmly by 8.7% in 2022, in contrast to the 3.1% growth in 2021, according to the Ministry of Finance ("MOF"). This trend continued into the first quarter of 2023 where our country's GDP grew by 5.6%.

BUSINESS OVERVIEW

The operating landscape in the financial year under review was highly demanding as we had to meet the surge in orders for passports and Malaysia National ID ("MyKad") following the reopening of international borders. At the same time, Datasonic had to manoeuvre past the challenges such as supply chain disruptions, labour shortages and rising raw materials prices to name a few.

Despite these challenges, we remained committed to our top priority: delivering the best public services to our customers. Thanks to our team's meticulous planning and procurement, we were able to rise to the occasion and meet the increased demand with minimal disruption. Moving forward, we will continue to prioritize our customers' needs and strive to provide the highest level of service possible.

Meanwhile, we are pleased to have secured several new contracts in FY2023 despite the arduous environment by leveraging on our proven track record, strong technical expertise and capabilities supported by our in-house research and development ("R&D") team.

SPEECH FROM OUR CHAIRMAN



Separately, Datasonic also had a few exciting new developments in the financial year under review. In November 2022, we inked a Memorandum of Understanding (“MOU”) with Meta Doers World Holding Berhad (“Meta Doers”) to form a strategic partnership through incorporation of a Joint Venture company to explore the huge business opportunities related to Metaverse, focusing on education and healthcare industries. The collaboration marks Datasonic’s foray into the Metaverse world. At the initial stage, our targeted markets are primary school, secondary school, higher education and training agencies in Malaysia and ASEAN countries.

On the other hand, Datasonic had in December 2022, entered into a Memorandum of Agreement (“MOA”) with the Ministry of Urban Planning, Housing and Territorial Development (“MUHAT”) of the Republic of Guinea (“ROG”). The purpose of this MOA is to combine our capacities and resources to co-operate and collaborate on issues relating to the printing of secure documents, digitisation and improvement of land management solutions and services of ROG.



For more in-depth elaboration on this, kindly refer to our Sustainability Statement section of this Annual Report.

SUSTAINABILITY AGENDA

For us at Datasonic, Environmental, Social and Governance (“ESG”) considerations are pivotal in building a long-term sustainable business. To ensure long-term value for our stakeholders, it is essential to consider these factors and adapt our business and operational approach as necessary. By taking action today, we can create a better future. In FY2023, Datasonic continues to channel resources and efforts in our sustainability journey. We take pride that we are making continuous improvements year after year. We are also proud to have introduced our motto in approaching sustainability; Longevity, Impact, Future and Environment (“LIFE”).

MOVING FORWARD

Forging ahead, elevated market uncertainties is expected to persist and global economies will experience a slowdown compared to the previous year. The IMF projects the world economy to grow at a slower pace of 2.9% for 2023 as rising interest rates and the war in Ukraine continue to weigh on economic activities. Similarly, Malaysia’s GDP growth is estimated to slow down to 4.5% in 2023 according to statistics by Bank Negara Malaysia (“BNM”).

Despite these headwinds, there are bright spots ahead for us. In particular, the demand for passports has been strong since the reopening of international borders and we anticipate this trend to continue in the near future. We are committed to meeting this demand with timely and uninterrupted delivery as part of our ongoing contribution to national security. In addition to this core focus, we are also excited about the potential for orders of MyKad to rebound pre-COVID-19 levels.

SPEECH FROM OUR CHAIRMAN

In the meantime, we will also step-up efforts on our pursuit of various new programmes and initiatives with international travel returning to normalcy. This forms part of Datasonic's plan to diversify our revenue streams. Our team has been travelling overseas to meet with existing and potential partners/customers to scale our business.

Lastly, Datasonic will continue to invest in our research and development ("R&D") and talent to preserve and boost our competitive edge in order to maintain our position as one of the most prominent security-related integrated ICT solutions providers in Malaysia.

Overall, we are thrilled with the progress we have made in recovering from the pandemic-related downturn and we look forward to continuing to break new ground and achieve new highs in the years to come barring any unforeseen circumstances.

APPRECIATION

As I conclude, I would like to express my heartfelt gratitude to our exceptional team at Datasonic for their unwavering dedication, hard work and adaptability. I am immensely proud of all the achievements and efforts made by our team, especially in the face of an increasingly challenging environment.

I also wish to extend my deepest appreciation to all our stakeholders, including our customers, business partners, bankers and suppliers, for their invaluable support. Your assistance and trust in the Group have played a crucial role in achieving our goals and driving our growth forward. To our shareholders, we thank you for your steadfast support as we navigated through the challenging times and emerged victorious.

Next, there were a series of changes to the Board following the retirement of several members. Firstly, I would like to give a warm welcome to Dato' Roseleen binti Buyong who joined the Board as our Non-Independent Non-Executive Director as well as Datin Normaliza binti Kairon, Tan Sri Borhan bin Dolah, Tan Sri Ahmad Zaki Ansore bin Mohd Yusof, Tan Sri Dato' Seri Dr Khalid bin Abu Bakar and CP (R) Datuk Mohd Khalil bin Kader Mohd who are our new Independent Non-Executive Directors. They bring on board with them a wealth of experience across different fields and spurring further diversity, which has been contributing positively to the Group.

At the same time, we are delighted to have Mr Chew Chi Hong (Danny) as our new Executive Director. Danny has been with the Group for more than 15 years and was our Chief Operating Officer before assuming the position of Chief Corporate Officer prior to the role as Executive Director. On the other hand, Mr Chia Kok Khuang was redesignated as Executive Director while Encik Safian bin Mohd Yunus was redesignated as Non-Independent Non-Executive Director from Executive Director.

Besides, I would like to take this opportunity to convey my gratefulness to everyone at Datasonic for welcoming me back as your Executive Chairman following the retirement of General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd).

On that note, my heartfelt recognition to General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd.), Cik Noor Suhaila binti Saad and Dato' Sri Sharifuddin bin Ab Ghani who retired from the Board for their immense contribution and invaluable advice to Datasonic.

Finally, I would like to record my appreciation to my fellow Board members for their professionalism and for being such a joy to work with. Your insightful counsel and guidance to the Board have been invaluable. With a refreshed Board and our strong management team, I am confident that Datasonic will continue to flourish and achieve even greater heights.

Datuk Haji Abu Hanifah bin Noordin
Executive Chairman

MANAGEMENT

Discussion & Analysis

Dear Valued Shareholders,

The financial year ended 31 March 2023 (“FY2023”) proved to be a remarkable year for us as we capitalised on the business rebound following the pandemic’s impact. Datasonic experienced substantial growth as we successfully tapped into the pent-up demand for our products and services. With that, we delivered a healthy set of results. FY2023 profit attributable to the owners of the Group (“net profit”) jumped 7.5 times to RM76.4 million on the back of RM344.7 million revenue. It is worthy to mention that this was the highest-ever top-line performance in our history, surpassing the previous record revenue of RM318.4 million achieved in FY2017.

With the commendable set of results, Datasonic declared a total dividend of 2.0 sen per share, totalling RM56.7 million. This works out to a dividend payout ratio of 74.2% based on FY2023 net profit of RM76.4 million.



FY2023 Revenue:
RM344.7
million



BUSINESS & OPERATIONAL REVIEW

For us at Datasonic, while we rode on the road to recovery, we also faced our fair share of upheavals. The reopening of international borders certainly bodes well for us given that we are sole provider of passport solutions to the Immigration Department of Malaysia (“IDM”) since 2016 with an excellent track record. On the flip side, the disruptions caused by the COVID-19 pandemic have caused havoc in the global supply chain, which we had to monitor and manage closely to ensure we are able to meet the surge in demand for passports. In fact, passport issuance hit a new high in FY2023.

On a related note, Datasonic is immensely proud to share that we have commenced the in-house manufacturing of polycarbonate data page. With that, we now have the first-ever Malaysian passport that is 100% made in Malaysia. Datasonic is grateful for the unwavering trust bestowed upon us by the Government. As a committed partner in the country’s national security, we pledge to utilise our expertise, technical know-how and years of experience to provide exceptional and timely delivery services, constantly striving to exceed expectations.

Meanwhile, Datasonic had in August 2022 received and accepted a letter of extension for additional contract ceiling value for Malaysia passport chip contract to include maintenance of Public Key Infrastructure & Public Key Directory (PKI & PKD) and e-gate system nationwide for RM31.4 million.

Similarly, for our Malaysia National ID (“MyKad”) project, the demand has been picking up healthily in tandem with the reopening of the economy. Orders were previously impacted by the pandemic and the resulting movement control restrictions. In March 2023, we secured a RM12.4 million extension contract for the supply of MyKad, MyTentera, MyPOCA raw cards and consumables to the National Registration Department (“NRD”).

MANAGEMENT DISCUSSION & ANALYSIS



FY2023 Net Profit:
RM76.4
million



FY2023 Dividend Payout:
74.2% of
FY2023 Net Profit



On the other hand, Datasonic is delighted to have clinched the RM140.0 million foreign worker card (“i-Kad”) contract for the supply of i-Kad to IDM for a period of 36 months commencing from 1 November 2022 to 31 October 2025. We will provide new i-Kad enhanced with world-class security features and aim to substantially improve the manufacturing lead time to ensure timely delivery without compromising the cards’ quality and security.

As for our e-gate projects, Datasonic had in December 2022, successfully completed the delivery and deployment of additional 20 units of e-gates with our own in-house developed facial recognition system at the immigration office of Bangunan Sultan Iskandar (“BSI”), Johor, which is part of the Malaysia Automatic Clearance System (“MACS”) project. This brings our total e-gates deployed for the MACS project to 42 units.

Another exciting development in the financial year under review is the Memorandum of Agreement (“MOA”) we entered with the Ministry of Urban Planning, Housing and Territorial Development (“MUHAT”) of the Republic of Guinea in December 2022. This is for us to co-operate and collaborate on issues relating to the printing of secure documents, digitisation and improvement of land management solutions and services (“eLand Project”). Followed by the implementation of new computerised citizen data in land matters and incorporate biometric authentication of land data. The plan is also to manufacture, supply and customisation of high security documents for the land title. Lastly, implementing new secure procedures with an emphasis on transparency and efficiency in the processing of land title applications and authorisations.

At end-FY2023, following the various contracts secured, Datasonic’s order book stands at RM339 million, providing us with promising prospects for the upcoming financial years.

**Order
Book Value**

RM339 million

as at 31 March 2023



MANAGEMENT DISCUSSION & ANALYSIS

At Datasonic, the only constant regardless of the market environment, is our dedication towards research and development ("R&D"). This is because we recognise the crucial role of R&D in ensuring our continued success and competitiveness within our industry. To this end, we have made a steadfast commitment to investing in R&D, which has allowed us to maintain our position at the forefront of the industry. With over 100 highly skilled and capable R&D and technical staff, we are proud that the majority of our cutting-edge systems and solutions are developed in-house.

One of which that we are proud of is Datasonic Chip Operating System ("DCOS"). DCOS is one of the best chip OS in the world with reading speed below 1.0 second using International Civil Aviation Organisation ("ICAO") Basic Access Control ("BAC") compliant dataset. More importantly, DCOS is forward compatible with products from top-tier chip manufacturers. By doing so, we are able to offer our customers an end-to-end solution that covers the entire lifecycle of identity document management, from key and certificate management to personalisation and verification processes.

One of our R&D products is also the award-winning Dsonic eGate KF-20, which has won the Cybersecurity - Non-profit or Government Organizations Award at the Malaysia Technology Excellence Awards 2022. KF-20 e-gate is bi-directional configuration, allowing for more efficient processing of travellers in both directions. The eGate is a self-service automatic border control system with features designed for both security and speed, including a two-step verification using a traveller's e-passport and multi-modal biometric (facial / fingerprint) verification. The eGate speeds up queues for clearance at border checkpoints while also enhancing security and preventing identity theft.

Four (4) lanes of the Bi-directional Dsonic eGate KF-20 has been deployed at Desaru Coast Ferry Terminal. The bidirectional functionality of the eGate enables efficient processing of both incoming and outgoing passengers, further enhancing operational efficiency. By leveraging modern autogate technology, the terminal aims to provide a secure and efficient travel experience, establishing itself as a key gateway for visitors.

Since early 2023, the Malaysian Government has decided to extend the use of autogate facilities at Kuala Lumpur International Airport (KLIA) to foreigners from low-risk countries such as Singapore, Brunei, New Zealand, and the G7 countries. This move is aimed at easing congestion at the airport's immigration clearance point. Our R&D team has successfully adapted the Dsonic eGate systems to accommodate foreigner access, facilitating smoother and more secure travel experiences in three (3) months' time. The changes have been implemented to all gates located at BSI, Kompleks Sultan Abu Bakar, Johor, Kuala Lumpur International Airport ("KLIA") and KLIA 2.

Dsonic eGate KF-20

which has won the Cybersecurity - Non-profit or Government Organizations Award at the Malaysia Technology Excellence Awards 2022.



MANAGEMENT DISCUSSION & ANALYSIS

Operationally, it was highly demanding for us as a result of the challenges brought upon by the aftereffects of the pandemic such as supply chain disruptions, labour shortage and fluctuations in raw material costs, to name a few. Therefore, diligent planning and foresight is pivotal especially given the fact that we are involved in national critical projects such as passports and MyKad. Datasonic's manufacturing plant has been running at optimal capacity as we ramped up production to cater to the pent-up demand for passports, MyKad, security documents to NRD as well as the supply of newly secure i-Kad to IDM.

To that end, we have also expanded our manufacturing capacity with a new plant next to our Meru, Klang facility. This also forms part of risk management efforts to diversify our manufacturing base. The expansion was completed in FY2023 and production has commenced.



Balance Sheet Highlights as at 31 March 2023

Total Assets		Net Assets		Net Cash Position with		Total Equity	
RM465.4 million		12.7 sen per share		5.3 sen Cash per share		RM360.4 million	

FINANCIAL REVIEW

Revenue

In the financial year under review, Datasonic registered our best-ever revenue at RM344.7 million as compared to RM136.4 million in the previous year. This represented a jump of 152.7% year-on-year ("YoY"), which was mainly driven by higher supply of passports, smart cards and personalisation services following the reopening of international borders and recovery on the economy.

Gross Profit ("GP") & GP Margin

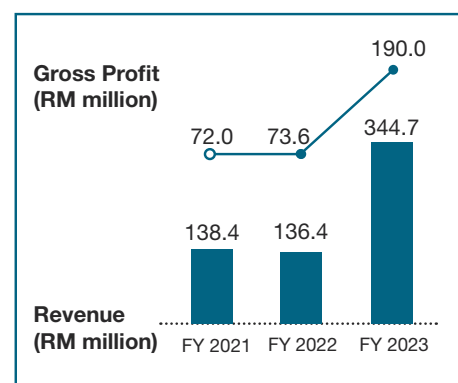
FY2023 GP rose 147.7% YoY to RM190.0 million vis-à-vis RM76.7 million last year in tandem with the increase in revenue. With the team's proactive management of raw materials, GP margin stood at 54.9% for the financial year under review.

Profit Before Tax ("PBT") & PBT Margin

Meanwhile, the higher operational efficiency attained led to a larger-than-proportionate increase in PBT. FY2023 PBT grew 8.5 folds to RM108.2 million from RM12.7 million a year ago. This also translated to a higher PBT margin at 31.4% as compared to 9.3% for FY2022.

Net Profit & Net Profit Margin

Subsequently, Datasonic's FY2023 net profit experienced a strong growth of 7.5 times to RM76.4 million versus RM10.2 million achieved in FY2022. Similar to the PBT, the larger-than-proportionate increase was primarily attributed to greater operational efficiencies. However, the growth was impacted by higher effective tax rate for FY2023 stemming from the expiry of the pioneer status for one of our subsidiaries. Net profit for the financial year under review stood at 22.1% vis-à-vis 7.5% for FY2022.



MANAGEMENT DISCUSSION & ANALYSIS



Capital Structure and Capital Resources

Amid the uncertainties and challenges arising from the lingering effects of the pandemic as well as the global economic landscape, Datasonic's robust balance sheet enabled us to navigate the difficult terrain with strength and resilience.

As at 31 March 2023, Datasonic's total assets rose RM64.6 million to RM465.4 million versus RM400.8 million last year. This was predominantly owing to higher trade receivables in line with the increase in revenue. Meanwhile, total cash holdings increased by RM36.8 million to RM157.6 million.

Total liabilities, on the other hand, stood at RM105 million as at end-FY2023. This was a rise of RM46.7 million from RM58.3 million in the previous year, stemming from increase in trade payables and short-term borrowings primarily to fund the working capital requirement. As at the end of the financial year under review, total equity amounted to RM360.4 million as compared to RM342.5 million at end-FY2022.

Net Gearing, Cash Per Share & Net Operating Cash Flow ("NOCF")

The rise in the total cash holdings along with lower total borrowings enhanced Datasonic's net cash position as of end-FY2023 with cash per share of 5.3 sen. We have been in a net cash position in the past two (2) financial years. Separately, Datasonic generated a positive NOCF of RM73.3 million in the financial year under review.

DIVIDENDS

For FY2023, we upheld the trend of consistently rewarding our shareholders with dividend every year since our listing in 2012. Datasonic is committed to providing our shareholders with a stable and reliable stream of dividends, which we believe is a crucial way to express our gratitude for their steadfast support. At the same time, we recognise the importance of preserving adequate reserves to fuel our future growth, and thus we carefully balance these priorities in all of our financial decision-making.

Datasonic declared and paid four interim dividends totalling to 2.0 sen per ordinary share, which amounted to RM56.7 million. This was higher than the 0.6 sen per share declared last year in line with the strong improvement in our financial performance in the financial year under review. Dividend payout ratio for FY2023 works out to 74.2% based on RM76.4 net profit.



**Dividend Payout Every
Year since Our Listing
in 2012**



**74.2%
Dividend Payout
of FY2023 Net Profit**

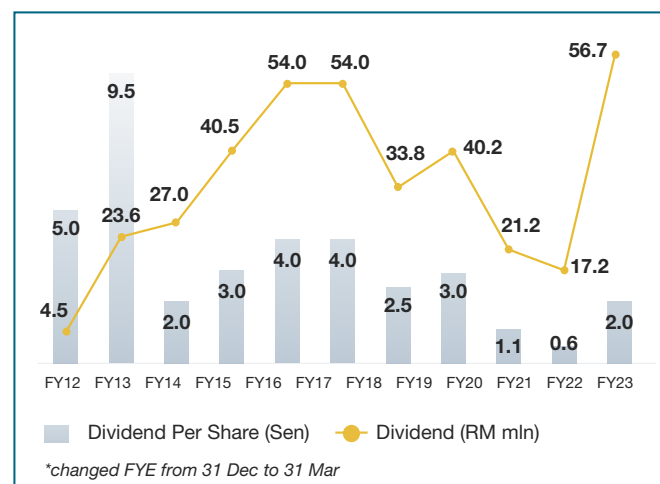
MANAGEMENT DISCUSSION & ANALYSIS

ANTICIPATED OR KNOWN RISKS

Competition Risk and Ability to Secure New Projects

As one of the leaders in the information and communication technology (“ICT”) solution and e-government services industry, Datasonic faces ongoing competition. This is due in part to the fact that much of our revenue is derived from contractual arrangements, which necessitate competitive bidding processes to secure or extend contracts with clients.

To continuously overcome this challenge, we have developed core competencies that enable us to provide world-class integrated solutions and excellent service at competitive rates. This approach has allowed us to consistently maximise value for our customers, expand our product and solutions portfolio and gain greater market share. Simultaneously, Datasonic consistently strengthens our position in the industry through human capital development and ongoing R&D to drive innovation.



Customer Concentration Risk

Given our reliance on contracts secured from government agencies, the loss of a major customer or contract without securing new customers to offset the loss would have significant adverse effects on our business. Nevertheless, as a leader in the industry, Datasonic has a strong track record of delivering products and services in a timely manner and possess extensive technical knowledge in providing effective ICT solutions.

By prioritising customer satisfaction, we have gained a competitive edge over our peers and successfully retained our customers. Furthermore, we are constantly exploring new business prospects and opportunities that align with our business strategies and core competencies, particularly in the area of digital transformation, to enhance our revenue stream.

Operational Disruptions

We are dependent on our operations including our manufacturing facilities to run smoothly and efficiently as any disruptions may have an adverse impact on Datasonic’s performance. As part of our mitigation efforts, we have taken up insurance policies to provide adequate coverage against the risk of fire, burglary and personal accidents for our workers. However, there are external business risks that are beyond our control such as natural disasters, pandemics, riots and general strikes that may materially and negatively affect our operations.

PROSPECTS FOR FY2024

The new financial year ahead (FY2024) is anticipated to remain challenging on the back of heightened market ambiguities arising from ongoing macroeconomic issues and global economic growth is forecasted to moderate in 2023. Back home, while Bank Negara Malaysia (“BNM”) is projecting the gross domestic product (“GDP”) growth to slow down, it is still expecting a growth of 4.5% in 2023 as compared to the high growth base of 8.7% in 2022.

At Datasonic, we remain steadfast in the execution of our strategic plans with prudent management despite the headwinds. We have identified several pockets of growth that we can leverage on to further grow our business.

Demand for Passports Remains on an Upwards Trend

Given that there are high number of passports that have already expired or with less than six (6) months validity from expiration, the demand for passports is anticipated to remain on an upwards trajectory. Datasonic has enhanced our capacity and capabilities to ensure uninterrupted, timely and quality delivery to our client and public. On a related note, we will be gradually ramping up the production of our in-house manufacturing of polycarbonate data page and growing the number of Malaysian passports that is 100% made in Malaysia.

MANAGEMENT DISCUSSION & ANALYSIS

MyKad Orders Gaining Healthy Traction

Meanwhile, while the demand for MyKad has been picking up in FY2023 but it remained below the annual demand prior to the pandemic, indicating the backlog is high. In anticipation, Datasonic has been readying ourselves to accommodate any surge in orders especially given the current situation regarding chips.

Rollout of i-Kad

Having secured the i-Kad project in FY2023, Datasonic has been laying the groundwork. With our machines up and running and deployment is scheduled to commence in July 2023. For a start, our target is to meet all the backlog in a timely manner. Given the high number of foreign workers in Malaysia, swift delivery is critical as part of our national security. Moreover, the enforcement application was successfully developed by our in-house R&D team in accordance with Government's procedures. Additionally, the i-Kad project also opens up more opportunities for us to explore and market various other solutions and services in.

Opportunities in Malaysia's Digitalisation Journey

The global and local digital transformation have been growing at a rapid pace. For Malaysia, the National Council of Digital Economy and Fourth Industrial Revolution ("MED4IR") has been the platform to plan and implement digital economy initiatives at the state and federal levels to be coordinated more systematically and aligned with the Malaysia Digital Economy Blueprint ("MyDIGITAL") and the National Fourth Industrial Revolution (4IR) Policy.

Therefore, this presents vast opportunities as our nation progress on the digitalisation journey. Given our proven track record, strong in-house R&D capabilities and participation in national critical projects, we believe we can play a role in this journey and to continue serving our country with pride.

Closing Remarks

On balance, we have charted a strong recovery from the pandemic-induced downturn and turned a new page for Datasonic. Premised upon our strategic plans and healthy order book, the outlook continues to be bright as we charge forward towards a new chapter of growth for Datasonic.

The background is a vibrant green with a pattern of dark green dots of varying sizes. A large, semi-transparent green circle is on the left. A diagonal band of lighter green with a mountain silhouette runs from the top right towards the bottom left. The text '04 SUSTAINABILITY' is in white, bold, sans-serif font, positioned in the lower-left area.

04

SUSTAINABILITY

SUSTAINABILITY

Report



ABOUT THIS REPORT

Sustainability is a fundamental pillar of Datasonic Group Berhad's ("Datasonic" or "the Group") corporate values, guiding the way we conduct business and interact with stakeholders. It is not only crucial for the well-being of our planet and communities, but also a key driver of long-term business success. Recognising that sustainability is an ongoing journey, we are dedicated to strengthening our Environmental, Social, and Governance ("ESG") initiatives to create a more equitable future.

This Sustainability Statement ("SS2023") underscores our commitment to integrating ESG considerations into the Group's business strategies and practices. We are actively engaged in implementing measures to reduce the Group's environmental footprint, fostering positive social impact, and ensuring the well-being of our people. We do this while maintaining a robust corporate governance framework and upholding the highest standards of integrity across the Group.



Reporting Scope and Boundaries

The reporting period of this SS2023 is 1 April 2022 to 31 March 2023, which is aligned with Datasonic's financial reporting period. Information in this report covers the business operations and activities of Datasonic and its subsidiaries, where it has a majority of ownership, unless otherwise stated.

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 ("UN SDGs")
- ISO 26000:2010 Guidance on Social Responsibility
- Local and international sustainability rating criteria

SUSTAINABILITY REPORT

OUR SUSTAINABILITY COMMITMENT

As one of the leading security-related integrated technological solutions providers in Malaysia, we are driven by our commitment to deliver value to society, while empowering the nation with the deployment of Information and Communications Technology (“ICT”) offerings. Our actions are guided by the principles of sustainability, as we recognise that our success is intertwined with the well-being of the environment, society, and economy. The integration of ESG considerations in our business aligns the Group’s strategies and operations with a long-term vision of a sustainable future.

As such, we have identified five (5) key sustainability areas, that are aligned to the UN SDGs. These areas serve as our strategic focus as we work towards driving positive change and contributing to the global efforts for a more sustainable world.

We embrace the motto “LIFE” in our approach to ESG. This motto embodies the core principles and value that guide and shape our sustainability actions. By adopting LIFE, we ensure that ESG considerations are effectively integrated into our daily conducts.

L: Longevity

We are committed to a long-term engagement with CSR as part of our pledge to provide sustainable benefits for our stakeholders.

I: Impact

We endeavour towards leaving a positive impact towards the environment and the community we serve.

F: Future

CSR is our investment for the future; of our company, community, nation and the world.

E: Environment

We strive towards minimizing our impact to the environment, both directly and indirectly through our activities.

While we have made progress in our ESG journey, we acknowledge that there is always room for improvement. As such, we are working towards setting ESG targets and regular monitoring of our performance to drive continuous improvement.

INNOVATIVE ECOSYSTEM

We develop ICT solutions in collaboration with our extensive knowledge network to ensure the rapid momentum of innovation along our value chain.



CLIMATE AND ENERGY

Taking every step to mitigate our environmental footprint to achieve zero emission across operations while increasing productivity and the environmental efficiency of our products.



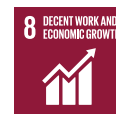
CIRCULAR ECONOMY

Minimising waste while optimising resources; extract the optimum value from materials, allowing products to be repurposed across their life cycles.



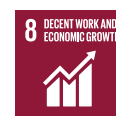
PEOPLE

Employee empowerment is aligned with our corporate strategy and inculcates a feeling of pride and drive among employees.



RESPONSIBLE SUPPLY CHAIN

Raising the bar for our world-class supplier network and conducting business in a sustainable and responsive manner help us achieve our targeted innovations.



SUSTAINABILITY GOVERNANCE







Recognising the importance of strong sustainability stewardship, Datasonic sets a clear tone at the top by incorporating sustainability in our governance structure. The Group’s Board of Directors (“the Board”) assumes the ultimate responsibility in ensuring that ESG aspects are considered in the Group’s long-term business strategies and value creation for stakeholders.

The Executive Directors and Senior Leadership Team supports the Board and is accountable for the effective implementation of the relevant initiatives in realising the sustainability vision across the Group. The Executive Directors empowers our business units by enabling them to collect relevant ESG data and information. This data is then consolidated and evaluated by the Executive Directors and Senior Leadership Team to ascertain the Group’s material sustainability topics. Subsequently, these material topics are presented to the Board for further deliberation, with the facilitation of the Executive Directors.

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

Datasonic's stakeholders include any group or individual who is impacted by our business operations. As such, engaging stakeholders is a critical component of the Group's business planning and strategy. Understanding the expectations of our key stakeholders is essential in addressing their needs, and in maintaining long-term fruitful relationships. This enables us to make informed decisions and enhance the Group's financial and sustainability performance. Our stakeholders have been grouped under six (6) major categories according to the AA1000 Stakeholder Engagement Standards.

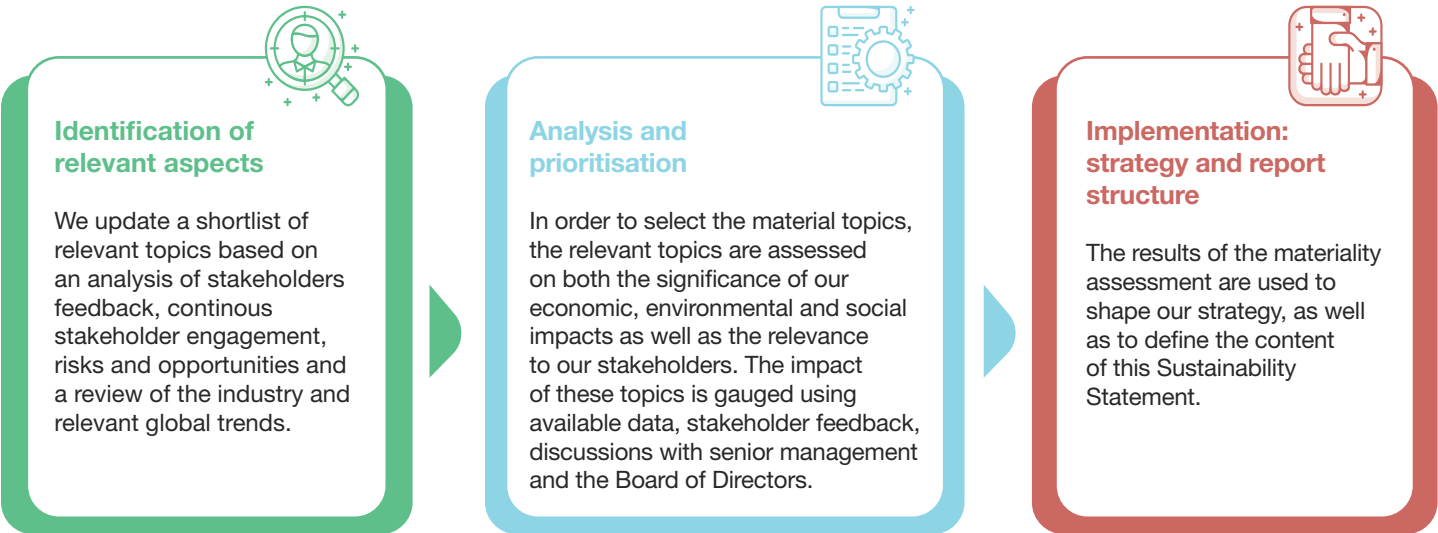
Stakeholder Group	Expectations and Interests	Engagement Approach	Frequency of Engagement
 Shareholders and Investors	<ul style="list-style-type: none"> Investment opportunities Business continuity and outlook Market positioning Return on Investment Dividends Governance on EES risks and/or opportunities 	Annual General Meeting	Annually
		Extraordinary General Meeting	As required
		Quarterly & Annual Report	Quarterly / Annually
		Periodic announcement to Bursa Malaysia	As required
		Investor relations / briefing	Regularly
		Electronic communication / e-mail / corporate website	Continuously
 Customers	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Local partnerships Business relationships Operational efficiency Sustainable and ethical procurement practice 	One-on-one meetings	As required
		Supplier assessment review	As required
 Employees	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Compliance Nation-building agenda Partnerships and collaborations 	Attending to queries promptly or via one-on-one meetings	As required
 Communities	<ul style="list-style-type: none"> Community programmes Charitable donations and/or sponsorships Job creation for locals Operating responsibly 	Charitable donations and/or sponsorships	As required

SUSTAINABILITY REPORT

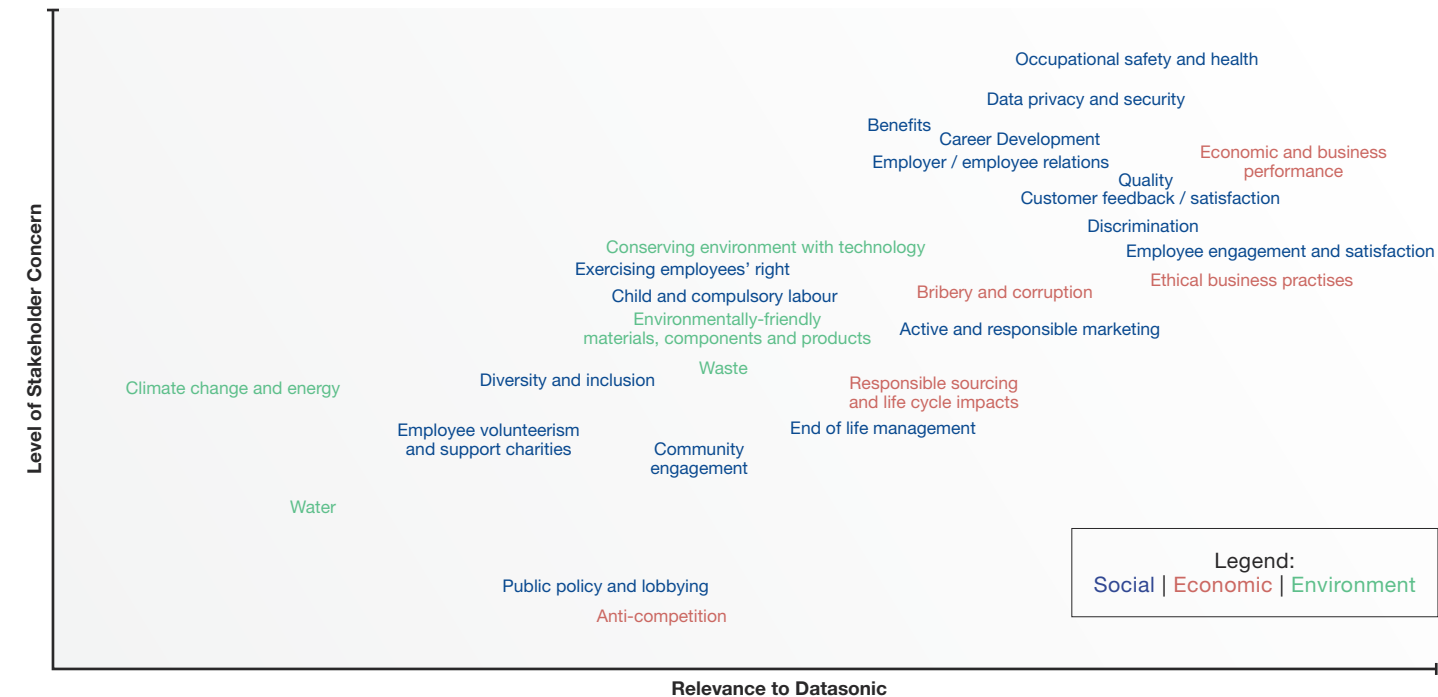
MATERIAL MATTERS

We assess and determine the Group’s key sustainability matters through a materiality assessment process involving internal and external stakeholders. This allows us to identify the sustainability topics that are most important to our business and our stakeholders. By prioritising the most pertinent topics, we can effectively focus our efforts on matters that we will have the greatest impact on, while also meeting the expectations of our stakeholders.

Materiality Methodology



Following our materiality assessment, we deem the 27 material matters were still relevant to our business in FY2023 and continue to review the topics under three sustainability pillars of Economic, Environmental, and Social, as shown in the matrix below.



ECONOMIC



Datasonic's economic pillar is centred on our continued success to deliver long-term value for our stakeholders. We achieve this through continuous innovation to strengthen our competitive position, maintaining a sustainable supply chain, while upholding high standards of ethics and integrity in our conducts. Through these efforts, we endeavour to build a robust and resilient business that is sustainable and adaptable to changing market conditions.

POWERING MALAYSIA WITH INNOVATIVE ICT SOLUTIONS

Datasonic's commitment to sustainability and national development is demonstrated through our contributions towards national critical projects, being the key provider of Malaysia National ID ("MyKad") and International Civil Aviation Organization ("ICAO") compliant e-passport solutions to the Malaysian government.

To remain competitive and at the forefront of the industry, we prioritise innovation by investing in research and development ("R&D"), and leveraging our in-house team of skilled professionals to develop new and cutting-edge solutions.

In FY2023, we achieved a significant milestone by producing the first-ever Malaysian passport that is 100% made in Malaysia as we commenced in-house manufacturing of polycarbonate data pages.

Additionally, the Group's unwavering focus on quality and reliability has been recognised through the extension of our contract for the supply of MyKad, MyTentera, MyPOCA raw cards and consumables, as well as the recently secured project to provide foreign worker card ("i-Kad") with high security aspects.

The Group's dedication to innovation enables us to develop improved products and services that not only meet the evolving needs of our customers, but also have a positive impact on society. Datasonic is working towards supplying printed security documents, such as birth certificates, with enhanced security features, including state-of-the-art security paper and ink material for security printing, as well as new watermark, among others. These initiatives are crucial in reducing cases of document falsification, protecting the integrity of our national identification systems.

Datasonic is proud to be a part of Malaysia's growth story, powering the nation with innovative ICT solutions that benefit the people and the country.

Membership of Associations

At Datasonic, we recognise the importance of collaboration and knowledge-sharing in driving industry progress and sustainable business practices. With that in mind, we partake as members of various industry associations, allowing us to stay ahead of the curve, identify emerging opportunities, and address sector-related matters in a proactive manner.

- 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 REPORT

SUSTAINABLE PROCUREMENT

Responsible sourcing plays a vital role in realising the Group’s ESG and business objectives. Datasonic’s Procurement Policy outlines our pledge to sustainable procurement of materials and services. The vendors we work with undergo stringent assessment taking into consideration various criteria fulfilling our requirements in commercial, financial, technical, operational, and environmental aspects. To ensure our external providers are aligned with our commitments, we communicate our expectations through our Procurement Policy.





As outlined in our Procurement Policy, we promote the purchasing of products with minimal environmental footprint whenever feasible, and consider the environmental costs associated with full product life cycles, which includes energy use, pollution control, waste reduction, and resource use. Apart from that, we also seek to manage the environmental impact of suppliers by encouraging reporting of relevant environmental information, and through impact reduction initiatives.

Socially, Datasonic prioritises protecting human rights throughout our value chain and will not engage in any form of forced or child labour, while working closely with our suppliers to ensure fair labour practices are adopted.

We also strive to purchase locally whenever possible to support local businesses and economies. By sourcing our materials, goods, and services locally, we contribute to the growth and development of the communities in which we operate.

Our goal is to create a supply chain that is not only efficient and cost-effective, but sustainable in ESG terms too. As we progress, we seek to integrate more ESG-related criteria into our procurement processes. We also intend to update our supplier contracts to include specific requirements related to environmental and social terms to drive accountability.

In our yearly assessment of existing and potential vendors, we use a rating system to evaluate their performance. For the year under review, the rating of our suppliers stood at 75.4%. Our Procurement and project team reviews and evaluates the responses, and thereafter engages with suppliers to identify opportunities for improvements, which involves conducting on-site briefing to relevant supplier staff. We also conduct risk assessment regarding environmental and social issues for our existing and potential new suppliers as part of our vendor selection process at Datasonic Manufacturing Sdn. Bhd ("DMSB").

	FY2021	FY2022	FY2023
External Provider Assessment rating	77.3%	78.6%	75.4%

SUSTAINABILITY REPORT

ETHICS & INTEGRITY

We believe that strong corporate governance is essential in preserving the interest of our stakeholders and ensuring long-term sustainability of Datasonic. Guided by industry best practices, we remain steadfast to maintaining an effective governance system while upholding high standards of integrity in our business dealings. Our commitment is set out in the Employee Handbook and the Group's Code of Conduct, which is communicated to all employees and stakeholders. The Board oversees the Group's compliance with anti-corruption policies, while the Group's Integrity and Governance Unit ("IGU") manages integrity and governance-related matters across the Group.

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

We have a zero-tolerance approach to unethical business practices including all forms of bribery and corruption. This is in accordance with the Group's ABAC Policy, which complies with Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009. The policy, which is in English, is applicable to Datasonic's directors, employees, business associates, and other third-party intermediaries, and is made available to internal and external stakeholders through various means, such as the corporate website, and through internal communication, among others. Any external providers who are found to be in breach of the ABAC Policy will result in termination.

Training on anti-bribery anti-corruption is conducted to raise awareness across the Group. In FY2023, Datasonic's Board members and employees underwent anti-corruption education and awareness training. Furthermore, our personnel are required to declare that they have understood and abide by the guidelines in the ABAC Policy. As-of-date, 85% of the employees have undergone the anti-corruption training. The remaining individuals are unable to attend due to other work-related commitments. However, we have taken measures to ensure their understanding of the policies.

A briefing on the ABAC policy and Whistleblowing policy is also incorporated as part of induction process for the new employees to ensure their awareness and understanding of these important policies from the beginning of their employment.

Corruption risk assessment is also embedded in the Group's risk management process, with 100% of our operations assessed for corruption-related risks in FY2023.



Compliance with ABAC Policy	FY2022	FY2023
No. of Datasonic's staff disciplined or dismissed due to non-compliance with ABAC Policy	0	0
Fines, penalties or settlements from regulatory authorities in relation to corruption (RM)	0	0
Political contributions (RM)	0	0



Whistleblowing Policy

Datasonic has established a Whistleblowing Policy that encourages and protects individuals who report concerns of misconduct. The whistleblower's identity is kept private and confidential, without fear of disciplinary action or reprisal. All reports are thoroughly investigated, and appropriate remedial action is taken in cases of confirmed wrongdoing. In FY2023, there were zero (0) whistleblowing reports received by Datasonic.

The Group's Whistleblowing Policy is updated from time to time to maintain relevancy. It is available for reference on Datasonic's corporate website.

SUSTAINABILITY
REPORT

ENVIRONMENTAL



As a responsible corporate citizen, Datasonic acknowledges our responsibility to proactively address the environmental challenges facing the planet. We are focused on minimising the Group's carbon footprint, resource use, managing waste effectively to prevent pollution, and promoting environmentally friendly practices across the Group.

ENVIRONMENTAL COMMITMENT

We strive to conduct our operations in an environmentally responsible manner and in compliance with all applicable environmental laws and regulations. 100% of the sites of the Group's subsidiaries, DMSB and Datasonic Technologies Sdn. Bhd. ("DTSB") at PJ 223 and DMSB Port Klang, have attained ISO 14001:2015 Environmental Management Systems certification, which is a testament to Datasonic's commitment to protect the environment.

The implementation of our sustainability efforts across the Group is spearheaded by the Group's Executive Directors. To ensure the effectiveness of our environmental management system, we track and monitor our sustainability performance regularly. This allows us to identify areas for improvement and take proactive measures to minimise our carbon footprint. We have set out our pledge to environmental preservation as below.

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.

Compliance with
Environmental Legislation
Preventing Pollution

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

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.

SUSTAINABILITY REPORT

As part of our sustainability measures, we have also initiated an e-campaign featuring monthly email blasts on various environmental-related topics. This campaign aims to raise awareness among employees regarding sustainability and environmental matters. Each month, a different topic will be highlighted, offering insights and promoting sustainable practices in line with our commitment to environmental stewardship.

In addition to upholding environmental responsibility in our own operations, we also seek to promote sustainable practices throughout our supply chain. We work with the Group's suppliers by encouraging the use of products with minimal environmental impact from the early stages of design to manufacturing, and distribution. By taking a collaborative approach to sustainability, we aim to reduce the ecological footprint of the Group's supply chain.

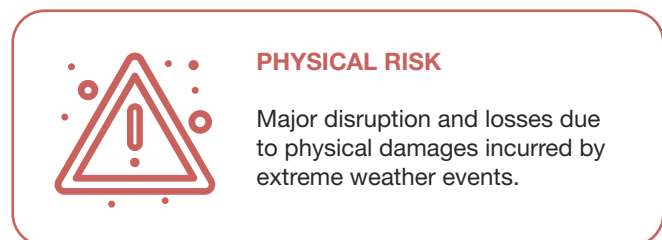
In FY2023, there were zero (0) major incidents involving fines or non-monetary sanctions for non-compliance with environmental laws and regulations.



CLIMATE CHANGE & ENERGY MANAGEMENT

Climate change is one of the most pertinent global matters today, as the impacts have continued to worsen in recent years with extreme weather events disrupting daily lives. At Datasonic, we are cognisant of the urgency of climate change and have identified it as one of the Group's material sustainability topics.

As an organisation, climate change possesses physical and transition risks that may impact our operations, financial performance, and our ability to deliver value to our shareholders. Nonetheless, this presents opportunities for us to develop solutions that will minimise the risks and strengthen the Group's resilience.



With this in mind, we are taking action to better position Datasonic to adapt to climate change and reduce our carbon footprint to mitigate our impact on the planet. Our pledge to combating climate change is outlined in the Group's Environmental Commitment.

As part of our sustainability agenda, we have implemented several measures to optimise our energy consumption at Datasonic:

- 1) Monitoring our energy consumption and greenhouse gas ("GHG") emissions to identify areas for improvement;
- 2) Having a dedicated person-in-charge to oversee plant's operations;
- 3) Utilising energy-efficient appliances, equipment and lighting systems;
- 4) Regular maintenance of equipment and machinery for optimal performance;
- 5) Sustainable product design and development, such as the use of smaller, more efficient designs that consume less power; and
- 6) Establishing objectives such as recording instances of non-compliance in relation to electricity savings per quarter; and
- 7) Raising employee awareness on energy-saving habits such as turning off lights and equipment when not in use, and reducing paper usage whenever possible.

Energy Consumption

We primarily source our energy from two main sources, namely the national grid, and in the form of petrol and diesel for transportation purposes. Our energy and diesel usage in FY2023 increased mainly due to higher production activities in relation to MyKad and passports, as well as employees returning to the office as Malaysia enters the transition to endemicity phase.

SUSTAINABILITY
REPORT

	FY2021	FY2022	FY2023
Energy consumption (kWh)	1,365,562	1,567,415	2,248,233
Diesel consumption (litre)	180	83	101

GHG Emissions

We have initiated the reporting of GHG emissions data at the premise of DMSB this year. The data provided is estimated using the GHG formula. We are aware of the importance of having a formal tracking and reporting process, and will work towards implementing a proper monitoring system to obtain more accurate and reliable data. This allows us to get a better understanding of our carbon footprint and identify areas where we can lower emissions. As we progress in our sustainability journey, we also plan to extend the monitoring efforts to the Group's other sites in the future.

Total Emissions (tCO ₂ e)	FY2021	FY2022	FY2023
Scope 1 Direct GHG emissions from sources owned or controlled by Datasonic, such as our generator set to power operations	0.43	0.16	0.21
Scope 2 Indirect GHG emissions from the generation of purchased energy	302.2	319.7	366.1
Scope 3 All other indirect GHG emissions from the value chain, particularly employee commute	5,075.3	4,800.9	5,898.3

Moving forward, we aim to accelerate our climate action initiatives by identifying climate-related risks and opportunities for Datasonic, and integrating climate risk into the Group's risk management framework. This will enable us to manage our risks, while identifying growth prospects. Additionally, we plan to establish GHG reduction targets and explore renewable energy sources, particularly solar, to reduce our carbon footprint. At the same time, we seek to align our climate disclosures with the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD") to ensure transparency in our reporting. Through these efforts, we strive to contribute to a sustainable future for all stakeholders.

WASTE MANAGEMENT AND REDUCTION

Effective waste management makes up a critical aspect of sustainability, as it helps reduce GHG emissions. One of the major sources of methane emissions, a GHG that contributes to global warming, is landfills. Therefore, by implementing waste reduction efforts, we can minimise the volume of waste we produce, leading to lower methane emissions. At the same time, improper waste removal can contaminate the soil, air, and water, causing pollution. These, in turn, can cause health problems for humans and wildlife.

At Datasonic, we understand the importance of proper waste management and reduction in minimising our impact on the surroundings. In this respect, we have implemented strict waste management procedures covering the entire waste management process, from collection, transportation, treatment, to disposal.

Beyond proper waste disposal, we also work towards lowering waste generation by implementing measures such as reducing packaging materials and optimising our processes to minimise waste. We also prioritise reusing and recycling of materials whenever possible.

We generate waste in the form of solid and scheduled wastes. To manage our waste effectively, we categorise our solid wastes as recyclable and non-recyclable waste. This allows us to maximise the amount of waste that can be diverted from landfills through recycling. For instance, solid wastes such as paper waste, carbon boxes, and plastic containers that do not hold sensitive information are recycled.

SUSTAINABILITY REPORT

As for our non-recyclable materials, we ensure that they are stored, collected, and disposed to authorised landfills in accordance with applicable laws and regulations. Given the nature of our business, some of our waste may contain confidential information that requires proper disposal. To address this, we engage a professional company to handle the safe destruction of these materials.

Solid Waste Disposal (tonnes)	FY2021	FY2022	FY2023
Shredded waste paper	4.0	5.3	15.1
Rejected plastic goods	0.8	1.0	1.7
Carbon box/packaging box from vendor	0.2	0.7	2.2
Plastic core/container	0.3	0.1	0.2
Module tape	0.03	0.036	0.009
Metal	0.3	0.3	0.7
Total	5.6	7.4	19.9

The Group's scheduled wastes are managed by a third-party licensed contractor in compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005. This ensures that our scheduled wastes are properly handled, treated, and disposed of to prevent harm to the environment and public health.

Scheduled Waste Disposal (tonnes)	SW Code	FY2021	FY2022	FY2023
Waste from electrical and electronic assemblies	SW110	0.02	0.02	0.16
Spent hydraulic oil	SW306	0.60	-	0.36
Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes	SW409	0.30	0.06	0.28
Rags, plastics, papers or filters contaminated with scheduled wastes	SW410	0.30	0.13	0.95
Waste of inks, paints, pigments, lacquer, dye or varnish	SW417	0.60	3.35	1.15
Discarded or off-specification inks, paints, pigments, lacquer, dye or varnish products containing organic solvent	SW418	2.40	-	12.54
Total		4.22	3.56	15.40

In FY2023, we saw a rise in solid and scheduled waste disposal volume due to expanded production operations during the year.



WATER MANAGEMENT & REDUCTION

Water is an important finite resource for our business, especially for the Group's smartcard manufacturing and card personalisation operations. Although none (0%) of our operations are located in water-stressed areas, we remain committed to adopting responsible water management practices to ensure sustainable operations, as reflected in Datasonic's Environmental Commitment.

Our water supply is mainly withdrawn from the respective municipal water suppliers in the areas where we operate. At all times, we endeavour to minimise our water usage and preserve water resources in our processes.

As of now, we monitor and track water consumption at our sites to identify areas where water usage can be optimised. We also quantify costs associated with water-related risks at our DMSB's site in Klang. As we move ahead, we intend to set time-specific targets to reduce water use.

In FY2023, the Group's water consumption increased due to increased activities at all our sites, with the lifting of the movement restrictions in 2022.

SUSTAINABILITY
REPORT

Water Consumption (m³)	FY2021	FY2022	FY2023
Manufacturing Centre, PJ	1,808	1,727	3,743
Manufacturing Centre, Port Klang/Meru	667	1,259	1,594
Card Personalisation Centre, Wisma RPS	2,371	2,174	2,015
Total	4,846	5,160	7,352

During the year, our water effluent discharge at DMSB amounted to 1,151.1 litre due to heightened manufacturing activities. As we send our liquid scheduled waste for offsite treatment, the wastewater at DMSB primarily consists of domestic sewage from our toilets.

	FY2021	FY2022	FY2023
Volume of water (effluent) discharge (litre)	631.5	851.5	1,151.1

**Targets and Achievements**

In managing wastewater, we adhere to the local regulations and standards. We have set a target to achieve zero water pollution due to chemical spillage and discharge at DTSB's PJ 223 site. We are pleased to report that in FY2023, we have achieved our objective with action plans depicted below.

Action Plan	Status
Conduct awareness training for all staff on the environmental aspects that can cause leakage and spillage of chemicals and scheduled waste	√
Review historical records of audit findings and incidents, and include in the inspection checklist	√
Regular routine workplace inspection	√

**BIODIVERSITY CONSERVATION**

Biodiversity is essential for the health and resilience of our planet, encompassing a diverse array of species and ecosystems. Although none of our sites are located in areas with rich biodiversity value, we aim to minimise our impact on the environment and contribute to conserving biodiversity through responsible business practices. This includes engaging in sustainable sourcing of raw materials and products, and promoting environmental education and awareness across the Group through training, among others. By doing this, we can help to reduce the adverse effects on biodiversity, if any.

SUSTAINABILITY REPORT

SOCIAL



At Datasonic, we prioritise social inclusivity, safety and health, and community development. We strive to create a positive social impact by promoting diversity and inclusion in the Group's workforce, fostering a safe and holistic work environment, and supporting the community through job creation and Corporate Social Responsibility ("CSR") programmes.

SOCIETAL CONTRIBUTION

We believe businesses have a responsibility to contribute to society and give back to the communities in which they operate. Guided by the Group's "LIFE" motto, we continuously seek ways to facilitate employee engagement and make a positive impact through our CSR initiatives. In FY2023, we continued to make monetary contributions with a total of approximately RM480,000 involving a series of donation to charitable causes, which included non-profit retirement and underprivileged homes and contribution towards national sports agenda, among others. By providing financial support, we sought to assist in their efforts to provide a conducive and nurturing environment for the homes.

In addition to these contributions, we have also made a payment of RM2 million to Pusat Pungutan Zakat Majlis Agama Islam Wilayah Persekutuan ("PPZ-MAIWP") as our corporate zakat contribution.

Apart from monetary contributions, we also encourage and support employee engagement in community service activities. During the year, our employees had the opportunity to contribute by participating in a Gotong-Royong at a welfare home for indigenous youth, Asrama Darul Falah ("ASDAF") PERKIM in Kuala Lumpur. Through our collaboration with Malaysia Lawn Bowls Federation ("MLBF"), our employees together with children from ASDAF also spent some time trying their hands at lawn bowling under the facilitation of Malaysian lawn bowlers.



OCBC Cycle in Kuala Lumpur

In addition to our community service efforts, we also fostered a spirit of teamwork and healthy competition by sponsoring a team to represent Datasonic in Kuala Lumpur OCBC Cycle, a 42km bicycle race around Kuala Lumpur.



HUMAN RIGHTS & LABOUR PRACTICES

Across the Group, we are dedicated to upholding the human rights of workers and treat them with dignity and respect regardless of gender, religion, or race. We are guided by our human rights commitment, which are in alignment with internationally recognised human rights principles, such as the United Nations Guiding Principles on Business and Human Rights.

Labour Standard	Datasonic's Approach
Humane treatment	Across the Group, we condemn any inhumane treatment including sexual harassment, corporal punishment, or verbal abuse, to name a few.
Child labour	We strictly adhere to restrictions on child labour imposed by the local and international regulations. We have a zero-tolerance approach towards child labour throughout our supply chain. All our employees are above 18 years old.
Forced labour	We are in compliance with applicable local laws and do not use forced or involuntary labour in our workforce and in our supply chain. Our terms of employment are voluntary and workers are free to leave upon reasonable notice as per their contracts.
Working hours	Datasonic adheres to the local laws in relation to working hours and overtimes. Workdays are not to exceed the maximum set by the law.
Wages and benefits	We ensure equal pay for equal work and compensate our employees in compliance with all applicable wage laws, including the Minimum Wages Order 2022. Our pay structure is reviewed from time to time to ensure relevancy with the market conditions and standards.
Non-discrimination	We strive to create a workforce free from harassment and unfair discrimination, based on race, religion, gender, age, sexual orientation, disabilities, or nationality, among others.
Health and safety	Datasonic is dedicated to maintaining a safe and secure work environment by preventing or minimising the risk of injuries. Safety training is provided to employees.
Youth employment	We provide graduate placements and internship programmes for youths and undergraduates.

To ensure that our employees have a means to voice any concerns or feedback, we have established a grievance mechanism. We take these cases seriously and investigate them thoroughly to ensure that the appropriate action is taken to address the issue. Our Grievance Procedure is set out in the Employee Handbook.

In FY2023, Datasonic fully complies with applicable labour standards, laws and regulations, and received zero (0) reported discrimination and human rights violation cases.



ZERO Report
Disrimination Cases

OUR WORKFORCE

The people at Datasonic are the foundation of our success. Our ability to attract, train, and retain the right talents is essential for the Group's continuous growth and to deliver value to our stakeholders. With this in mind, we place a strong emphasis on building a holistic and inclusive work environment that enables employees to grow and develop both personally and professionally.

Diversity and Inclusion

At Datasonic, we strive to create a work environment that values diversity and is free of discrimination. We believe diversity brings a wealth of perspectives and ideas that can contribute to growth and innovation. Every individual is treated equally and with respect, regardless of their race, gender, age, sexual orientation, ethnicity, disability and religion, among others. We provide equal employment opportunities to qualified individuals based on merit and experience.

SUSTAINABILITY REPORT

As part of our efforts to achieve diversity at Datasonic, we instituted a Gender Diversity Policy that covers not only gender, but also age, ethnicity, cultural and socio-economic backgrounds. This allows the Group to have a balanced mix of skills and talent in the workforce.

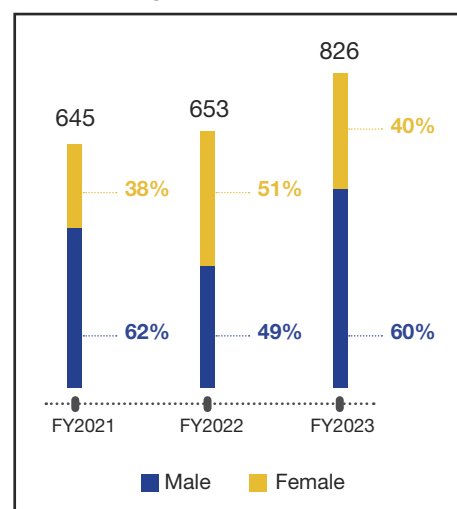
As of FY2023, our workforce made up of 826 employees, of which 40% are women. In the Boardroom, we have two women Board members, representing 13% of the Board. We endeavour to increase female representation on the Board who possesses the right fit in terms of skills, expertise, and values that align with Datasonic's strategic business requirements.

We also have a young talent pool, where 42% of our employees are below the age of 30 years old. This allows us to cultivate a robust talent pipeline and leadership continuity to take the Group forward.

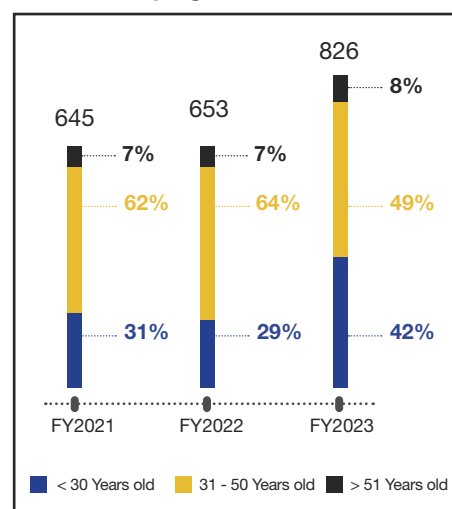
As an equal opportunity employer, we have employed one individual with disabilities in FY2023, demonstrating our commitment to fostering inclusivity. To ensure their convenience and accessibility, we have provided a designated parking space and accessible restroom facilities.

In building a strong and capable workforce, we endeavour to hire locally, whenever possible. As we handle highly sensitive data for MyKad and passport, we recruit locals to best protect our national data and documents. This not only benefits the Group, but also contributes to the economic development of the local community. In FY2023, close to 100% of our workforce are Malaysians.

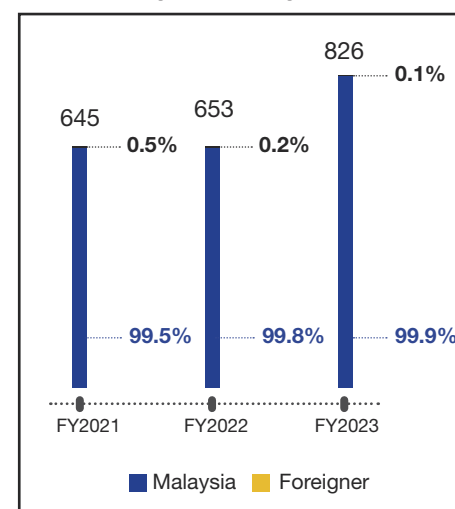
Workforce by Genders



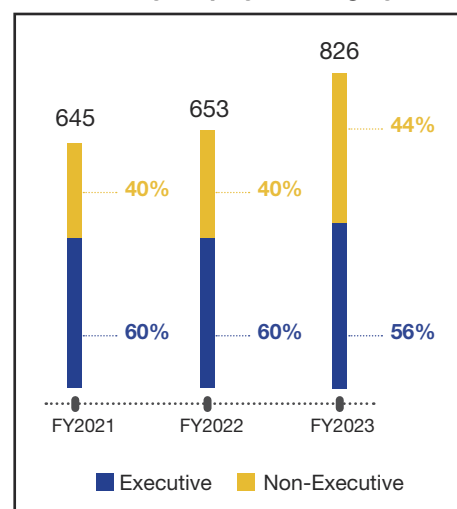
Workforce by Age



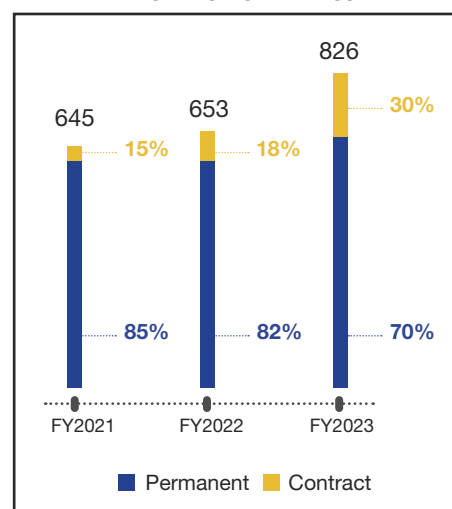
Workforce by Nationality



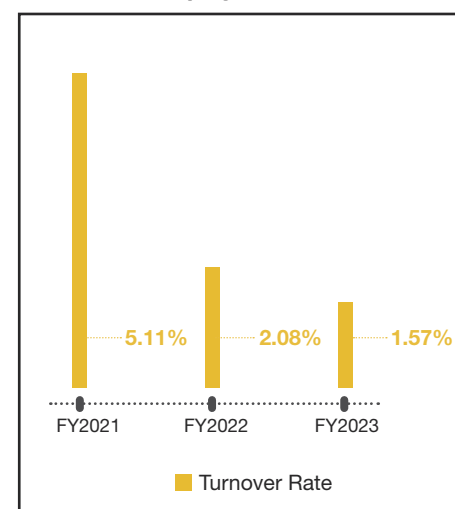
Workforce by Employee Category



Workforce by Employment Type



Permanent Employee Turnover Rate



SUSTAINABILITY REPORT



Talent Attraction and Management

As part of our human capital strategy, we have instituted a number of programs and initiatives aimed at creating a high-performance and result-oriented work culture that empower employees. To harness the collective strength of our people, we foster collaboration and encourage a shared understanding of Datasonic's corporate ethos, vision, mission, and strategy. Our core values are affirmed in the Group's Employee Handbook, which is communicated to all employees. It sets out the guidelines on employee conduct and expected standards of behaviours. Currently, the handbook is published in English.

To attract talented individuals who share Datasonic's values and goals, we employ various methods such as utilising the Group's corporate website, online job portals and social media to reach a wider pool of candidates, and engaging in recruitment events and job fairs, such as PERKESO'S MYFutureJobs - Career Job Fair. New hires are selected based on merit, experience, and qualifications.



At Datasonic, we believe in investing in the future of our workforce. As such, we actively seek out skilled candidates through our human resources programme aimed at graduates, Professional Training and Education for Growing Entrepreneurs – Ready-To-Work ("PROTÉGÉ-RTW"), in collaboration with industry experts. We also offer internship placements to provide undergraduate students with the opportunity to gain practical working experience with Datasonic. Through these initiatives, we strive to nurture and develop the next generation of talent in our industry.

Having an engaged workforce is essential for the Group's continuous growth. With this in mind, we carry out employee engagement sessions to understand the needs of employees and provide them a platform to voice their opinions.

SUSTAINABILITY REPORT

Competitive Remuneration Packages

We adhere to all applicable laws in employee compensation, including the updated Malaysian Minimum Wages Order 2022.

Additionally, Datasonic provides full-time employees with a wide range of competitive benefits that are consistent with the industry and in compliance with the Employment Act 1955.

We have also taken steps and applied changes to our Employee's Handbook to comply with the new Employment (Amendment) Act 2022 which recently came into effect on 1 January 2023. The amended Act is in line with guidelines set by the International Labour Organization ("ILO").



BENEFITS

- Annual leaves
- Special leaves, including paternity and compassionate leaves
- Maternity leaves
- Sick leaves
- Group Hospitalization 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

Training and Development

We invest in the development and training of our employees, providing them with the necessary tools and resources to excel in their roles. By fostering a culture of continuous learning, we empower our employees to take charge of their professional growth and development, which helps to ensure their long-term success with the Group and meet demands of the evolving business environment. Our commitment to provide employee development opportunities is set forth in the Employee Handbook.

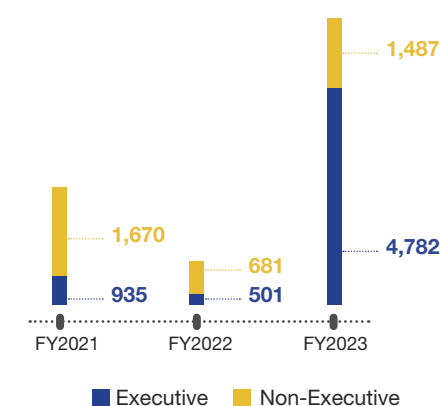
The training offered to our people is based on the training need analysis ("TNA") conducted during the annual appraisal process between employees and the Heads of Departments, who are accountable for identifying and assessing the training needs of their respective teams. This is to enable employees to improve their level of knowledge and skills based on their current job scope.

During the year, we implemented the Professional Certification Development Program ("PCDP") to facilitate the professional growth of our people. The program aims to enhance the skills and qualifications of employees by offering them the opportunity to enrol in relevant certification courses. The PCDP provides a list of approved programs from which employees can choose to join. Datasonic takes responsibility for covering all expenses associated with the certification process, including training, examination and assessment fees, as well as travel expenses. However, eligibility for enrolment in the PCDP is subject to meeting specific criteria, and approval is at the discretion of the management.

In FY2023, we invested approximately RM326,000 in talent development comprising 90 physical and virtual training sessions, covering various aspects such as leadership, technical skills, soft skills, and industry-specific knowledge, to name a few.

	FY2021	FY2022	FY2023
Average training hours per employee	4	4	8
No. of training programmes	36	84	90

Training Hours by Employee Category



SUSTAINABILITY
REPORT

SAFETY & HEALTH

Occupational safety and health (“OSH”) continue to be one of the Group’s material matters as workplace incidents may disrupt our business operations. With this in mind, we are committed to continuously improving the safety and health practices at Datasonic to keep our employees safe and optimise efficiencies.



SAFETY POLICY

- To provide a safe and healthy workplace and working conditions for all to prevent incident, injuries and illness.
- 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.

Datasonic’s processes are guided by our Safety Policy, outlining our pledge to uphold workplace safety. The policy applies to employees, contractors and other external stakeholders at our premises. To ensure compliance with the policy and safety regulations, our safety practices and matters are enforced and governed by our OSH Committee. We adhere to OSH national regulatory standards, including the Occupational Safety and Health Act 1994. We also have an Emergency Response Team (“ERT”) in place to handle any potential emergencies.

Furthermore, our DMSB’s operations have achieved ISO 45001:2018 certification, demonstrating our commitment to maintaining a safe and healthy work environment.

To monitor and manage safety risks, we conduct safety audits and inspections at our facilities and implement corrective actions as needed. We undertake risk assessments in relation to safety and health for the Group’s new and existing operations. OSH is a material topic discussed during Board meetings, with safety performance data, incident reports, and corrective actions brought to the Board’s attention.

Our target is to have an injury-free workplace with zero accidents. To achieve this, we conduct safety training and programmes at Datasonic to ensure employees understand their roles and responsibilities, while equipping them with the necessary skills in maintaining a safe and healthy workplace.

In FY2023, we recorded two minor lost time injuries (“LTI”) at DMSB. Following the incidents, we conducted thorough investigation to identify the root cause and implement corrective actions to prevent future recurrence. LTI refers to work-related incidents that result in time off from work, or loss of productive work.

Datasonic Manufacturing Sdn Bhd	FY2021	FY2022	FY2023
No. of lost time injury	-	-	2
- Employees	-	-	2
- Contractors	-	-	-
LTI Frequency Rate per 1 million manhours	-	-	24.5
No. of fatality	-	-	-
No. of workplace inspections	4	4	6
No. of safety programmes/training	7	7	6
No. of staff trained on health and safety standards	206	119	117
Percentage of sites with ISO 45001 certification (previously OHS45 18001)	100%	100%	100%

SUSTAINABILITY REPORT

PRODUCT RESPONSIBILITY

As one of the leading providers of security-related integrated ICT solutions in Malaysia, we have a wide range of services and systems covering software and hardware customisation, project management, consultation, and R&D. We provide our customers with secure, scalable, open, and comprehensive systems that offer cost-efficient and effective products.

Data Privacy & Security

We operate in a digital environment where we handle and manage highly critical data and information of customers, which includes government agencies, financial institutions, corporations, service bureaus, and organisations. The protection of our customers' data is of paramount importance to us, as any breach in our systems may have dire consequences for our customers, including the potential for identity theft and leakage of private information, among others.

We take our responsibility to safeguard the data entrusted to us seriously and maintain stringent measures to ensure data privacy and security in compliance with relevant laws and regulations, including the Personal Data Protection Act 2010. This includes employing various cybersecurity measures to prevent unauthorised access, offering training on security standards for employees, and conducting vulnerability assessments and testing to locate any weaknesses in our systems.

At Datasonic, we recognise the importance of innovation in driving growth, but never at the expense of data privacy and security. While we strive to continuously improve our products and services through innovation and R&D, we ensure that our security measures are always up-to-date, and our customers' data remains safe and secure. Safety is an important consideration in all stages of the life cycle of the Group's products and processes.



From FY2020 to FY2023, there have been zero (0) cases of breaches of customers' data. Moving forward, we will continue to enhance our security measures to stay ahead of potential threats and maintain the highest standards of data security.

Upholding Product Safety & Quality

Ensuring product safety and quality is of utmost importance to Datasonic's commitment to sustainability. We recognize that providing customers with products and services that meet or exceed industry standards is not only important for meeting their demands, but also plays a crucial role in maintaining Datasonic's reputation. To achieve this, we have established our own internal quality policies and Quality Management Systems ("QMS") which adhere to strict quality management criteria based on internationally recognized standards. These QMS allow us to continuously improve our operations, processes, and offerings, ensuring that we remain competitive and sustainable in the long term.



Site	Company	Certification	Coverage Period
Meru, Klang	Datasonic Manufacturing Sdn Bhd	ISO 45001:2018	15 July 2020 - 14 July 2023
		ISO 14001:2015	10 August 2020 - 9 August 2023
		ISO/IEC 27001:2013	22 May 2023 - 31 October 2025
		ISO 9001:2015	21 January 2023 - 20 January 2026
Headquarters	Datasonic Group Berhad	ISO 9001:2015	29 March 2023 - 28 March 2026
PJ RPS	Datasonic Corporation Sdn Bhd	ISO 9001:2015	29 March 2023 - 28 March 2026
PJ 223	Datasonic Technologies Sdn Bhd	ISO 9001:2015	22 April 2021 - 21 April 2024
	Datasonic Manufacturing Sdn Bhd	ISO 9001:2015	22 April 2021 - 21 April 2024

SUSTAINABILITY REPORT

At the same time, we have made a firm commitment to eliminate hazardous substances from our products. To achieve this, we have introduced Group standards on banned substances based on the IEC 62474 standards. This ensures that our offerings are free from harmful substances, thus promoting a safer and healthier environment.

Customers' Satisfaction

Building strong and trusting relationships with customers is a critical component of our sustainability efforts. Datasonic adopts a customer-centric approach that drives us to consistently improve our offerings and innovate to provide solutions that address their needs. To achieve this, we maintain open communication channels with our customers and actively seek feedback to better understand their requirements, and enhance our performance and deliverables. By prioritising customer satisfaction, we aim to strengthen Datasonic's position in the market, and achieve sustainable growth. In FY2023, we once again achieved 100% SLA adherence, which is a testament to our commitment to fulfil customers' expectations and demands.

	FY2021	FY2022	FY2023
Customer's Service Level Agreements Adherence for Helpdesk (MyKad Projects)			
Total incidents received	1,228	1,238	1,593
Response time – no. of incidents within SLA	1,218	1,238	1,593
Resolution time – no. of incidents within SLA	1,217	1,225	1,593
Percentage of sites with OHSAS 18001 certification	100%	100%	100%
Feedback from Management			
Overall rating on satisfaction level – management support services at headquarters	83.9%	86.5%	90.9%

Apart from that, we also pay close attention to the quality of management support services at Datasonic's headquarters. We gather input and feedback through surveys completed by our Executive Directors and Senior Leadership Management team. For the year under review, overall satisfaction improved to 90.9%, demonstrating our commitment to continuously enhance our service levels.



05

GOVERNANCE



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 shareholders’ interests and maintaining confidence of its stakeholders.

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 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 2023 of the Company which is available on the Company’s website at www.datasonic.com.my.

The details on how the Company has complied with each principle and the explanation on the departed principle as set out in the MCCG are outlined in the Corporate Governance Report 2023.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board

The Board is collectively responsible to discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company and shall act with integrity 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 management, and monitor and evaluate the implementation of policies, strategies and business plans.

In ensuring orderly and effective discharging of its duties and responsibilities, the Board has established and delegated the authority to the Board Committees, namely, the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Employees’ Share Option Scheme Committee, to monitor and evaluate the implementation of policies, strategies and business plans, internal control systems and risk management.

The Board appoints the Chairman and members of each Committee and the Board Committees operate within their approved Terms of Reference set by the Board. The Chairman of each Board Committee reports to the Board on the deliberation and outcome of the Committee meetings and make appropriate recommendations thereon to the Board for its consideration and decision.

Board Leadership

The Executive Chairman leads the Board and managing the Board effectiveness by focusing on corporate strategies, governance and decision-making. The Executive Chairman also oversees the business affairs of the Group and is responsible for leading the Management in the execution of policies and strategies approved by the Board. The Executive Chairman is the founder and a significant shareholder of the Company. He was the former Managing Director of the Company from inception to January 2020 when he retired. He serves the Company as Executive Chairman on a pro bono basis. There is the advantage of strong shareholder leadership and a natural alignment of stakeholders’ interests.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

Board Leadership (Cont'd)

The position of the Managing Director is currently vacant. In the absence of the Managing Director, the Executive Directors are responsible for the day-to-day management of the business to ensure that the business operates continuously in conformity with the implementation of Board's policies, strategies and decisions.

In addition, the Independent Directors who constitute a majority of the Board, provides for effective oversight over management and ensures that there is independence of judgement.

The Chairman of the Board is not a member of the Board Committees to ensure there is check and balance as well as objective review by the Board.

During the year, Datuk Haji Abu Hanifah bin Noordin was appointed to the role of Deputy Executive Chairman and Chief Executive Officer on 14 September 2022 and subsequently re-designated to Executive Chairman on 29 September 2022.

Company Secretaries

During the year, an additional Company Secretary has been appointed to strengthen the Company Secretarial Department to provide the necessary secretarial support to the Board.

The Board is supported by two (2) Company Secretaries who are qualified to act as company secretaries under the Companies Act, 2016. The Company Secretaries plays an advisory role to the Board on corporate governance matters and compliance with the relevant laws, rules and regulations.

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 Board Committees.

As and when necessary, the Board members may seek independent professional advice, at the Company's expense, in the furtherance of their duties.

The Board and Board Committees' meetings are conducted in hybrid manner to allow the Board members to join the meetings in-person or via a virtual meeting platform. The meeting materials are distributed electronically within reasonable period prior to the meetings to allow preparation and meaningful discussion by the Board and Board Committees members during the meetings. All proceedings of meetings including issues raised, deliberations and decisions of the Board and Board Committees are properly minuted and filed in the statutory records of the Company by the Company Secretaries.

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 as well as the Board's operating practices. 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.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

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 and Group Management Committee.

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 Auditors, the External Auditors and the Management.

The AC Report which 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.

The AC Report which 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, Chief Executive, Chief Financial, Chief Operating 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 implementation and administering of the ESOS in accordance with the provisions of the ESOS By-Laws.

The Terms of Reference of the 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.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (Cont'd)

Board Committees and Management (Cont'd)

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

The Board is also regularly kept informed by the Management on the Group's local and overseas operations, the latest laws and regulations and current issues.

In May 2023, the ESOSC reviewed and recommended the allocation of ESOS Options to the existing and newly appointed Directors of the Company.

Promoting Good Business Conduct

The Board has in place the Code of Conduct and Ethics for Directors (Executive and Non-Executive Directors) which 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.

As part of the Group's commitment against all forms of bribery and corruption, the Company has in place the Anti-Bribery Anti-Corruption ("ABAC") Policy in compliance with the Section 17A of Malaysian Anti-Corruption Commission ("MACC") Act, 2009 on corporate liability for corruption offences.

The Company has in place the Whistleblowing ("WB") Policy for its 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 May 2022, the Board engaged an external legal consultant to conduct a review of the ABAC and WB Policies. Based on the outcome of the adequacy test, the external legal consultant is satisfied that the ABAC and WB Policies are in line with the core principles enunciated in the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A of the MACC Act 2009.

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.

In April 2023, the Group's Employee Handbook has been revised with a number of improvements to the benefits, maternity and paternity leave entitlement in line with the amendments to the Employment Act, 1955.

In line with the enhanced requirements in the MMLR of Bursa Malaysia, the Company has in May 2022 established the Directors' Fit and Proper Policy to ensure that individuals of high calibre who possess the right character, experience, expertise, integrity, track record and qualifications are appointed on the Board of the Company and its subsidiaries. All candidates to be appointed to the Board of the Company, including those seeking for re-election/re-appointment, shall undergo a review of fit and properness by the Board in accordance with the Directors' Fit and Proper Policy.

The details of the Code of Conduct and Ethics for Directors, ABAC Policy, WB Policy and Directors' Fit and Proper Policy are available on the Company's website at www.datasonic.com.my.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (Cont'd)

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 continued to recognise sustainability as strategic priority across the Group and build on the progress the Company has achieved thus far.

To ensure that the effective implementation of the Company's sustainability strategies and plans, the RMC is responsible in overseeing the Group's various risks including sustainability and climate-related risks.

During the year under review, the NRC undertook an evaluation of the performance of the Board in addressing the Company's material sustainability risks and opportunities.

In order to ensure the Board stay abreast with the sustainability issues relevant to the Group and its business, the Board together with the Management have attended a training on the topic: "Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business."

In May 2023, the Board adopted the Sustainability Policy for the purpose of communicating it to employees, customers and other stakeholders on the Company's efforts and resources in managing its material environmental, social and governance ("ESG") matters and to create long term value for the stakeholders and improve our long-term performance and resilience.

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.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION

Board Composition and Independent Directors on the Board

During the financial year under review, there have been several changes to the Board composition as follows:-

- Retirement of General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd) on 14 September 2022;
- Retirement of Dato' Sri Sharifuddin bin Ab Ghani on 14 September 2022;
- Retirement of Cik Noor Suhaila binti Saad on 14 September 2022;
- Appointment of Datuk Haji Abu Hanifah bin Noordin as Deputy Executive Chairman and Chief Executive Officer on 14 September 2022;
- Appointment of CP (R) Datuk Mohd Khalil bin Kader Mohd as Independent Non-Executive Director on 14 September 2022;
- Appointment of Dato' Roseleen binti Buyong as Non-Independent Non-Executive Director on 14 September 2022;
- Appointment of Mr Chew Chi Hong as Executive Director on 14 September 2022;
- Re-designation of Encik Wan Zalizan bin Wan Jusoh from Managing Director to Executive Director on 14 September 2022;
- Re-designation of Mr Chia Kok Khuang from Deputy Managing Director to Executive Director on 14 September 2022;
- Appointment of Tan Sri Dato' Seri Dr Khalid bin Abu Bakar as Independent Non-Executive Director on 29 September 2022;
- Appointment of Tan Sri Ahmad Zaki Ansore bin Mohd Yusof as Independent Non-Executive Director on 29 September 2022;
- Re-designation of Datuk Haji Abu Hanifah bin Noordin from Deputy Executive Chairman and Chief Executive Officer to Executive Chairman on 29 September 2022;
- Resignation of Encik Wan Zalizan bin Wan Jusoh as Executive Director on 29 September 2022;
- Appointment of Tan Sri Borhan bin Dolah as Independent Non-Executive Director on 12 October 2022;
- Appointment of Datin Normaliza binti Kairon as Independent Non-Executive Director on 12 October 2022; and
- Re-designation of Encik Safian bin Mohd Yunus from Executive Director to Non-Independent Non-Executive Director on 12 October 2022.

As of the date of this statement, the Board consists of fifteen (15) members, comprising of one (1) Executive Chairman, two (2) Executive Directors, nine (9) Independent Non-Executive Directors and three (3) Non-Independent Non-Executive Directors, in compliance with Paragraph 15.02(1) of the MMLR of Bursa Malaysia. The Independent Directors make up 50% of the Board composition. Presently, the number of female Directors on the Board is two (2), representing 13% of the total Board composition. The Board will review its composition and size from time to time with the aim to eventually achieve the target of 30% female representation on the Board.

In May 2023, 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 fifteen (15) members as at the date of the Annual Report is appropriate and adequate to effectively govern the Group.

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 employees retention.

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

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.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

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

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

Skill and Experience	Percentage of the Board members
Security	53
Information Technology/Engineering	33
Project Development	87
Corporate Management/Business	80
Finance/Taxation	47
Accounting/Auditing	47
Human Capital	53
Legal	13

Gender	Number	Percentage
Male	13	87
Female	2	13
Total	15	100

Ethnicity	Male	Female
Bumiputera	10	2
Chinese	3	0
Total	13	2

Age Group	Male	Female
30 – 39 years	1	0
40 – 49 years	3	0
50 – 59 years	0	1
60 – 69 years	5	0
70 years and above	4	1
Total	13	2

Tenure	Executive Director	Non-Executive Director
<1 year	2	6
1 – 2 years	1	2
>2 years	0	1
>11 years	0	3
Total	3	12

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

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	83
Information Technology/Engineering	100
Project Development	100
Corporate Management/Business	100

Gender	Number	Percentage
Male	6	100
Total	6	100

Ethnicity	Male	Female
Bumiputera	6	0
Total	6	0

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

Tenure	Key Senior Management
<1 year	3
>9 years	1
12 years	1
>15 years	1
Total	6

Tenure of Independent Directors

The Board has no policy which 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 redesignation 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.

At the Fourteenth Annual General Meeting ("AGM") of the Company held on 14 September 2022, the Company via shareholders' approval through a two-tier voting process, retained Dato' Wan Mohd Safiain bin Wan Hasan, Dato' Wan Ibrahim bin Wan Ahmad and Mr Yee Kim Shing @ Yew Kim Sing who have served beyond a cumulative term of nine (9) years as Independent Directors of the Company.

Dato' Wan Mohd Safiain bin Wan Hasan, Dato' Wan Ibrahim bin Wan Ahmad and Mr Yee Kim Shing @ Yew Kim Sing who were appointed to the Board as Independent Non-Executive Directors on 27 June 2011 will either resign or be re-designated as Non-Independent Non-Executive Directors upon attaining a cumulative term of twelve (12) years, in compliance with the amended definition of independent directors affecting all long serving independent directors who have served for more than twelve (12) years.

Annual Assessment of Independence

In May 2023, 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 nine (9) 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.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Appointment of Board members

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

On 14 September 2022, the NRC Chairman and member, namely, Dato' Sri Sharifuddin bin Ab Ghani and Cik Noor Suhaila binti Saad retired at the conclusion of the Fourteenth AGM. In the absence of a functioning NRC, the Board at the additional Board meetings held on 14 September 2022 had taken appropriate action to review and assess the candidates for the proposed appointment of additional Directors, in response to the shareholders' nomination. The proposed appointment of additional Directors was not a new proposal as it had been tabled and deliberated at the previous Board meetings.

The Board deliberated on the skills, experience and leadership of the candidates. The Board also reviewed the individual bankruptcy status and conducted fit and proper assessment of the candidates based on the fit and proper declaration submitted by the candidates. The Board subsequently approved the appointment of the following additional Directors:-

- Datuk Haji Abu Hanifah bin Noordin as Deputy Executive Chairman and Chief Executive Officer;
- Mr Chew Chi Hong as Executive Director;
- CP (R) Datuk Mohd Khalil bin Kader Mohd as Independent Non-Executive Director; and
- Dato' Roseleen binti Buyong as Non-Independent Non-Executive Director.

In September 2022 and October 2022, the NRC reviewed the suitability of the candidates for the appointment of Independent Non-Executive Directors. The NRC also reviewed the confirmation of independence, individual bankruptcy status and conducted fit and proper assessment on the candidates based on the fit and proper declaration submitted by the candidates. The Board approved the recommendation of the NRC on the appointment of the following Independent Non-Executive Directors:-

- Tan Sri Dato' Seri Dr Khalid bin Abu Bakar on 29 September 2022;
- Tan Sri Ahmad Zaki Ansore bin Mohd Yusof on 29 September 2022;
- Tan Sri Borhan bin Dolah on 12 October 2022; and
- Datin Normaliza binti Kairon on 12 October 2022.

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 October 2022, the NRC reviewed and recommended for the approval of the Board the re-designation of Encik Safian bin Mohd Yunus from the position of Executive Director to Non-Independent Non-Executive Director of the Company.

In May 2023, the NRC also conducted the fit and proper assessment on the respective Directors who are seeking for re-election at the Fifteenth AGM of the Company. The Directors concerned have submitted their fit and proper declarations to the Company prior to the proposed re-election as Directors.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Chairman of NRC

Dato' Wan Ibrahim bin Wan Ahmad has been appointed as the Chairman of the NRC on 29 September 2022 in place of Dato' Sri Sharifuddin bin Ab Ghani who has retired as Director and Chairman of the NRC at the conclusion of the Fourteenth AGM.

Board Assessment

In April 2023, the Company Secretaries facilitated the NRC in carrying out the annual evaluation of the effectiveness of the Board, Board Committees and individual Directors.

In May 2023, the NRC assessed the effectiveness of the Board, the Board Committees and the contributions of the Directors. The results indicated that the Board and 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 2023, the NRC assessed the performance, contributions, independence, fitness and propriety of each Director who is due to retire and eligible to stand for re-election at the Fifteenth AGM, taking into consideration the results of the evaluation on the effectiveness of the Board, Board Committees and Directors' self-assessment conducted for the financial year 2023, 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's deliberation through their skills, knowledge, expertise and experience.

Based on the outcome of the self-independent assessment, the NRC was satisfied that the Independent Directors, namely, Tan Sri Ahmad Zaki Ansore bin Mohd Yusof, Tan Sri Borhan bin Dolah, Tan Sri Dato' Seri Dr Khalid bin Abu Bakar, CP (R) Datuk Mohd Khalil bin Kader Mohd, Dato' Wan Mohd Safiain bin Wan Hasan, Dato' Wan Ibrahim bin Wan Ahmad, Dato' Ibrahim bin Abdullah, Datin Normaliza binti Kairon and Mr Yee Kim Shing @ Yew Kim Sing have complied with the independence criteria as set out in the MMLR of Bursa Malaysia and continue to bring independent and objective judgment to the Board deliberations.

The NRC is satisfied that the following Directors who are retiring at the forthcoming Fifteenth AGM met the performance criteria required for an effective and committed Board:-

- Dato' Ibrahim bin Abdullah and Encik Safian bin Mohd Yunus who are retiring in accordance with Clause 165 of the Constitution of the Company; and
- Datuk Haji Abu Hanifah bin Noordin, Mr Chew Chi Hong, Tan Sri Ahmad Zaki Ansore bin Mohd Yusof, Tan Sri Borhan bin Dolah, Tan Sri Dato' Seri Dr Khalid bin Abu Bakar, CP (R) Datuk Mohd Khalil bin Kader Mohd, Datin Normaliza binti Kairon and Dato' Roseleen binti Buyong who are retiring in accordance with Clause 156 of the Constitution of the Company.

The Board approved the NRC's recommendations 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, strategically or both.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

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 2023 are set out below:-

Name of Director	Number of meetings attended			
	Board	AC	NRC	RMC
Datuk Haji Abu Hanifah bin Noordin (Chairman)	7/7 ⁽¹⁾	-	-	-
Dato' Wan Mohd Safiain bin Wan Hasan	12/12	4/4	-	1/1
Mr Chew Chi Hong	6/6 ⁽¹⁾	-	-	-
Mr Chia Kok Khuang	12/12	-	-	-
Encik Azrul bin Yahaya	12/12	4/4	-	-
Tan Sri Ahmad Zaki Ansore bin Mohd Yusof	4/4 ⁽²⁾	-	-	-
Tan Sri Borhan bin Dolah	2/3 ⁽³⁾	-	-	-
Tan Sri Dato' Seri Dr Khalid bin Abu Bakar	2/4 ⁽²⁾	-	-	-
Dato' Ibrahim bin Abdullah	12/12	-	3/3	-
CP (R) Datuk Mohd Khalil bin Kader Mohd	6/6 ⁽¹⁾	-	-	0/0 ⁽⁶⁾
Datin Normaliza binti Kairon	3/3 ⁽³⁾	2/2 ⁽⁷⁾	-	-
Dato' Roseleen binti Buyong	6/6 ⁽¹⁾	-	2/2 ⁽⁵⁾	0/0 ⁽⁶⁾
Dato' Wan Ibrahim bin Wan Ahmad	12/12	2/2	2/2 ⁽⁴⁾	-
Encik Safian bin Mohd Yunus	9/12	-	-	-
Mr Yee Kim Shing @ Yew Kim Sing	12/12	4/4	-	-

⁽¹⁾ Appointed to the Board on 14 September 2022.

⁽²⁾ Appointed to the Board on 29 September 2022.

⁽³⁾ Appointed to the Board on 12 October 2022.

⁽⁴⁾ Appointed as NRC Chairman on 29 September 2022.

⁽⁵⁾ Appointed as NRC member on 29 September 2022.

⁽⁶⁾ Appointed as RMC member on 29 September 2022.

⁽⁷⁾ Appointed as AC member on 12 October 2022.

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 Board Committees, the AGM as well as 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.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Commitment of the Board (Cont'd)

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 as well as the applicable statutory and regulatory requirements. The Directors are encouraged to evaluate their own training needs on a continuous basis and to 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 Secretaries 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
Datuk Haji Abu Hanifah bin Noordin	- Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business <i>22 March 2023</i>
Dato' Wan Mohd Safiain bin Wan Hasan	- Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business <i>22 March 2023</i>
Mr Chew Chi Hong	- Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business <i>22 March 2023</i> - ICDM VIRTUAL CLASSROOM: Mandatory Accreditation Programme (MAP) <i>5 – 7 December 2022</i>



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Directors' Training (Cont'd)

Directors	Training Programmes
Mr Chia Kok Khuang	<ul style="list-style-type: none"> - Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business <i>22 March 2023</i>
Encik Azrul bin Yahaya	<ul style="list-style-type: none"> - Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business <i>22 March 2023</i> - Amundi: CPRAM Introduction to Global Equity Dynamic Multi Factor <i>15 March 2023</i> - Amundi: Risk and Compliance Process Walkthrough <i>24 February 2023</i> - Principal: Risk and Compliance Process Walkthrough <i>22 February 2023</i> - Bloomberg: Portfolio Positioning for a New Macro Regime Seminar <i>21 February 2023</i> - Abrdn: Risk and Compliance Process Walkthrough <i>21 February 2023</i> - CITI – Due Diligence Visit; Understanding the Middle and Back Office Processing <i>7 February 2023</i> - AMUNDI Outlook: Lights for Investors After The Storm <i>12 January 2023</i> - Citi Malaysia: 1H Economic Seminar <i>11 January 2023</i> - AHAM Capital Investment Forum 2023: A New Beginning <i>7 January 2023</i> - MIBG's 2023 <i>Economic Lookout and Malaysia Outlook</i> <i>6 January 2023</i>

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Directors' Training (Cont'd)

Directors	Training Programmes
Tan Sri Ahmad Zaki Ansore bin Mohd Yusof	<ul style="list-style-type: none"> - Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business <i>22 March 2023</i> - ICDM VIRTUAL CLASSROOM: Mandatory Accreditation Programme (MAP) <i>21 – 22 November 2022</i>
Tan Sri Borhan bin Dolah	<ul style="list-style-type: none"> - Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business <i>22 March 2023</i> - ICDM VIRTUAL CLASSROOM: Mandatory Accreditation Programme (MAP) <i>6 – 8 February 2023</i>
Tan Sri Dato' Seri Dr Khalid bin Abu Bakar	<ul style="list-style-type: none"> - Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business <i>22 March 2023</i> - ICDM VIRTUAL CLASSROOM: Mandatory Accreditation Programme (MAP) <i>6 – 8 February 2023</i>
Dato' Ibrahim bin Abdullah	<ul style="list-style-type: none"> - Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business <i>22 March 2023</i>
CP (R) Datuk Mohd Khalil bin Kader Mohd	<ul style="list-style-type: none"> - Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business <i>22 March 2023</i> - ICDM VIRTUAL CLASSROOM: Mandatory Accreditation Programme (MAP) <i>21 – 22 November 2022</i>



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Directors' Training (Cont'd)

Directors	Training Programmes
Datin Normaliza binti Kairon	<ul style="list-style-type: none"> - MIA Webinar Series: Conduct of Directors and Common Breaches of Listing Requirements <i>28 March 2023</i> - Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business <i>22 March 2023</i> - SRI Taxonomy: Insights and Implementation – Principles-Based Sustainable and Responsible Investment Taxonomy for The Malaysian Capital Market <i>10 March 2023</i> - Suite Talk: Governing into the Future – Key Actions to Address Corporate Cultism, Executive Compensation and Succession Planning <i>8 March 2023</i> - CPA Australia Webinar: Company law for Accountants series – Module 1: Appointment, Resignation and Removal of Directors <i>14 February 2023</i> - ISSB Corporate Reporting Webinar Series – Part 3: Connectivity & controls - the path to investor-grade disclosure (Webinar) <i>7 February 2023</i> - ISSB Corporate Reporting Webinar Series – Part 2: Any size or stage— Getting started on climate disclosure (Webinar) <i>31 January 2023</i> - International Sustainability Standards Board (ISSB) Corporate Reporting Webinar Series – Part 1: Better information for better decisions— Introduction to investor-focused sustainability disclosure (Webinar) <i>24 January 2023</i> - Conversation with Audit Committees-Session 1 (via ZOOM) <i>17 November 2022</i> - MIA Webinar Series: Sustainability and Climate Change Disclosure Requirements <i>12 September 2022</i> - ICDM MASTERCLASS / Virtual Classroom: Chair Masterclass <i>1 September 2022</i>

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Directors' Training (Cont'd)

Directors	Training Programmes
Datin Normaliza binti Kairon	<ul style="list-style-type: none"> - ICDM POWERTALK ESG SERIES #6: Characteristics of ESG & Sustainability Leadership (Webinar) 11 August 2022 - ICDM POWERTALK ESG SERIES #4: ESG Disclosure At a Glance: Key Developments and Future Trends (Webinar) 27 July 2022 - MIA Virtual Conference: INTERNATIONAL ACCOUNTANTS CONFERENCE 2022: "Leading ESG, Charting Sustainability" 8 – 9 June 2022 - MIA Virtual Conference Series: Corporate Board Leadership Symposium 2022: "Mastering Governance in the Era of ESG" 30 – 31 May 2022 - ICDM VIRTUAL CLASSROOM: Mandatory Accreditation Programme (MAP) 12 – 14 April 2022
Dato' Roseleen binti Buyong	<ul style="list-style-type: none"> - Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business 22 March 2023 - Bursa Malaysia Immersive Session: The Board "Agender" 30 November 2022 - ICDM VIRTUAL CLASSROOM: Mandatory Accreditation Programme (MAP) 21 – 22 November 2022
Encik Safian bin Mohd Yunus	<ul style="list-style-type: none"> - Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business 22 March 2023
Dato' Wan Ibrahim bin Wan Ahmad	<ul style="list-style-type: none"> - Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business 22 March 2023 - Bursa Malaysia Immersive Session: The Board "Agender" 30 November 2022
Mr Yee Kim Shing @ Yew Kim Sing	<ul style="list-style-type: none"> - Sustainability Governance, Management & Reporting Implications to the Board & Management in overseeing the Economic, Environmental, Social & Governance ('EESG') perspectives of Datasonic Group's business 22 March 2023



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

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 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 September 2022 and October 2022, the NRC reviewed and recommended to the Board for approval the following:-

- Directors' fee and Board Committees members' fee for CP (R) Datuk Mohd Khalil bin Kader Mohd and Dato' Roseleen binti Buyong;
- Remuneration package for Mr Chew Chi Hong;
- Directors' fee for Tan Sri Ahmad Zaki Ansore bin Mohd Yusof and Tan Sri Dato' Seri Dr Khalid bin Abu Bakar;
- Director's fee for Tan Sri Borhan bin Dolah;
- Director's fee and Board Committee member's fee for Datin Normaliza binti Kairon; and
- Director's fee for Encik Safian bin Mohd Yunus.

In May 2023, the NRC recommended the Directors' fees and Directors' benefits payable to the Non-Executive Directors of the Company shall remain the same as the previous year, up to an amount of RM1,100,000 and RM200,000 respectively. The Board approved the NRC's recommendation for the Company to seek the shareholders' approval at the Fifteenth 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 Fifteenth 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 Fifteenth AGM until the next AGM of the Company.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION (CONT'D)

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

The details of the Directors' Remuneration for the financial year ended 31 March 2023 are set out below:-

Directors	Company				Subsidiary Companies				Group
	Directors' Fee RM	Other Benefits (Salary, bonus, allowance and EPF) RM	Estimated money value of benefits-in-kind RM	Total RM	Directors' Fee RM	Other Benefits (Salary, bonus, allowance and EPF) RM	Estimated money value of benefits-in-kind RM	Total RM	Total RM
Non-Executive Directors									
Yee Kim Shing @ Yew Kim Sing	120,000.00	17,000.00	-	137,000.00	-	-	-	-	137,000.00
Dato' Wan Mohd Safiain bin Wan Hasan	102,000.00	18,000.00	-	120,000.00	36,050.00	-	-	36,050.00	156,050.00
Dato' Wan Ibrahim bin Wan Ahmad	87,466.67	17,000.00	-	104,466.67	-	-	-	-	104,466.67
Dato' Ibrahim bin Abdullah	84,000.00	16,000.00	-	100,000.00	-	-	-	-	100,000.00
Azrul bin Yahya	84,000.00	17,000.00	-	101,000.00	-	-	-	-	101,000.00
Safian bin Mohd Yunus (Redesignated: 12/10/2022)	33,870.97	-	-	33,870.97	-	-	-	-	33,870.97
CP (R) Datuk Mohd Khalil bin Kader Mohd (Appointed: 14/09/2022)	45,966.67	6,000.00	-	51,966.67	-	-	-	-	51,966.67
Dato' Roseleen binti Buyong (Appointed: 14/09/2022)	52,533.33	8,000.00	-	60,533.33	-	-	-	-	60,533.33
Datin Normaliza binti Kairon (Appointed: 12/10/2022)	39,516.13	5,000.00	-	44,516.13	-	-	-	-	44,516.13
Tan Sri Borhan bin Dollah (Appointed: 12/10/2022)	33,870.97	2,000.00	-	35,870.97	-	-	-	-	35,870.97
Tan Sri Ahmad Zaki Ansore bin Mohd Yusof (Appointed: 29/09/2022)	36,400.00	4,000.00	-	40,400.00	-	-	-	-	40,400.00
Tan Sri Dato Seri Dr Khalid bin Abu Bakar (Appointed: 29/09/2022)	36,400.00	2,000.00	-	38,400.00	-	-	-	-	38,400.00
General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd) (Resigned: 14/09/2022)	98,400.00	4,000.00	-	102,400.00	-	-	-	-	102,400.00
Dato' Sri Sharifuddin bin Ab Ghani (Resigned: 14/09/2022)	46,466.67	4,000.00	-	50,466.67	-	-	-	-	50,466.67
Noor Suhaila binti Saad (Resigned: 14/09/2022)	43,733.33	6,000.00	-	49,733.33	-	-	-	-	49,733.33
Executive Directors									
Datuk Haji Abu Hanifah bin Noordin (Appointed: 14/09/2022)	-	0.00	-	0.00	-	-	-	-	0.00
Chia Kok Khuang	-	627,020.60	-	627,020.60	-	-	-	-	627,020.60
Chew Chi Hong (Appointed: 14/09/2022)	-	289,204.84	-	289,204.84	-	-	-	-	289,204.84
Safian bin Mohd Yunus (Redesignated: 12/10/2022)	-	458,217.98	-	458,217.98	-	-	-	-	458,217.98
Wan Zalizan bin Wan Jusoh (Resigned: 30/09/2022)	-	458,981.30	-	458,981.30	-	-	-	-	458,981.30
Total Directors' Remuneration	944,624.74	1,959,424.72	-	2,904,049.46	36,050.00	-	-	36,050.00	2,940,099.46



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION (CONT'D)

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

The remuneration of the top 6 Key Senior Management of the Group during the financial year ended 31 March 2023 in bands of RM50,000 are as follows:-

Key Senior Management Remuneration	Number
RM50,000 - RM100,000	1
RM200,000 - RM250,000	2
RM250,000 - RM300,000	2
RM450,000 - RM500,000	1
Total	6

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AC

Composition of AC

The AC of the Company comprises of three (3) members of whom two (2) are Independent Non-Executive Directors and one (1) is Non-Independent Non-Executive Director, in compliance with the requirements of Paragraphs 15.09 (1)(a) and (b) of the MMLR of Bursa Malaysia. None of the AC members were former partner of the Company's auditors.

To ensure the overall effectiveness and independence of the AC, the positions of the Chairman of the Board and 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.

In May 2023, the NRC conducted annual review of the terms of office and performance of the AC and its members. 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 are able to understand matters under the purview of the AC including the financial reporting process. The NRC is satisfied that the AC and its members have carried out their duties in accordance with their terms of reference.

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 to provide 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.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. AC (CONT'D)

Composition of AC (Cont'd)

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

The annual evaluation of the External Auditors provides 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 meeting with the External Auditors without the presence of the Executive Board members and Management to discuss audit activities and matters related to the Group.

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.

The AC assessed the performance, suitability and independence of Messrs Crowe Malaysia PLT as External Auditors of the Company as well as reviewed the non-audit services provided by them for the financial year under review. This enable 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.

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 2023, the Board approved the AC's recommendation for the Company to seek the shareholders' approval for the re-appointment 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 of three (3) members, two (2) of whom are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

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.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Risk Management and Internal Controls (Cont'd)

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.

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 Executive Chairman.

Details of the Group's internal control systems 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 the stakeholders of the Company which will build mutual trust and better understanding. The Company is committed to provide its stakeholders on timely basis with transparent, accurate and quality disclosure of the Company's operations, financial conditions and future prospects in conformity with applicable legal and regulatory requirements.

The Board ensures there is effective, transparent and regular communication with its stakeholders through announcements to Bursa Malaysia, Annual Reports, AGM and general meetings, its corporate's 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.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. CONDUCT OF GENERAL MEETINGS

Encourage shareholders participation at general meetings

The Annual General Meeting ("AGM") and Extraordinary General Meeting of the Company are important platforms for the Directors and senior management to engage with the shareholders to facilitate greater understanding of the Company's business, governance and performance.

The Company's Fourteenth AGM was held and conducted as a virtual meeting through live streaming from the broadcast venue at the Company's Registered Office on 14 September 2022, 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, senior management and shareholders and it also provides an avenue for the shareholders to seek clarification and insights into the operations and financial performance of the Group. The notice of Fourteenth AGM was issued on 29 July 2022 which was more than 28 days prior to the AGM date.

Save for General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd), Dato' Sri Sharifuddin bin Ab Ghani and Cik Noor Suhaila binti Saad who were absent at the Fourteenth AGM, all other Board members except Encik Safian bin Mohd Yunus who participated virtually via video conferencing, were present at the broadcast venue together with the senior management. In the absence of the Chairman, General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd), Dato' Wan Mohd Safiain bin Wan Hasan, being the Deputy Chairman of the Company presided as the Chairman of the Fourteenth AGM which is in compliance with Clause 97 of the Constitution of the Company.

The Chairman, who chaired the proceedings, provided fair opportunity and time to all shareholders to exercise their rights to raise questions and make recommendation. During the Question-and-Answer session of the AGM, its shareholders were invited to post their questions to the Board. The Chairman, the Company Secretary and the Management were present at the meetings to answer shareholders' queries and concerns. The Company's External Auditors participated remotely at the AGM. The Minutes of the Fourteenth AGM is also made available on the Company's website at www.datasonic.com.my.

The Notice of Fifteenth AGM and a Statement to Shareholders in relation to the proposed renewal of share buy-back authority will be issued to the shareholders at least twenty-eight (28) days' notice to the shareholders prior to the AGM date. The Notice and Agenda will also be published in the newspapers 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 Fifteenth AGM. The Company will appoint an independent scrutineer to perform scrutineering services and to validate the votes cast at the Fifteenth AGM.

This Corporate Governance Overview Statement was approved by the Board on 26 May 2023.

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 2023 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 of four (4) members with 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 2023 and full attendance were recorded for all members except Dato’ Wan Ibrahim bin Wan Ahmad who ceased as a member of the Audit Committee on 29 September 2022 and Datin Normaliza binti Kairon who attended two (2) meetings subsequent to her appointment on 12 October 2022. 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
Encik Azrul bin Yahaya	Member, Non-Independent Non-Executive Director	4/4
Datin Normaliza binti Kairon	Member, Independent Non-Executive Director	2/2
Dato’ Wan Ibrahim bin Wan Ahmad	Member, Independent Non-Executive Director	2/2

In compliance with the requirements of paragraph 15.20 of Bursa Securities Listing Requirements and MCCG, the 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 representatives of the External Auditors, Executive Director, 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 which 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.

AUDIT COMMITTEE REPORT

MEETINGS (CONT'D)

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 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 Auditors and Internal Auditors, as applicable.

The Audit Committee continuously reviews its Terms of Reference to reflect the updated internal processes of the Management and 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 2023

During the financial year, the Audit Committee has fully discharged its functions and duties as set out in its Terms of Reference. Summary of 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 which comprises the statements of financial position as at 31 March 2023 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 of Directors ("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.



AUDIT COMMITTEE REPORT

A. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 March 2023 (CONT'D)

1. Financial Reporting (Cont'd)

- 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 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.
- 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 FY2022/2023 concerning the financial performance as well as the financial position as at 31 March 2023. The reviews performed include also related cash flow budgets, appropriateness of basis and assumptions applied as well as tracking of the budgets and conduct of proper budgetary controls exercised by the Management.

2. External Auditors

- a. In February 2023, reviewed and discussed the Audit Planning Memorandum of the External Auditors for the financial year ending 31 March 2023. 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 2023, reviewed and discussed the Report to 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.

AUDIT COMMITTEE REPORT

A. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 March 2023 (CONT'D)

2. External Auditors (Cont'd)

- c. In May 2023, reviewed and discussed the draft Audited Financial Statements of the Company and of the Group for the financial year ended 31 March 2023 and the draft Annual Report 2022/2023 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 2023 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 questionnaires 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 re-appointment. 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 per criteria set by the Security Commission's Audit Oversight Board ("AOB") in December 2019. 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 2023 which amongst others include assessment on 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.



AUDIT COMMITTEE REPORT

A. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 March 2023 (CONT'D)

2. External Auditors (Cont'd)

d. The assessment and evaluation processes covered the following areas:- (Cont'd)

i. Independence and objectivity (Cont'd)

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

The Group has incurred a total of approximately RM136,000 for non-audit services representing around 34% of the 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 criterion:-

- 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 as well as 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 on the matter of familiarities with DGB's industry and complex operational activities;
- 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 communications 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 Company.

AUDIT COMMITTEE REPORT

A. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 March 2023 (CONT'D)

2. External Auditors (Cont'd)

- d. The assessment and evaluation processes covered the following areas:- (Cont'd)
 - iii. Further, the Management confirmed that the External Auditors had (Cont'd):-
 - (a) Maintained active and fruitful engagements and communications with relevant Management personnel in the undertaking of the audit; and
 - (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 AC was satisfied on 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 re-appointment of Crowe Malaysia PLT as the External Auditors of the Company for the ensuing year.

The Board at its meeting in May 2023 was satisfied with the effective assessment procedures performed and reported by the Audit Committee. Accordingly, the Board approved the Audit Committee's recommendation to re-appoint 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 2023 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 included in the Annual Report issued by MIA.
- h. For the year ended 31 March 2023, 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 which warranted the attention of the Audit Committee and of the Senior Management.

3. Internal Auditors

- a. Reviewed and discussed the Internal Audit Reports which consists of the audit findings, recommendations and the corrective actions agreed and committed by the Management which will ensure all key risks are addressed on a timely basis with mitigating controls in place. There were 14 Internal Audit Reports issued by the Internal Audit Department ("IAD") for the financial year ended 31 March 2023 which were aligned to the Audit Planning Memorandum approved by the Audit Committee.



AUDIT COMMITTEE REPORT

A. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 March 2023 (CONT'D)

3. Internal Auditors (Cont'd)

- a. The selected key audit areas for the financial year ended 31 March 2023 which constituted the subject matters of the audit assignments carried out by the IAD were as follows:-

- i. Human Capital Development
- ii. Administration
- iii. Project Management
- iv. Plants' Production Operations
- v. 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 as well as continuously encourage IAD personnel to pursue for professional certification programmes available for internal auditors and IT auditors.
- iv. Significant matters/issues/challenges faced by IAD in the conduct of audit fieldwork, and in this connection, the Audit Committee requested 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 IAD in discharging its roles and responsibilities within 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 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.

AUDIT COMMITTEE REPORT

A. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 March 2023 (CONT'D)

3. Internal Auditors (Cont'd)

- d. Reviewed and approved the Audit Planning Memorandum of the IAD for the working period from June 2023 to May 2024 in respect of the financial year ending 31 March 2024 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 FY2023/2024 areas covered the following areas:
 - i. Project Management
 - ii. Plants' Production Operations
 - iii. Personalisation Operations and Security
 - iv. Sales and Marketing
 - v. Business Development
 - vi. Corporate Governance
 - vii. IT General Control
 - viii. Human Capital

4. Corporate Governance and Compliance

- a. Reviewed and published the annual report of the Company which encompasses all relevant disclosure statements of corporate governance as well as required documentations as set out in Part A of Appendix 9C of the MMLR.
- b. Reviewed with the assistance of the IAD 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 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 IAD is headed by Encik Norirman Bin Nordin who is a Certified Internal Auditor (CIA) and a member of Institute of Internal Auditors Malaysia (IIAM). In compliance with paragraph 15.27 of Bursa Listing Requirements, the IAD function reports directly and functionally to the Audit Committee on the adequacy and effectiveness of the internal control systems. The purpose, authority and responsibility as well as the scopes of work of the Internal Audit Function are outlined in the approved Internal Audit Charter. To ensure that the responsibilities of 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 function as well as the competency and experience of the IAD personnel.

The activities of the IAD for the financial year ended 31 March 2023 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, 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.



AUDIT COMMITTEE REPORT

B. INTERNAL AUDIT FUNCTION (CONT'D)

The results of the audits performed by IAD were reviewed by the Audit Committee. The Internal Audit reports were also presented and discussed with Executive Director 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. IAD conducted follow-up audits on the key findings to ensure that the corrective actions were implemented appropriately and as committed.

The IAD is staffed with 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, 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 Internal Audit function in discharging its roles and responsibilities for the working period in the financial year ended 31 March 2023 amounted to approximately RM530,000.

This Report was made in accordance with the resolution of the Board of Directors passed on 26 May 2023.

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 2023 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”).

RESPONSIBILITIES

The Board and the Management uphold their ongoing commitment to embed and improve the risk management and internal control system into the culture, processes and the Group’s structure. The Group continues its efforts to integrate the risk management processes and internal controls into the management processes and business activities. The efforts continue to evolve on a progressive basis for the financial year ended 31 March 2023 and up to date of approval of this Statement for inclusion into the 2023 Annual Report.

Board Responsibilities

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 the 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 systems 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 of achieving 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

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 systems, 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 systems, if any, are presented to the AC and RMC and ultimately to the Board. The Executive Directors and the Management have assured the Board that the Group’s risk management and internal control systems are operating adequately and effectively in all material aspects, based on the risk management framework and internal control systems 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 & INTERNAL CONTROL SYSTEMS

Generally, the Group’s risk management and internal control systems are guided by the ISO 31000 Risk Management - Principles and Guidelines and the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) Framework respectively.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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



FIRST LINE OF DEFENCE

- Own, manage and control risks by 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 & administration functions, including monitoring progress of risk mitigation plans.
- Provided by Risk Management function.



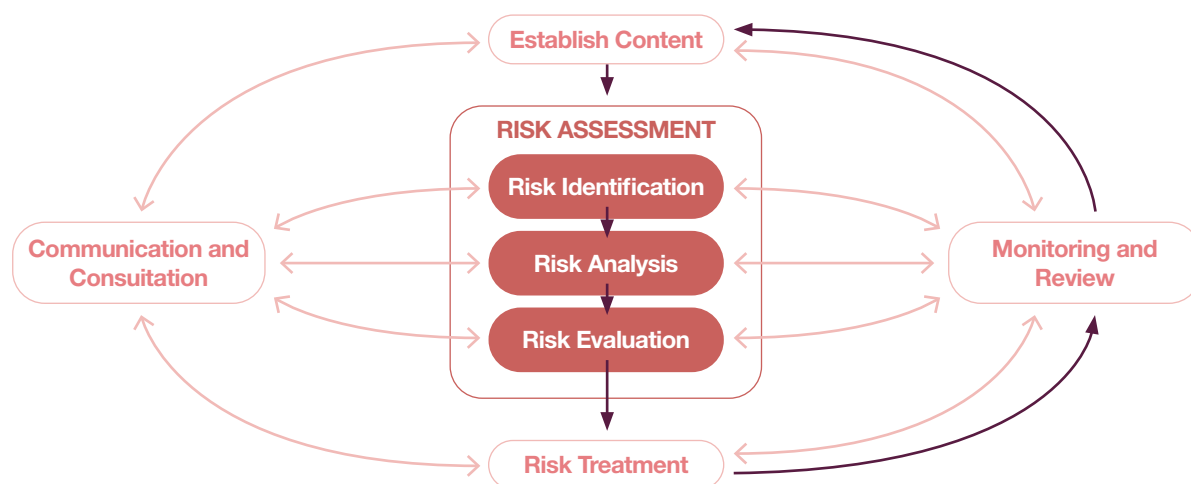
THIRD LINE OF DEFENCE

- Performs 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 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 continued to improve on a progressive basis and on-going.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT(CONT'D)

Even though the formal risk management activities and reporting carried out in the Group are continuously being improved, the Executive Directors and the Management assert that there have been on-going processes of risk management throughout the financial year and the key risks involved were in fact reviewed by the Executive Directors and the Management in the course of managing the business activities. Subsequently, significant risk management activities and progress including those initiated by the Executive Directors and Management were reported to the Risk Management Committee for review and recommendation 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 2023 are presented in the Management Discussion & Analysis included in this Annual Report.

KEY ELEMENTS OF THE INTERNAL CONTROL SYSTEMS OF THE GROUP

The Group's internal control systems during the financial year ended 31 March 2023 are embedded within the operating activities and up to the date of approval of this statement for inclusion in the Annual Report 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.

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 Committee 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 Committee to continuously improve on the effectiveness and efficiency of risk management and internal control system. The minutes of the Board Committee meetings which recorded pertinent deliberations and decisions were subsequently presented to the Board for approval.

3. Management Committees

i. Senior Leadership Management

The Senior Leadership Management Team ("SLM") comprise of the Executive Directors and senior-level personnel within the organisation 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 organisation to achieve the overall objectives. The SLM meetings are conducted fortnightly or as and when considered necessary by the Chairman.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY ELEMENTS OF THE INTERNAL CONTROL SYSTEMS OF THE GROUP (CONT'D)

3. Management Committees (Cont'd)

i. Senior Leadership Management (Cont'd)

The SLM meeting provides a forum for the Management to discuss on key management concerns and matters encompassing strategic and operational deliberation of key operational progress, risks, issues and challenges encountered in the undertaking of the 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, statistical data and key risks that affect the operational activities are extended by the respective Executive Directors of subsidiaries at the Board meetings as applicable.

ii. Corporate Disclosure Committee

The Corporate Disclosure Committee ("CDC") is established and responsible to ensure appropriate and timely corporate disclosures to shareholders, stakeholders and investors in accordance with the MMLR of Bursa Malaysia and applicable laws of Malaysia.

iii. Integrity and Governance Committee

In August 2021, the Integrity and Governance Committee ("IGC") has been formally set-up in the Group which comprises of the Executive Directors and selected personnel from various disciplines within the Group. IGC is tasked to spearhead Anti-bribery Management System ("ABMS") and Guidelines on Adequate Procedures ("GAPs") related programmes.

4. Organisational Structures

The Group has an organizational structure which defined accountabilities and responsibilities, and lines of reporting for each division and department established within the Group. The organisational structures provide the basic framework to help the Group's operations to proceed smoothly and functionally as well as ensuring 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 as well as newly identified proposed transactions to the selected and authorized 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY ELEMENTS OF THE INTERNAL CONTROL SYSTEMS OF THE GROUP (CONT'D)

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 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 whistle-blowing mechanism with the assurance that the report will be dealt with confidentially and that the reporter's identity is protected.

There is no report received throughout the financial year ended 31 March 2023 that warranted the implementation 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.

At the same time, the Anti-bribery Management System ("ABMS") & Guidelines on Adequate Procedures ("GAPs") Manual is established to serve as detailed guidelines supporting the approved policy.

During the financial year ended 31 March 2023, the Group continue to appoint 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 Malaysian Anti-Corruption Commission's Guidelines on Adequate Procedures and the implementation efforts are on-going.

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



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY ELEMENTS OF THE INTERNAL CONTROL SYSTEMS OF THE GROUP (CONT'D)

11. Financial Budgeting and Project-Level Budgeting

Annual budgets are reviewed by respective Executive Directors and Executive Chairman prior to tabling to the Board for approval. Actual performance is reviewed against the approved budget by the Executive Directors and Executive Chairman 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 to ensure the project expenses are within the approved budgets and any significant variances against 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 as well as to enable effective decision-making by providing the decision makers with timely and accurate information.

13. Reviews by the Audit Committee ("AC") and Risk Management Committee ("RMC")

Reviews carried out by the AC on the adequacy and effectiveness of the internal control systems concerning operational issues reported by the internal and external auditors and attributable actions taken by 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 which warranted the attention of the Board were conveyed by the AC and RMC to the Board.

14. Independent Reviews by Internal Audit Department ("IAD")

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 2023, the adequacy and effectiveness of internal controls were reviewed by the AC based on reports from audits conducted by 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 14 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 which subsequently the remedial actions and corrective measures including monitoring have been and are being taken to address such weaknesses.

A description of IAD's activities for the financial year ended 31 March 2023 are available in the Audit Committee Report included in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY ELEMENTS OF THE INTERNAL CONTROL SYSTEMS OF THE GROUP (CONT'D)

15. 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 as well as 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.

AAPG3 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 continues 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 Executive Director 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 26 May 2023.

ADDITIONAL COMPLIANCE

Information

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

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The status of the utilisation of proceeds raised from corporate proposal on the following private placement exercises as at 31 March 2023 are as follow:-

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 resolved to revise the utilisation of proceeds raised from the private placement by re-allocating the proceeds.

On 4 April 2022, the Board has resolved to extend the timeframe 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 Board is of the opinion that the extension of time for the utilisation of proceeds raised from the Private Placement is in the best interest of the Company and is not subject to the approval of the shareholders of the Company or any regulatory authorities.

The proceeds raised from the Private Placement has been fully utilised in May 2022.

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	Revised timeframe for utilisation
Repayment of bank borrowings	79,950	(55,356)	24,594	(24,594)	-	-
Finance Group's existing and future projects	45,949	55,356	101,305	(101,305)	-	Within 18 months
Estimated expenses in relation to the Private Placement	385	-	385	(385)	-	-
	126,284	-	126,284	(126,284)	-	

ADDITIONAL COMPLIANCE INFORMATION

2. AUDIT AND NON-AUDIT SERVICES

During the financial year ended 31 March 2023, 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	267	52
Non-audit fees	136	39
Total	403	91

3. MATERIAL CONTRACTS

Except for the disclosure in Note 43 to the audited financial statements for the financial year ended 31 March 2023, there were no other material contracts entered into by the Company and its subsidiaries involving the interests of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 March 2023 or entered into since the end of the previous financial year.

4. EMPLOYEES' SHARE OPTION SCHEME

The Employees' 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 was on 16 July 2021.

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



DIRECTORS' RESPONSIBILITIES STATEMENT IN RESPECT

of the Audited Financial Statements

The Directors are required by the Companies Act 2016 (the "Act") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Act in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year, and of the results and cash flows of the Company and the Group for the financial year.

In preparing the financial statements, the Directors ensured that the Management has:

- a) Adopted appropriate accounting policies and applied them consistently;
- b) Made judgements and estimates that are reasonable and prudent; and
- c) Prepared the financial statements on a going concern basis.

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

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and the Group, and to detect and prevent fraud and other irregularities.



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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 2023.

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	76,345	48,979
Attributable to:-		
Owners of the Company	76,367	48,979
Non-controlling interests	(22)	-
	76,345	48,979

DIVIDENDS

The amount of dividends declared or paid by the Company since 31 March 2022 were as follows:-

	RM'000
In respect of the financial year ended 31 March 2022:	
- Fourth interim single tier tax-exempt dividend of 0.25 sen per share, declared on 31 May 2022 and paid on 1 July 2022	7,161
In respect of the financial year ended 31 March 2023:	
- First interim single tier tax-exempt dividend of 0.25 sen per share, declared on 30 August 2022 and paid on 28 October 2022	7,138
- Second interim single tier tax-exempt dividend of 0.50 sen per share, declared on 30 November 2022 and paid on 29 December 2022	14,163
- Third interim single tier tax-exempt dividend of 0.50 sen per share, declared on 27 February 2023 and paid on 23 March 2023	14,163
	42,625

In respect of the financial year ended 31 March 2023, the Directors had on 26 May 2023 declared a fourth interim single tier tax-exempt dividend of 0.75 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 2024.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2023.

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.

DIRECTORS' REPORT

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company purchased 32,809,000 of its issued ordinary shares from the open market at an average price of RM0.48 per share. The total consideration paid for the purchase was approximately RM15,835,679 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 2023, the Company held as treasury shares a total of 129,450,000 out of its 2,962,000,000 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM62,267,093. The details of the treasury shares are disclosed in Note 20 to the financial statements.

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 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;
- (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.

DIRECTORS'
REPORT**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' REPORT

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:-

Datuk Haji Abu Hanifah bin Noordin⁽²⁾ (Appointed on 14.09.2022)
 Dato' Wan Mohd Safiain bin Wan Hasan
 Chew Chi Hong⁽²⁾ (Appointed on 14.09.2022)
 Chia Kok Khuang
 Tan Sri Ahmad Zaki Ansore bin Mohd Yusof⁽²⁾ (Appointed on 29.09.2022)
 Azrul bin Yahaya
 Tan Sri Borhan bin Dolah⁽²⁾ (Appointed on 12.10.2022)
 Dato' Ibrahim bin Abdullah⁽¹⁾
 Tan Sri Dato' Seri Dr Khalid bin Abu Bakar⁽²⁾ (Appointed on 29.09.2022)
 CP (R) Datuk Mohd Khalil bin Kader Mohd⁽²⁾ (Appointed on 14.09.2022)
 Datin Normaliza binti Kairon⁽²⁾ (Appointed on 12.10.2022)
 Dato' Roseleen binti Buyong⁽²⁾ (Appointed on 14.09.2022)
 Safian bin Mohd Yunus⁽¹⁾
 Dato' Wan Ibrahim bin Wan Ahmad
 Yee Kim Shing @ Yew Kim Sing
 General Tun (Dr) Mohamed Hashim bin Mohd Ali (Rtd) (Retired on 14.09.2022)
 Dato' Sri Sharifuddin bin Ab Ghani (Retired on 14.09.2022)
 Noor Suhaila binti Saad (Retired on 14.09.2022)
 Wan Zalizan bin Wan Jusoh (Resigned on 29.09.2022)

- ⁽¹⁾ In accordance with Clause 165 of the Company's Constitution, Dato' Ibrahim bin Abdullah and Encik Safian bin Mohd Yunus retire from the Board by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.
- ⁽²⁾ In accordance with Clause 156 of the Company's Constitution, Datuk Haji Abu Hanifah bin Noordin, CP (R) Datuk Mohd Khalil bin Kader Mohd, Dato' Roseleen binti Buyong, Chew Chi Hong, Tan Sri Ahmad Zaki Ansore bin Mohd Yusof, Tan Sri Dato' Seri Dr Khalid bin Abu Bakar, Tan Sri Borhan bin Dolah and Datin Normaliza binti Kairon retire from the Board 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
 Muhayuddin bin Musa (Appointed on 16.01.2023)

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 1.4.2022	Bought	Sold	At 31.3.2023
THE COMPANY				
<i>Direct Interests</i>				
Datuk Haji Abu Hanifah bin Noordin	189,666,900*	35,531,200	-	225,198,100
Chew Chi Hong	97,020,000*	24,000,000	(2,700,000)	118,320,000
Safian bin Mohd Yunus	11,500,000	300,000	(4,550,400)	7,249,600
Yee Kim Shing @ Yew Kim Sing ⁽⁴⁾	-	200,000	-	200,000
<i>Indirect Interests</i>				
Datuk Haji Abu Hanifah bin Noordin				
Datin Popi Riandani binti Dody Muchtar ⁽⁵⁾	35,631,200	-	(35,531,200)	100,000
Handrianov Putra bin Abu Hanifah ⁽⁶⁾	10,000	-	-	10,000
Safia Zuleira binti Abu Hanifah ⁽⁶⁾	-	6,000,000	-	6,000,000
Harrizal Rizhan bin Abu Hanifah ⁽⁶⁾	6,000,000	-	(6,000,000)	-
Chew Chi Hong				
Lim Chii Yng ⁽⁵⁾	33,072,300	50,000	-	33,122,300
Safian bin Mohd Yunus				
Hallmark Epitome Sdn. Bhd. ⁽¹⁾	112,500,000	-	(30,000,000)	82,500,000
Demi Mekar Sdn. Bhd. ⁽²⁾	171,731,300	-	-	171,731,300
Kuantum Juang Sdn. Bhd. ⁽³⁾	-	170,000,000	-	170,000,000
Yee Kim Shing @ Yew Kim Sing				
Kor Lee Lu ⁽⁴⁾	200,000	-	(200,000)	-

*Appointed on 14 September 2022.

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 through his substantial shareholding in Kuantum Juang Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D)

⁽⁴⁾ Transmission of ordinary shares from Madam Kor Lee Lu (Deceased) to Mr Yee Kim Shing @ Yew Kim Sing, as beneficiary of the Estate of Madam Kor Lee Lu.

⁽⁵⁾ Deemed interest in shares held by spouse pursuant to Section 59(11)(c) of the Companies Act 2016.

⁽⁶⁾ Deemed interest in shares held by children 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:-

	At 1.4.2022	Number of Warrants		At 31.3.2023
		Bought	Sold	
THE COMPANY				
<i>Direct Interests</i>				
Datuk Haji Abu Hanifah bin Noordin	6,683,300	-	-	6,683,300
Dato' Wan Mohd Safiain Bin Wan Hasan	24,000	20,000	-	44,000
Chew Chi Hong	7,320,000	-	(5,320,000)	2,000,000
Yee Kim Shing @ Yew Kim Sing ⁽⁴⁾	-	100,000	(100,000)	-
<i>Indirect Interests</i>				
Datuk Haji Abu Hanifah bin Noordin				
Datin Popi Riandani binti Dody Muchtar ⁽¹⁾	53,519,460	-	-	53,519,460
Safia Zuleira binti Abu Hanifah ⁽²⁾	1,985,600	-	-	1,985,600
Gerbang Subur Sdn. Bhd. ⁽³⁾	88,660,000	-	(88,660,000)	-
Yee Kim Shing @ Yew Kim Sing				
Kor Lee Lu ⁽⁴⁾	100,000	-	(100,000)	-

Notes:-

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

⁽²⁾ Deemed interest in warrants held by daughter pursuant to Section 59(11)(c) of the Companies Act 2016.

⁽³⁾ Deemed interest through his substantial warrant holding in Gerbang Subur Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

⁽⁴⁾ Deemed interest in warrants held by spouse pursuant to Section 59(11)(c) of the Companies Act 2016. The warrants of Madam Kor Lee Lu (Deceased) were transmitted to her spouse, Mr Yee Kim Shing @ Yew Kim Sing, as beneficiary of the Estate of Madam Kor Lee Lu.

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 the "Directors' Remuneration" of this report) 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 as follows:-

	Group RM'000	Company RM'000
Fees	980	945
Salaries, bonuses and other benefits	2,042	2,041
Defined contribution benefits	202	202
	3,224	3,188

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.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year were RM267,000 and RM52,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 May 2023.

Datuk Haji Abu Hanifah bin Noordin

Dato' Wan Mohd Safiain bin Wan Hasan

STATEMENT BY *Directors*

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Datuk Haji Abu Hanifah bin Noordin and Dato' Wan Mohd Safiain bin Wan Hasan, being two of the directors of Datasonic Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 17 to 125 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 of 31 March 2023 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 26 May 2023.

Datuk Haji Abu Hanifah bin Noordin

Dato' Wan Mohd Safiain bin Wan Hasan

STATUTORY *Declaration*

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Chuah Huei Jiun, being the officer primarily responsible for the financial management of Datasonic Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 17 to 125 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
Chuah Huei Jiun
at Kuala Lumpur
in the Federal Territory
on this 26 May 2023

Before me

Chuah Huei Jiun
(MIA Number: 32171)

Shaiful Hilmi bin Halim
No. W-804
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 2023 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 17 to 125.

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 2023, 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

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
<p>As at 31 March 2023, trade receivables that were past due and not impaired amounted to approximately RM65.085 million. The details of trade receivables and its credit risks are disclosed in Note 47.1(b) to the financial statements.</p> <p>The management applied assumptions in assessing the level of allowance for impairment losses on trade receivables based on the following:-</p> <ul style="list-style-type: none"> specific known facts or circumstances on customers' ability to pay; and/or by reference to past default experiences <p>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.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures included, amongst others:-</p> <ul style="list-style-type: none"> 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.

**INDEPENDENT
AUDITORS' REPORT**

TO THE MEMBERS OF DATASONIC GROUP BERHAD

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
<p>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.</p> <p>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.</p>	<p>Our audit procedures included, amongst others:-</p> <ul style="list-style-type: none"> • 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.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATASONIC GROUP BERHAD

Responsibilities of the Directors for the Financial Statements (Cont'd)

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.

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, actions taken to eliminate threats or safeguards applied.

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.

DATASONIC GROUP BERHAD

INDEPENDENT
AUDITORS' REPORT

TO THE MEMBERS OF DATASONIC GROUP BERHAD

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

Kuala Lumpur

26 May 2023

Choong Kok Keong
03461/11/2023
Chartered Accountant

STATEMENTS OF

Financial Position

AS AT 31 MARCH 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	110,132	131,261	5,585	6,664
Right-of-use assets	6	12,038	11,027	10,012	8,953
Investments in subsidiaries	7	-	-	91,255	91,101
Investment in an associate	8	-	-	-	-
Other investment	9	110	110	-	-
Goodwill	10	4,162	4,162	-	-
Development expenditure	11	3,852	15,359	-	-
Trade receivables	12	-	2,146	-	-
		130,294	164,065	106,852	106,718
CURRENT ASSETS					
Projects-in-progress	13	1,597	3,180	-	-
Inventories	14	48,723	52,225	-	-
Trade receivables	12	114,605	48,619	-	-
Other receivables, deposits and prepayments	15	12,504	9,442	533	548
Amounts owing by subsidiaries	16	-	-	69,860	51,043
Tax recoverable		-	2,392	-	-
Short-term investments	17	133,092	110,111	48,154	75,391
Deposits with licensed banks	18	6,399	6,107	-	-
Cash and bank balances	18	18,148	4,637	562	1,098
		335,068	236,713	119,109	128,080
TOTAL ASSETS		465,362	400,778	225,961	234,798

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

STATEMENTS OF
FINANCIAL POSITION

AS AT 31 MARCH 2023 (CONT'D)

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	261,284	261,284	261,284	261,284
Treasury shares	20	(62,267)	(46,430)	(62,267)	(46,430)
Merger deficit	21	(11,072)	(11,072)	-	-
Foreign exchange translation reserve	22	(63)	(56)	-	-
Retained profits		172,262	138,520	21,893	15,539
Equity attributable to owners of the Company		360,144	342,246	220,910	230,393
Non-controlling interests		246	269	-	-
TOTAL EQUITY		360,390	342,515	220,910	230,393
NON-CURRENT LIABILITIES					
Long-term borrowings	23	18,734	23,749	1,046	1,939
Deferred tax liabilities	27	5,183	4,334	-	-
		23,917	28,083	1,046	1,939
CURRENT LIABILITIES					
Trade payables	28	19,457	6,583	-	-
Other payables and accruals	29	15,679	14,648	1,636	883
Provision for taxation		5,317	-	81	34
Amounts owing to subsidiaries	16	-	-	133	151
Short-term borrowings	30	40,602	8,949	2,155	1,398
		81,055	30,180	4,005	2,466
TOTAL LIABILITIES		104,972	58,263	5,051	4,405
TOTAL EQUITY AND LIABILITIES		465,362	400,778	225,961	234,798
NET ASSETS PER SHARE (SEN)	31	12.71	11.94		

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 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
REVENUE	33	344,705	136,428	75,908	17,048
COST OF SALES		(155,333)	(59,674)	-	-
GROSS PROFIT		189,372	76,754	75,908	17,048
OTHER INCOME	34	4,025	3,950	3,448	4,355
ADMINISTRATIVE EXPENSES		193,397 (83,555)	80,704 (66,508)	79,356 (29,795)	21,403 (19,320)
FINANCE COSTS	36	109,842 (1,659)	14,196 (1,459)	49,561 (110)	2,083 (131)
PROFIT BEFORE TAXATION	37	108,183	12,737	49,451	1,952
INCOME TAX EXPENSE	38	(31,838)	(2,512)	(472)	(173)
PROFIT AFTER TAXATION		76,345	10,225	48,979	1,779
OTHER COMPREHENSIVE INCOME					
Item that May be Reclassified Subsequently to Profit or Loss					
Foreign currency translation differences		(8)	24	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		76,337	10,249	48,979	1,779
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		76,367	10,244	48,979	1,779
Non-controlling interests		(22)	(19)	-	-
		76,345	10,225	48,979	1,779
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		76,360	10,282	48,979	1,779
Non-controlling interests		(23)	(33)	-	-
		76,337	10,249	48,979	1,779
EARNINGS PER SHARE (SEN)	39				
Basic		2.68	0.36		
Diluted		2.68	0.36		

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

STATEMENTS OF

Changes In Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Group	Note	Share Capital RM'000	Treasury Shares RM'000	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 2022		261,284	(46,430)	(11,072)	(56)	138,520	342,246	269	342,515
Profit after taxation for the financial year		-	-	-	-	76,367	76,367	(22)	76,345
Other comprehensive income for the financial year:									
- foreign currency translation differences		-	-	-	(7)	-	(7)	(1)	(8)
Total comprehensive income for the financial year		-	-	-	(7)	76,367	76,360	(23)	76,337
Contributions by and distributions to owners of the Company:									
- purchase of treasury shares	20	-	(15,837)	-	-	-	(15,837)	-	(15,837)
- dividends	32	-	-	-	-	(42,625)	(42,625)	-	(42,625)
Total transactions with owners		-	(15,837)	-	-	(42,625)	(58,462)	-	(58,462)
At 31 March 2023		261,284	(62,267)	(11,072)	(63)	172,262	360,144	246	360,390

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

Group	Note	Share Capital RM'000	Treasury Shares RM'000	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 2023 (CONT'D)

Company	Note	Share Capital RM'000	Treasury Shares RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 April 2022		261,284	(46,430)	15,539	230,393
Profit after taxation/Total comprehensive income for the financial year		-	-	48,979	48,979
Contributions by and distributions to owners of the Company:					
- purchase of treasury shares	20	-	(15,837)	-	(15,837)
- dividends	32	-	-	(42,625)	(42,625)
At 31 March 2023		261,284	(62,267)	21,893	220,910
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

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

STATEMENTS OF

Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	108,183	12,737	49,451	1,952
Adjustments for:-				
Allowance for impairment losses on:				
- amount owing by a subsidiary	-	-	6,103	-
- inventories	37	-	-	-
- trade receivables	3,572	3,656	-	-
- other receivables	-	155	-	-
Amount owing by a subsidiary written off	-	-	-	136
Amortisation of development expenditure	11,507	4,982	-	-
Bad debts written off	-	94	-	-
Depreciation of property, plant and equipment	24,899	11,996	1,084	1,063
Depreciation of right-of-use assets	419	514	371	245
Property, plant and equipment written off	2	19	1	14
Fair value (gain)/loss on trade receivable	(170)	59	-	-
Interest expense:				
- interest expense on lease liabilities	14	55	14	4
- other interest expense	1,645	1,404	96	127
Inventories written off	136	-	-	-
Investment in a subsidiary written off	-	-	-	10
Reversal of excess accrued operational costs	-	(4,500)	-	-
Unrealised (gain)/loss on foreign exchange	(272)	18	(4)	(1)
Dividend income	-	-	(56,000)	(2,000)
Gain on disposal of plant and equipment	(46)	(47)	(46)	(47)
Interest income	(361)	(3,000)	(207)	(2,504)
Writeback of impairment losses on				
- inventories	(214)	(121)	-	-
- trade receivables	(53)	-	-	-
Operating profit/(loss) before working capital changes	149,298	28,021	863	(1,001)
Decrease/(Increase) in projects-in-progress	1,583	(977)	-	-
Decrease/(Increase) in inventories	3,554	(3,823)	-	-
(Increase)/Decrease in trade and other receivables	(70,156)	(17,025)	15	(161)
Increase/(Decrease) in trade and other payables	13,951	(4,547)	753	434
Decrease/(Increase) in amount owing by subsidiaries	-	-	83	(19,306)
Decrease in amount owing to subsidiaries	-	-	(18)	(12,690)
CASH FROM/(FOR) OPERATING ACTIVITIES	98,230	1,649	1,696	(32,724)
Income tax paid	(23,280)	(2,178)	(425)	(206)
Interest paid	(1,659)	(1,459)	(110)	(131)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	73,291	(1,988)	1,161	(33,061)

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

STATEMENTS OF
CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Additional investment in existing subsidiaries		-	-	(154)	-
Interest received		361	3,000	207	2,504
Dividend received		-	-	31,000	1,000
Proceeds from disposal of plant and equipment		174	130	174	98
Purchase of property, plant and equipment	40(a)	(3,868)	(7,321)	(137)	(218)
Placement of deposits pledged to licensed banks		(292)	(4)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(3,625)	(4,195)	31,090	3,384
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Proceeds from issuance of ordinary shares		-	126,284	-	126,284
Dividends paid		(42,625)	(11,484)	(42,625)	(11,484)
Purchase of treasury shares	20	(15,837)	(8,850)	(15,837)	(8,850)
Repayment of lease liabilities	40(b)	(172)	(912)	(172)	(236)
Drawdown of trade financing	40(b)	39,116	15,125	-	-
Repayment of trade financing	40(b)	(8,234)	(18,959)	-	-
Repayment of term loans	40(b)	(4,108)	(21,097)	-	-
Repayment of term financing	40(b)	(1,394)	(1,356)	(1,394)	(1,356)
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(33,254)	78,751	(60,028)	104,358
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		36,412	72,568	(27,777)	74,681
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		80	(11)	4	1
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		114,748	42,191	76,489	1,807
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	18	151,240	114,748	48,716	76,489

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

NOTES TO THE *Financial Statements*

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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 26 May 2023.

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 and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

Amendments to MFRS 3: Reference to the Conceptual Framework
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 – 2020

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.

- (b) The Group and the Company have 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 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
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
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
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

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 of the Company upon their initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations (Cont'd)

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.

4.4 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(i) Amortised Cost (Cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities (Cont'd)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

4.6 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 GOODWILL (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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 unit 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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:-

Office premise	Over 2 years
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.

4.15 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 is 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 EMPLOYEE BENEFITS (CONT'D)

(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.

4.21 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 RELATED PARTIES (CONT'D)

- (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.

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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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 2022	1,005	1,552	9,299	229,667	15,881	41,332	11,735	310,471
Additions	24	-	1,149	2,431	264	-	-	3,868
Assets written off	(133)	-	(554)	(3,104)	-	-	-	(3,791)
Disposals	(116)	(459)	(283)	-	-	-	-	(858)
Translation difference	-	-	1	46	-	-	-	47
At 31 March 2023	780	1,093	9,612	229,040	16,145	41,332	11,735	309,737
Accumulated Depreciation								
At 1 April 2022	591	982	7,124	158,336	9,073	3,104	-	179,210
Charge for the year	82	219	1,198	21,003	1,570	827	-	24,899
Assets written off	(131)	-	(554)	(3,104)	-	-	-	(3,789)
Disposals	(116)	(331)	(283)	-	-	-	-	(730)
Translation difference	-	-	1	14	-	-	-	15
At 31 March 2023	426	870	7,486	176,249	10,643	3,931	-	199,605
Net Book Value	354	223	2,126	52,791	5,502	37,401	11,735	110,132

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Furniture and Fittings RM'000	Motor Vehicles RM'000	Office Equipment RM'000	Renovation RM'000	Building RM'000	Total RM'000
Cost						
At 1 April 2022	320	1,423	1,160	5,819	4,306	13,028
Additions	23	-	112	2	-	137
Assets written off	(13)	-	(71)	-	-	(84)
Disposals	-	(459)	-	-	-	(459)
Transfer to subsidiaries	-	-	(15)	-	-	(15)
At 31 March 2023	330	964	1,186	5,821	4,306	12,607
Accumulated Depreciation						
At 1 April 2022	123	853	862	3,766	760	6,364
Charge for the year	33	219	171	575	86	1,084
Assets written off	(13)	-	(70)	-	-	(83)
Disposals	-	(331)	-	-	-	(331)
Transfer to subsidiaries	-	-	(12)	-	-	(12)
At 31 March 2023	143	741	951	4,341	846	7,022
Net Book Value	187	223	235	1,480	3,460	5,585

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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

- (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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Freehold land	11,735	11,735	-	-
Buildings	37,401	38,228	3,460	3,546
	49,136	49,963	3,460	3,546

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

6. RIGHT-OF-USE ASSETS

Group	Office Premise RM'000	Leasehold Land RM'000	Total RM'000
Cost			
At 1 April 2022	-	13,340	13,340
Addition	1,430	-	1,430
At 31 March 2023	1,430	13,340	14,770
Accumulated Depreciation			
At 1 April 2022	-	2,313	2,313
Charge for the year	172	247	419
At 31 March 2023	172	2,560	2,732
Net Book Value	1,258	10,780	12,038

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

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

6. RIGHT-OF-USE ASSETS (CONT'D)

Company	Office Premise RM'000	Leasehold Land RM'000	Total RM'000
Cost			
At 1 April 2022	-	10,740	10,740
Addition	1,430	-	1,430
At 31 March 2023	1,430	10,740	12,170
Accumulated Depreciation			
At 1 April 2022	-	1,787	1,787
Charge for the year	172	199	371
At 31 March 2023	172	1,986	2,158
Net Book Value	1,258	8,754	10,012

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

(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 leasehold land of the Group and of the Company amounting to RM8,754,000 and RM8,754,000 (2022 - RM11,027,000 and RM8,952,000) is charged to licensed banks for facilities granted to the Group and the Company respectively as at the end of the financial year.

(ii) Office Premise

The Company entered into an operating lease agreement for the use of the office premise. The lease agreement is for a period of 2 years with no renewal or purchase option.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost:		
- in Malaysia	90,226	90,072
- outside Malaysia	1,029	1,029
	91,255	91,101

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		Principal Activities
		2023 %	2022 %	
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 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.

@ The subsidiaries are audited by member firms of Crowe Global of which Crowe Malaysia PLT is a member.

^ These subsidiaries are 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.

\$ 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.

& The subsidiary is in the process of strike-off under Section 550 of the Companies Act, 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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	
	2023	2022	2023	2022
	%	%	RM'000	RM'000
DBTP	60	60	249	271
DSB	40	40	(3)	(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	
	2023	2022	2023	2022
	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		Principal Activities
		2023	2022	
		%	%	
<i>Held by DTSB</i>				
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 2023.
- (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 RM4,000 (2022 - RM3,000) of which approximately RM1,000 (2022 - RM1,000) was the share of the current financial year's loss. The Group has no obligation in respect of this loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

9. OTHER INVESTMENT

	Group	
	2023	2022
	RM'000	RM'000
Investment in club membership, at fair value	110	110

10. GOODWILL

	Group	
	2023	2022
	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	
	2023	2022
	RM'000	RM'000
At cost:-		
At 31 March 2023/2022	51,807	51,807
Accumulated amortisation:-		
At 1 April 2022/2021	(35,226)	(30,244)
Amortisation during the financial year (Note 37)	(11,507)	(4,982)
At 31 March 2023/2022	(46,733)	(35,226)
Accumulated impairment losses:-		
At 31 March 2023/2022	(1,222)	(1,222)
	3,852	15,359

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

11. DEVELOPMENT EXPENDITURE (CONT'D)

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 (2022 - 5 years). The key assumptions used in the determination of the recoverable amounts are as follows:-

- (i) Budgeted gross margin Gross margin is the forecasted margin as a percentage of revenue over the five-year (2022 - 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	
	2023	2022
	RM'000	RM'000
Trade receivables	111,069	33,481
Allowance for impairment losses	(10,873)	(7,562)
	100,196	25,919
Accrued income	14,409	24,846
	114,605	50,765
The trade receivables are made up of:-		
(a) <u>Non-current:</u>		
Trade receivables	-	1,436
Accrued income	-	710
	-	2,146
(b) <u>Current:</u>		
Trade receivables	100,196	24,483
Accrued income	14,409	24,136
	114,605	48,619
	114,605	50,765

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

12. TRADE RECEIVABLES (CONT'D)

	Group	
	2023	2022
	RM'000	RM'000
Allowance for impairment losses:-		
At 1 April 2022/2021	(7,562)	(3,906)
Addition (Note 37)	(3,572)	(3,656)
Write back	53	-
Written off	208	-
At 31 March 2023/2022	(10,873)	(7,562)

The Group's normal trade credit terms range from 30 to 90 (2022 - 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.

Accrued income represents revenue earned for work performed and goods delivered but the related invoices have yet to be issued.

13. PROJECTS-IN-PROGRESS

	Group	
	2023	2022
	RM'000	RM'000
At costs:-		
Site preparation	-	1,750
Machinery	-	212
Technical services	1,588	1,209
Others	9	9
	1,597	3,180

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

14. INVENTORIES

	Group	
	2023	2022
	RM'000	RM'000
At costs:-		
Raw materials	25,313	30,701
Finished goods	91	1,691
Spare parts	6,042	6,484
Consumables	1,700	1,401
Equipment	9,573	12,765
Software	5	5
Goods in transit	6,556	-
	49,280	53,047
Less: Allowance for impairment losses	(557)	(822)
	48,723	52,225
Allowance for impairment losses:-		
At 1 April 2022/2021	(822)	(943)
Addition	(37)	-
Writeback	214	121
Written off	88	-
At 31 March 2023/2022	(557)	(822)
<u>Recognised in profit or loss</u>		
Inventories sold	58,605	20,204
Impairment losses	37	-
Writeback of impairment losses	(214)	(121)
Inventories written off	136	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Other receivables	1,145	1,661	12	8
Allowance for impairment losses	(155)	(155)	-	-
	990	1,506	12	8
Deposits	930	928	186	186
Prepayments	10,584	7,008	335	354
	12,504	9,442	533	548

Prepayments consist of downpayment for purchases of materials and machineries.

16. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	Company	
	2023	2022
	RM'000	RM'000
Amounts owing by:-		
for non-trade balances	75,963	51,043
Allowance for impairment losses	(6,103)	-
	69,860	51,043
Allowance for impairment losses:-		
At 1 April 2022/2021	-	-
Addition (Note 37)	(6,103)	-
At 31 March 2023/2022	(6,103)	-
Amounts owing (to):-		
for non-trade balances	(133)	(151)

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 2023 (CONT'D)

17. SHORT-TERM INVESTMENTS

	Group			
	2023		2022	
	Carrying Amount RM'000	Market Value RM'000	Carrying Amount RM'000	Market Value RM'000
Money market funds, at fair value	133,092	133,092	110,111	110,111

	Company			
	2023		2022	
	Carrying Amount RM'000	Market Value RM'000	Carrying Amount RM'000	Market Value RM'000
Money market funds, at fair value	48,154	48,154	75,391	75,391

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits with licensed banks	6,399	6,107	-	-
Cash and bank balances	18,148	4,637	562	1,098
Short-term investments	133,092	110,111	48,154	75,391
	157,639	120,855	48,716	76,489
Less: Deposits pledged to licensed banks	(6,399)	(6,107)	-	-
	151,240	114,748	48,716	76,489

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% (2022 - 1.40% to 3.45%) per annum. The deposits have maturity periods ranging from 1 to 24 (2022 - 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

19. SHARE CAPITAL

Group/Company	2023		2022	
	Number of Shares '000	Share Capital RM'000	Number of Shares '000	Share Capital RM'000
Issued and Fully Paid-Up				
Ordinary shares				
At 1 April	2,962,000	261,284	2,700,000	135,000
Private placement	-	-	262,000	126,284
At 31 March	2,962,000	261,284	2,962,000	261,284

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.

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.

20. TREASURY SHARES

During the financial year, the Company purchased 32,809,000 (2022 - 19,446,000) of its issued ordinary shares from the open market at an average price of approximately RM0.48 (2022 - RM0.45) per share. The total consideration paid for the purchase was RM15,835,679 (2022 - RM8,850,624) including transaction costs. The ordinary 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.

Of the total 2,962,000,000 (2022 - 2,962,000,000) issued and fully paid-up ordinary shares at the end of the reporting period, 129,450,000 (2022 - 96,641,000) ordinary shares are held as treasury shares by the Company. The treasury shares are held at a carrying amount of RM62,267,093 (2022 - RM46,430,427).

21. MERGER DEFICIT

The merger deficit of RM11,072,000 (2022 - 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 2023 (CONT'D)

23. LONG-TERM BORROWINGS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Secured:-				
Term loans (Note 24)	17,688	21,810	-	-
Term financing (Note 25)	496	1,939	496	1,939
Lease liabilities (Note 26)	550	-	550	-
	18,734	23,749	1,046	1,939

24. TERM LOANS (SECURED)

	Group	
	2023	2022
	RM'000	RM'000
Current liabilities (Note 30)	4,140	4,126
Non-current liabilities (Note 23)	17,688	21,810
	21,828	25,936

Details of the repayment terms are as follows:-

Term Loan	Number Of Monthly Instalments	Monthly Instalment Amount RM'000	Date Of Commencement Of Repayment	Effective Interest Rate	Group Amount Outstanding 2023 RM'000	2022 RM'000
1	144	51	1 January 2015	4.20% (2022 - 3.20%)	2,167	2,699
2	144	83	1 July 2017	4.05% (2022 - 3.05%)	5,663	6,455
3	84	98	5 February 2018	4.05% (2022 - 3.05%)	2,238	3,414
4	120	134	6 July 2020	4.05% (2022 - 3.05%)	11,760	13,368
					21,828	25,936

The term loans above are with floating rates ranging from 4.05% to 4.20% (2022 - 3.05% to 3.20%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

24. TERM LOANS (SECURED) (CONT'D)

Term loan 1 is secured by:-

- (a) a legal charge over certain properties 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) a legal charge over certain properties of the Group; and
- (b) a corporate guarantee of the Company.

Term loan 4 is secured by:-

- (a) a legal charge over a property of the Group; and
- (b) a corporate guarantee of the Company.

25. TERM FINANCING (SECURED)

	Group/Company	
	2023	2022
	RM'000	RM'000
Current liabilities (Note 30)	1,447	1,398
Non-current liabilities (Note 23)	496	1,939
	1,943	3,337

Details of the repayment terms are as follows:-

Term Financing	Number Of Monthly Instalments	Monthly Instalment Amount RM'000	Date Of Commencement Of Repayment	Effective Interest Rate	Group/Company	
					Amount Outstanding 2023	2022
					RM'000	RM'000
1	120	126	1 July 2014	4.20% (2022 - 3.20%)	1,943	3,337

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 4.20% (2022 - 3.20%) per annum.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

26. LEASE LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At 1 April 2022/2021	-	912	-	236
Interest expenses recognised in profit or loss (Note 36)	14	55	14	4
Addition	1,430	-	1,430	-
Repayment of principal	(172)	(912)	(172)	(236)
Repayment of interest expenses	(14)	(55)	(14)	(4)
At 31 March 2023/2022	1,258	-	1,258	-
Represented by:-				
Current liabilities (Note 30)	708	-	708	-
Non-current liabilities (Note 23)	550	-	550	-
	1,258	-	1,258	-

27. DEFERRED TAX LIABILITIES

	Group	
	2023	2022
	RM'000	RM'000
At 1 April 2022/2021	4,334	4,007
Recognised in profit or loss (Note 38)	849	327
At 31 March 2023/2022	5,183	4,334

The deferred tax liabilities recognised in the financial statements consist of the tax effects of temporary differences arising from the following item:-

	Group	
	2023	2022
	RM'000	RM'000
<i>Deferred Tax Liabilities</i>		
Accelerated capital allowances	5,183	4,334

In the previous financial year, 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.

	Group	
	2023	2022
	RM'000	RM'000
Accelerated capital allowances	-	22,521

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

28. TRADE PAYABLES

	Group	
	2023	2022
	RM'000	RM'000
Trade payables	19,457	6,583

The normal trade credit terms granted to the Group range from 30 to 90 (2022 - 30 to 90) days.

29. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Other payables	2,272	1,986	73	172
Deferred income	1,524	2,124	-	-
Provisions	7,387	3,184	1,417	559
Accruals	4,496	7,354	146	152
	15,679	14,648	1,636	883

Accruals consist of cost for goods or services and subcontracting services.

30. SHORT-TERM BORROWINGS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Secured:-				
Term loans (Note 24)	4,140	4,126	-	-
Term financing (Note 25)	1,447	1,398	1,447	1,398
Trade financing	34,307	3,425	-	-
Lease liabilities (Note 26)	708	-	708	-
	40,602	8,949	2,155	1,398

The trade financing bore effective interest rates ranging from 3.94% to 5.98% (2022 - 3.76% to 3.91%) per annum and are secured by a corporate guarantee of the Company. Certain trade financing is secured by a legal charge over a property of the Group and of the Company.

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 RM360,144,000 (2022 - RM342,246,000) divided by the number of ordinary shares (net of treasury shares of 129,450,000 (2022 - 96,641,000)) at the end of the financial year of 2,832,550,000 (2022 - 2,865,359,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

32. DIVIDENDS

	Sen Per Share	Group/Company 2023 RM'000	Sen Per Share	2022 RM'000
In respect of the financial year ended 31 March 2021:				
- 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
- Fourth interim single tier tax-exempt dividend declared on 31 May 2022 and paid on 1 July 2022	0.25	7,161	-	-
In respect of the financial year ended 31 March 2023:				
- First interim single tier tax-exempt dividend declared on 30 August 2022 and paid on 28 October 2022	0.25	7,138	-	-
- Second interim single tier tax-exempt dividend declared on 30 November 2022 and paid on 29 December 2022	0.50	14,163	-	-
- Third interim single tier tax-exempt dividend declared on 27 February 2023 and paid on 23 March 2023	0.50	14,163	-	-
		42,625		11,484

In respect of the financial year ended 31 March 2023, the Directors had on 26 May 2023 declared a fourth interim single tier tax-exempt dividend of 0.75 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 2024.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2023.

33. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Sales of goods and services	344,705	136,428	-	-
Management service fee	-	-	19,908	15,048
Dividend income from subsidiaries	-	-	56,000	2,000
	344,705	136,428	75,908	17,048

Details of revenue are disclosed in Note 44 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

34. OTHER INCOME

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest income on financial assets:				
- at fair value through profit or loss	-	1,803	-	1,499
- at amortised cost	361	1,197	207	1,005
Rental income	-	-	1,486	1,477
Fair value gain on short-term investments	3,586	511	1,753	372
Sundries	78	439	2	2
	4,025	3,950	3,448	4,355

35. STAFF COSTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Salaries and other benefits	47,608	38,655	9,230	8,955
Defined contribution plan	5,317	4,610	1,027	953
	52,925	43,265	10,257	9,908

36. FINANCE COSTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest expense on financial liabilities at amortised cost	1,645	1,404	96	127
Interest expense on lease liabilities (Note 26)	14	55	14	4
	1,659	1,459	110	131

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

37. PROFIT BEFORE TAXATION

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Auditors' remuneration:				
- Auditor of the Company	234	207	52	46
- Member firms of the auditors of the Company	23	23	-	-
- Other auditors	10	10	-	-
Directors' remuneration (Note 41)	5,846	4,135	3,188	2,336
Amount owing by a subsidiary:				
- Written off	-	-	-	136
- Allowance for impairment loss	-	-	6,103	-
Investment in a subsidiary:				
- Written off	-	-	-	10
Amortisation of development expenditure (Note 11)	11,507	4,982	-	-
Bad debts written off	-	94	-	-
Depreciation of right-of-use assets (Note 6)	419	514	371	245
Fair value gain on short-term investments	(3,586)	(511)	(1,753)	(372)
Inventories (Note 14):				
- Allowance for impairment loss	37	-	-	-
- Writeback	(214)	(121)	-	-
- Written off	136	-	-	-
Loss/(Gain) on foreign exchange:				
- Realised	797	(98)	1	(4)
- Unrealised	(272)	18	(4)	(1)
Other receivables (Note 15):				
- Allowance for impairment loss	-	155	-	-
Property, plant and equipment (Note 5):				
- Depreciation	24,899	11,996	1,084	1,063
- Written off	2	19	1	14
- Gain on disposal	(46)	(47)	(46)	(47)
Trade receivables (Note 12):				
- Allowance for impairment loss	3,572	3,656	-	-
- Fair value (gain)/loss	(170)	59	-	-
- Writeback	(53)	-	-	-
Reversal of excess accrued operational costs	-	(4,500)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

37. PROFIT BEFORE TAXATION (CONT'D)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) (Cont'd):-				
Staff costs (Note 35)	52,925	43,265	10,257	9,908
Lease expenses:				
- Short-term leases	623	820	560	822
- Low-value assets	86	74	24	22

38. INCOME TAX EXPENSE

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Income tax expense:				
- for the financial year	30,881	2,051	431	234
- under/(over)provision in the previous financial years	108	134	41	(61)
	30,989	2,185	472	173
Deferred tax liabilities (Note 27):				
- for the financial year	622	566	-	-
- under/(over)provision in the previous financial year	227	(239)	-	-
	849	327	-	-
	31,838	2,512	472	173

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	108,183	12,737	49,451	1,952
Tax at the statutory tax rate of 24%	25,964	3,057	11,868	468
Tax effects of:-				
Non-deductible expenses	1,894	2,026	2,292	547
Non-taxable income	(984)	(1,041)	(13,861)	(840)
Effect of reinvestment allowance	(616)	-	-	-
Income tax exempted from tax due to pioneer status	(707)	(742)	-	-
Deferred tax liabilities recognised due to expiration of pioneer status	5,037	-	-	-
Deferred tax liabilities not recognised due to pioneer status	-	(2,395)	-	-
Deferred tax asset not recognised during the financial year	720	1,409	132	59
Utilisation of deferred tax assets previously not recognised	-	(86)	-	-
Effects of differential in tax rates of subsidiary	195	389	-	-
Under/(over)provision in the previous financial year:				
- current taxation	108	134	41	(61)
- deferred taxation	227	(239)	-	-
Income tax expense for the financial year	31,838	2,512	472	173

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 - 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	
	2023	2022
Profit attributable to owners of the Company (RM'000)	76,367	10,244
Weighted average number of ordinary shares in issue ('000)	2,850,789	2,867,888
Basic earnings per share (sen)	2.68	0.36
Diluted earnings per share (sen)	2.68	0.36

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 2023 (CONT'D)

40. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment				
Cost of property, plant and equipment purchased (Note 5)	3,868	7,321	137	218
Right-of-use assets				
Cost of right-of-use assets acquired (Note 6)	1,430	-	1,430	-
Less: Addition of new lease liabilities	(1,430)	-	(1,430)	-
	-	-	-	-

(b) The reconciliations of liabilities arising from financing activities are as follows:-

Group	Term Loans	Term Financing	Lease Liabilities	Trade Financing	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
2023					
At 1 April 2022	25,936	3,337	-	3,425	32,698
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	-	-	-	39,116	39,116
Repayment of borrowing principal	(4,108)	(1,394)	(172)	(8,234)	(13,908)
	(4,108)	(1,394)	(172)	30,882	25,208
<u>Other Changes</u>					
Acquisition of new lease	-	-	1,430	-	1,430
	-	-	1,430	-	1,430
At 31 March 2023	21,828	1,943	1,258	34,307	59,336
2022					
At 1 April 2021	47,033	4,693	912	7,259	59,897
<u>Changes in Financing Cash Flows</u>					
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

40. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

Company	Term Financing RM'000	Lease Liabilities RM'000	Total RM'000
2023			
At 1 April 2022	3,337	-	3,337
<u>Changes in Financing Cash Flows</u>			
Repayment of borrowing principal	(1,394)	(172)	(1,566)
	(1,394)	(172)	(1,566)
<u>Other Changes</u>			
Acquisition of new lease	-	1,430	1,430
	-	1,430	1,430
At 31 March 2023	1,943	1,258	3,201
2022			
At 1 April 2021	4,693	236	4,929
<u>Changes in Financing Cash Flows</u>			
Repayment of borrowing principal	(1,356)	(236)	(1,592)
	(1,356)	(236)	(1,592)
At 31 March 2022	3,337	-	3,337

(c) The total cash outflows for leases as a lessee are as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Payment of short-term leases	623	820	560	822
Payment of low-value assets	86	74	24	22
Interest paid on lease liabilities	14	55	14	4
Payment of lease liabilities	172	912	172	236
	895	1,861	770	1,084

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. DIRECTORS' REMUNERATION

The directors' remuneration during the financial year are as follows:-

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive:				
- salaries and bonus	1,915	1,228	1,915	1,228
- defined contribution benefits	202	163	202	163
	2,117	1,391	2,117	1,391
Non-executive:				
- fees	981	868	945	868
- allowances	126	77	126	77
	1,107	945	1,071	945
	3,224	2,336	3,188	2,336
Directors of Subsidiaries				
Executive:				
- salaries and bonus	2,484	1,661	-	-
- defined contribution benefits	138	138	-	-
	2,622	1,799	-	-
	5,846	4,135	3,188	2,336
Analysis excluding benefits-in-kind:-				
Total executive directors' salaries and bonus	4,739	3,190	2,117	1,391
Total non-executive directors:				
- fees	981	868	945	868
- allowances	126	77	126	77
	1,107	945	1,071	945
Total directors' remuneration excluding benefits-in-kind	5,846	4,135	3,188	2,336

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Performance guarantees extended to customers	17,052	19,833	17,052	19,833
Performance guarantees extended to a supplier	-	20	-	-
	17,052	19,853	17,052	19,833

(b) Corporate guarantees

Corporate guarantees for banking facilities granted to the subsidiaries	-	-	56,133	29,311
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(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 filed by PKN at the Court of Appeal on 29 October 2021.

On 15 June 2022, the appeal filed by PKN against DTSB was heard by the Court of Appeal. After having heard the arguments by Counsels of both parties, the Court of Appeal has fixed the date for decision on 18 August 2022.

On 18 August 2022, the Court of Appeal has been vacated by the Court and a new Case Management to set new decision date is fixed on 30 August 2022.

On 1 September 2022, the Court of Appeal has fixed the date for decision on 26 October 2022.

On 26 October 2022, Court of Appeal had allowed part of PKN's appeal, that is only with regards to the judgment interest and cost awarded by the High Court.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

42. CONTINGENT LIABILITIES (CONT'D)

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 (Cont'd):-

(c) Material litigation (Cont'd)

The Court of Appeal agreed with the findings of the High Court. The sum to be paid for the passport booklet is RM10.00 per passport booklet and PKN is not entitled to the Goods and Services Tax.

The Court of Appeal found that the learned trial judge has erred in deciding that the post judgment interest rate of 4% per annum and awarding the cost of RM30,000 to DTSB. The Court of Appeal ordered that PKN is entitled to the interest of 5% per annum. Therefore, the Court of Appeal ordered DTSB to refund the cost of RM30,000 to PKN and further awarded the cost of RM5,000 to PKN for the appeal.

No Notice of Appeal has been filed by PKN and the time limit for PKN to file their appeal has lapsed on 26 November 2022.

43. RELATED PARTY DISCLOSURES

The transactions of the Company with its related parties are as follows:-

	Company	
	2023	2022
	RM'000	RM'000
Subsidiaries		
Management services fees	19,908	15,048
Consultancy fee	510	464
Dividend income	56,000	2,000
Equipment transferred from	-	12
Equipment transferred to	2	5
Rental income	1,486	1,477
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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

44. OPERATING SEGMENTS (CONT'D)

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.

BUSINESS SEGMENTS

	CSCS RM'000	MA RM'000	IH RM'000	Group RM'000
2023				
Revenue				
External revenue	293,968	50,737	-	344,705
Inter-segment revenue	6,721	9,627	75,908	92,256
	300,689	60,364	75,908	436,961
Consolidation adjustments				(92,256)
Consolidated revenue				344,705
Represented by:-				
<u>Revenue recognised at a point of time</u>				
- Sales of goods and software solutions	276,921	60,364	75,908	413,193
<u>Revenue recognised over time</u>				
- Sales of services	23,768	-	-	23,768
	300,689	60,364	75,908	436,961
Consolidation adjustments				(92,256)
Consolidated revenue				344,705
Results				
Segment profit before interest expense and taxation	113,866	19,853	49,563	183,282
Finance costs				(1,659)
Consolidation adjustments				(73,440)
Consolidated profit before taxation				108,183

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (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:-				
Gain on disposal of plant and equipment	-	-	46	46
Interest income	154	-	207	361
Writeback of impairment losses on:				
- trade receivables	53	-	-	53
- inventories	214	-	-	214
Allowance for impairment losses on:				
- trade receivable	(3,572)	-	-	(3,572)
- inventories	(37)	-	-	(37)
Fair value gain on:				
- trade receivables	170	-	-	170
- short term investments	1,833	-	1,753	3,586
Inventories written off	136	-	-	136
Amortisation of development expenditure	(11,507)	-	-	(11,507)
Depreciation of property, plant and equipment	(21,797)	(2,018)	(1,084)	(24,899)
Depreciation of right-of-use assets	(48)	-	(371)	(419)
Unrealised foreign exchange gain/(loss)	331	(55)	(4)	272
Property, plant and equipment written off	(1)	-	(1)	(2)
2023				
Assets				
Segment assets	377,357	89,164	225,399	691,920
Unallocated assets:				
- deposits with licensed banks				6,399
- cash and bank balances				18,148
Consolidation adjustments				(251,105)
Consolidated total assets				465,362
Addition to non-current assets other than financial instruments is:-				
Property, plant and equipment	2,244	1,487	137	3,868
Right-of-use asset	-	-	1,430	1,430
Liabilities				
Segment liabilities	220,467	40,985	3,712	265,164
Unallocated liabilities:				
- deferred tax liabilities				5,183
- leased liability				1,258
- provision for taxation				5,317
Consolidation adjustments				(171,950)
Consolidated total liabilities				104,972

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

44. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	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:-				
<u>Revenue recognised at a point of time</u>				
- Sales of goods and software solutions	111,985	13,669	17,048	142,702
<u>Revenue recognised over time</u>				
- 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (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:-				
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)
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
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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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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
	2023 RM'000	2022 RM'000	
Customer #1	226,025	66,122	CSCS, MA
Customer #2	52,427	25,633	CSCS

45. CAPITAL COMMITMENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Renovation	351	5	327	-
Acquisition of machineries and equipment	1,596	681	70	-
	1,947	686	397	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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:-

	2023 RM'000	2022 RM'000
United States Dollar ("USD")	4.41	4.20
New Zealand Dollar ("NZD")	2.76	2.91
Euro ("EUR")	4.81	4.68
Singapore Dollar ("SGD")	3.32	3.11
Indonesian Rupiah 100 ("IDR")	3.03	2.86
Great Britain Pound ("GBP")	5.46	5.52
Bahraini Dinar ("BHD")	N/A	11.18
Philippine Peso ("PHP")	0.08	0.08

Note:-

N/A - Not applicable.

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.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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
2023									
Financial Assets									
Other investment	-	-	-	-	-	-	-	110	110
Trade receivables ⁽¹⁾	-	-	-	-	1,557	-	-	98,639	100,196
Other receivables and deposits ⁽²⁾	-	1	-	-	27	-	305	1,587	1,920
Short-term investments	-	-	-	-	-	-	-	133,092	133,092
Deposits with licensed banks	-	-	-	-	-	-	-	6,399	6,399
Cash and bank balances	137	22	1	1	1,352	1	-	16,634	18,148
	137	23	1	1	2,936	1	305	256,461	259,865

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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
2023									
Financial Liabilities									
Trade payables	6,943	-	3,100	-	-	4,033	-	5,381	19,457
Other payables and accruals ^(c)	-	-	-	-	38	-	12	12,896	12,946
Trade financing	-	-	-	-	-	-	-	34,307	34,307
Term financing	-	-	-	-	-	-	-	1,943	1,943
Term loans	-	-	-	-	-	-	-	21,828	21,828
	6,943	-	3,100	-	38	4,033	12	76,355	90,481

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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
2023									
Net financial (liabilities)/assets	(6,806)	23	(3,099)	1	2,898	(4,032)	293	180,106	169,384
Less: Net financial (assets) denominated in the respective entities' functional currency	-	(23)	-	-	(2,898)	-	(293)	(180,106)	(183,320)
Currency exposure	(6,806)	-	(3,099)	1	-	(4,032)	-	-	(13,936)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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									
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

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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									
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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	
	2023	2022
	RM'000	RM'000
Effects on Profit After Taxation		
USD/RM:		
- strengthened by 5%	(259)	(139)
- weakened by 5%	259	139
EUR/RM:		
- strengthened by 5%	(118)	(14)
- weakened by 5%	118	14
SGD/RM:		
- strengthened by 5%	(#)	(3)
- weakened by 5%	#	3
GBP/RM:		
- strengthened by 5%	(153)	(#)
- weakened by 5%	153	#

Note:-

- Amount less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Effects on Profit After Taxation				
Increase of 100 basis points (bp)	(441)	(248)	(15)	(25)
Decrease of 100 bp	441	248	15	25

(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 RM1,011,000 and RM366,000 (2022 - RM836,000 and RM573,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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 three (3) customers (2022 - two (2) customers) which constituted approximately 96% (2022 - 80%) of its trade receivables (excluding accrued income) at the end of the financial year.

(ii) Maximum 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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	Collective Impairment RM'000	Carrying Value RM'000
2023				
Current (not past due)	35,179	-	(68)	35,111
Past due:				
- 31 to 60 days	25,080	-	(71)	25,009
- 61 to 90 days	17,589	-	(69)	17,520
- over 90 days	23,255	-	(699)	22,556
	65,924	-	(839)	65,085
	101,103	-	(907)	100,196
Credit impaired:				
- individually impaired	9,966	(9,966)	-	-
	111,069	(9,966)	(907)	100,196

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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 movements in the loss allowances in respect of trade receivables are disclosed in Note 12 to the financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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
2023						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	19,457	19,457	19,457	-	-
Other payables and accruals ⁽¹⁾	-	12,946	12,946	12,946	-	-
Trade financing	3.94 to 5.98	34,307	35,037	35,037	-	-
Term financing	4.20	1,943	2,001	1,501	500	-
Term loans	4.05 to 4.20	21,828	24,735	4,981	14,552	5,202
Lease liabilities	4.20	1,258	1,307	747	560	-
		91,739	95,483	74,669	15,612	5,202
2022						
<u>Non-derivative Financial Liabilities</u>						
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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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):-

Company	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
2023						
<u>Non-derivative Financial Liabilities</u>						
Other payables and accruals ⁽¹⁾	-	1,636	1,636	1,636	-	-
Amounts owing to subsidiaries	-	133	133	133	-	-
Term financing	4.20	1,943	2,001	1,501	500	-
Lease liabilities	4.20	1,258	1,307	747	560	-
		4,970	5,077	4,017	1,060	-
2022						
<u>Non-derivative Financial Liabilities</u>						
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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (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	
	2023	2022
	RM'000	RM'000
Trade financing (Note 30)	34,307	3,425
Term financing (Note 25)	1,943	3,337
Term loans (Note 24)	21,828	25,936
Lease liabilities (Note 26)	1,258	-
Total borrowings	59,336	32,698
Total equity	360,390	342,515
Debt-to-equity ratio	0.16	0.09

There was no change in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

47. FINANCIAL INSTRUMENTS (CONT'D)

47.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2023	
	Group RM'000	Company RM'000
Financial Assets		
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Other investment (Note 9)	110	-
Short-term investments (Note 17)	133,092	48,154
	133,202	48,154
<u>Amortised Cost</u>		
Trade receivables ⁽¹⁾ (Note 12)	100,196	-
Other receivables and deposits ⁽²⁾ (Note 15)	1,920	198
Amounts owing by subsidiaries (Note 16)	-	69,860
Deposits with licensed banks (Note 18)	6,399	-
Cash and bank balances (Note 18)	18,148	562
	126,663	70,620
Financial Liabilities		
<u>Amortised Cost</u>		
Trade payables (Note 28)	19,457	-
Other payables and accruals ⁽³⁾ (Note 29)	12,946	1,636
Amounts owing to subsidiaries (Note 16)	-	133
Trade financing (Note 30)	34,307	-
Term financing (Note 25)	1,943	1,943
Term loans (Note 24)	21,828	-
	90,481	3,712

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

47. FINANCIAL INSTRUMENTS (CONT'D)

47.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2022	
	Group RM'000	Company RM'000
Financial Assets		
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Other investment (Note 9)	110	-
Short-term investments (Note 17)	110,111	75,391
	110,221	75,391
<u>Amortised Cost</u>		
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		
<u>Amortised Cost</u>		
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:-

⁽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.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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:-

Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023								
<u>Financial Assets</u>								
Other investment:								
- club membership	-	110	-	-	-	-	110	110
Short-term investments	133,092	-	-	-	-	-	133,092	133,092
<u>Financial Liabilities</u>								
Term financing	-	-	-	-	1,943	-	1,943	1,943
Term loans	-	-	-	-	21,828	-	21,828	21,828

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

47. FINANCIAL INSTRUMENTS (CONT'D)

47.4 FAIR VALUE INFORMATION (CONT'D)

Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2022								
<u>Financial Assets</u>								
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
<u>Financial Liabilities</u>								
Term financing	-	-	-	-	3,337	-	3,337	3,337
Term loans	-	-	-	-	25,936	-	25,936	25,936

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

47. FINANCIAL INSTRUMENTS (CONT'D)

47.4 FAIR VALUE INFORMATION (CONT'D)

Company	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023								
<u>Financial Asset</u>								
Short-term investments	48,154	-	-	-	-	-	48,154	48,154
<u>Financial Liabilities</u>								
Term financing	-	-	-	-	1,943	-	1,943	1,943
2022								
<u>Financial Asset</u>								
Short-term investments	75,391	-	-	-	-	-	75,391	75,391
<u>Financial Liabilities</u>								
Term financing	-	-	-	-	3,337	-	3,337	3,337

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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) In the previous financial year, 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%.
- (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	
	2023	2022	2023	2022
	%	%	%	%
Term financing	4.20	3.20	4.20	3.20
Term loans	4.05 to 4.20	3.05 to 3.20	-	-

48. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year.

	Group	
	As Previously Reported RM'000	As Restated RM'000
Consolidated Statement of Profit or Loss and Other Comprehensive Income (Extract):-		
Cost of sales	(62,906)	(59,674)
Administrative expenses	(63,276)	(66,508)

LIST OF *Properties*

AS AT 31 MARCH 2023

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 2023 (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 Currently used by Regional Personalisation Services Division	60 years leasehold expiring on 3 August 2065	32	12,810	4,108	4-Apr-2011
2	Datasonic Group Berhad	PN 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	31	46,685	12,213	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	6	14,800	7,119	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	6	9,673	4,456	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	10	3,208	1,487	3-Jul-2014
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	10	3,341	1,512	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	10	2,909	1,333	3-Jul-2014

LIST OF PROPERTIES

LIST OF PROPERTIES AS AT 31 MARCH 2023

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 2023 (RM'000)	Date of Acquisition
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	10	3,344	1,522	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	5	3,019	3,026	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	5	3,334	1,935	6-Feb-2018
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	5	3,334	1,628	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	5	3,334	1,275	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	4	84,033	17,786	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	25	3,101	510	1-Mar-2022
Total							59,916	

STATISTICS OF *Shareholdings*

AS AT 2 JUNE 2023

Issued Shares	:	2,962,000,000 Ordinary Shares
Class of Shares	:	Ordinary Shares
Treasury Shares	:	129,450,000 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	43	0.25	861	0.00
100 - 1,000	1,291	7.51	739,296	0.03
1,001 - 10,000	7,910	46.04	46,553,546	1.64
10,001 - 100,000	6,747	39.27	230,087,436	8.12
100,001 - less than 5% of issued shares	1,185	6.90	1,768,432,661	62.43
5% and above of issued shares	4	0.02	786,736,200	27.77
Total	17,180	100.00	2,832,550,000 [#]	100.00

Note:-

Exclude a total of 129,450,000 treasury shares retained by the Company.

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
 (As per the Register of Substantial Shareholders)

No.	Name of Substantial Shareholders	Direct Interest		Deemed/Indirect Interest	
		No. of Issued Shares	% of Issued Shares	No. of Issued Shares	% of Issued Shares
1.	Urusharta Jamaah Sdn Bhd	248,306,800	8.77	-	-
2.	Datuk Haji Abu Hanifah bin Noordin	225,198,100	7.95	6,110,000 ^(a)	0.22
3.	Demi Mekar Sdn Bhd	171,731,300	6.07	-	-
4.	Kuantum Juang Sdn Bhd	170,000,000	6.00	-	-
5.	Safian bin Mohd Yunus	11,249,600	0.40	424,231,300 ^{(b)(c)}	14.98
6.	Azlan bin Abdul Kadir	-	-	171,731,300 ^(d)	6.07
7.	Chew Ben Ben	152,326,600	5.38	-	-
8.	Chew Chi Hong	118,320,000	4.18	32,492,300 ^(e)	1.15

Notes:-

^(a) Indirect interest held through spouse and children.^(b) 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.^(c) Deemed interest by virtue of Section 8 of the Companies Act, 2016 held through Demi Mekar Sdn Bhd and Kuantum Juang Sdn Bhd.^(d) Deemed interest by virtue of Section 8 of the Companies Act, 2016 held through Demi Mekar Sdn Bhd.^(e) Indirect interest held through spouse.

STATISTICS OF SHAREHOLDINGS

AS AT 2 JUNE 2023 (CONT'D)

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

No.	Name of Directors	Direct Interest		Deemed/Indirect Interest	
		No. of Issued Shares	% of Issued Shares	No. of Issued Shares	% of Issued Shares
1.	Datuk Haji Abu Hanifah bin Noordin	225,198,100	7.95	6,110,000 ^(a)	0.22
2.	Dato' Wan Mohd Safiain bin Wan Hasan	-	-	-	-
3.	Chew Chi Hong	118,320,000	4.18	32,492,300 ^(b)	1.15
4.	Chia Kok Khuang	-	-	-	-
5.	Azrul bin Yahaya	-	-	-	-
6.	Tan Sri Ahmad Zaki Ansore bin Mohd Yusof	-	-	-	-
7.	Tan Sri Borhan bin Dolah	-	-	-	-
8.	Tan Sri Dato' Seri Dr Khalid bin Abu bakar	-	-	-	-
9.	Dato' Ibrahim bin Abdullah	-	-	-	-
10.	CP (R) Datuk Mohd Khalil bin Kader Mohd	-	-	-	-
11.	Datin Normaliza binti Kairon	-	-	-	-
12.	Dato' Roseleen binti Buyong	-	-	-	-
13.	Dato' Wan Ibrahim bin Wan Ahmad	-	-	-	-
14.	Safian bin Mohd Yunus	11,249,600	0.40	424,231,300 ^{(c)(d)}	14.98
15.	Yee Kim Shing @ Yew Kim Sing	200,000	0.01	-	-

Notes:-

^(a) Indirect interest held through spouse and children.^(b) Indirect interest held through spouse.^(c) 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.^(d) Deemed interest by virtue of Section 8 of the Companies Act, 2016 held through Demi Mekar Sdn Bhd and Kuantum Juang Sdn Bhd

THIRTY LARGEST SHAREHOLDERS

(As per the Record of Depositors)

No.	Name of Directors	No. of Issued Shares	% of Issued Shares
1.	Citigroup Nominees (Tempatan) Sdn Bhd Urusharta Jamaah Sdn Bhd (1)	248,306,800	8.77
2.	Datuk Haji Abu Hanifah bin Noordin	225,198,100	7.95
3.	Citigroup Nominees (Tempatan) Sdn Bhd Kenanga Investors Berhad for Kuantum Juang Sdn Bhd	170,000,000	6.00
4.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Demi Mekar Sdn Bhd	143,231,300	5.06
5.	Maybank Securities Nominees (Tempatan) Sdn Bhd Construction Lease (M) Sdn Bhd for Titian Tegap Sdn Bhd	133,846,000	4.73
6.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management for Daya Lestari Sdn Bhd (PW-M01391)(428998)	122,000,000	4.31
7.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Magna Nirwana Sdn Bhd (MI0043)	85,500,000	3.02

STATISTICS OF SHAREHOLDINGS

AS AT 2 JUNE 2023 (CONT'D)

THIRTY LARGEST SHAREHOLDERS (CONT'D)**(As per the Record of Depositors)**

No.	Name of Directors	No. of Issued Shares	% of Issued Shares
8.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chew Ben Ben (MY3378)</i>	84,325,280	2.98
9.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chew Chi Hong (MY4426)</i>	72,570,000	2.56
10.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt an for Kenanga Investors Bhd</i>	63,300,000	2.23
11.	Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Construction Lease (M) Sdn Bhd for Hallmark Epitome Sdn Bhd</i>	62,500,000	2.21
12.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (Leef)</i>	46,013,500	1.62
13.	Yap Tian Tion	44,251,100	1.56
14.	Phillip Nominees (Tempatan) Sdn Bhd <i>Exempt an for Phillip Capital Management Sdn Bhd</i>	32,742,100	1.16
15.	Liu, Xin	32,600,000	1.15
16.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tham Choon Sarn</i>	30,000,000	1.06
17.	Phillip Nominees (Tempatan) Sdn Bhd <i>Exempt an for Phillip Capital Management Sdn Bhd (EPF)</i>	28,645,200	1.01
18.	HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Sccount for Lim Chii Yng</i>	28,000,000	0.99
19.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Jersey Chong Xin Ling</i>	27,500,000	0.97
20.	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chew Chi Hong</i>	24,000,000	0.85
21.	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Jersey Chong Xin Ling</i>	22,490,100	0.79
22.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chew Ben Ben</i>	21,897,700	0.77
23.	Citigroup Nominees (Asing) Sdn Bhd <i>Exempt an for Citibank New York (Norges Bank 14)</i>	20,386,800	0.72
24.	Liu, Xin	19,100,000	0.67
25.	M & A Nominee (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chew Ben Ben (M&A)</i>	18,161,800	0.64
26.	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chew Ben Ben (MXU0237)</i>	16,381,720	0.58
27.	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chew Chi Hong</i>	15,850,000	0.56
28.	Demi Mekar Sdn Bhd	14,500,000	0.51
29.	Tan Sin Chai	14,380,000	0.51
30.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Hallmark Epitome Sdn Bhd (Third Party)</i>	14,000,000	0.49
Total		1,881,677,500	66.43

STATISTICS OF

Warrantholdings

AS AT 2 JUNE 2023

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 Warrantholders	No. of Warrantholders	% of Warrantholders	No. of Issued Warrants	% of Issued Warrants
Less than 100	43	0.81	950	0.00
100 - 1,000	564	10.65	282,436	0.02
1,001 - 10,000	1,821	34.37	10,301,954	0.76
10,001 - 100,000	2,017	38.07	79,730,200	5.91
100,001 - less than 5% of issued warrants	850	16.04	911,553,560	67.52
5% and above of issued warrants	3	0.06	348,130,900	25.79
Total	5,298	100.00	1,350,000,000	100.00

DIRECTORS' WARRANTHOLDINGS

(As per the Register of Directors' Warrantholdings)

No.	Name of Directors	Direct Interest		Deemed/Indirect Interest	
		No. of Issued Warrants	% of Issued Warrants	No. of Issued Warrants	% of Issued Warrants
1.	Datuk Haji Abu Hanifah bin Noordin	6,683,300	0.50	55,505,060 ^(a)	4.11
2.	Dato' Wan Mohd Safiain bin Wan Hasan	44,000	0.00	-	-
3.	Chew Chi Hong	2,000,000	0.15	10,283,400 ^(b)	0.76
4.	Chia Kok Khuang	-	-	-	-
5.	Azrul bin Yahaya	-	-	-	-
6.	Tan Sri Ahmad Zaki Ansore bin Mohd Yusof	-	-	-	-
7.	Tan Sri Borhan bin Dolah	-	-	-	-
8.	Tan Sri Dato' Seri Dr Khalid bin Abu bakar	-	-	-	-
9.	Dato' Ibrahim bin Abdullah	-	-	-	-
10.	CP (R) Datuk Mohd Khalil bin Kader Mohd	-	-	-	-
11.	Datin Normaliza binti Kairon	-	-	-	-
12.	Dato' Roseleen binti Buyong	-	-	-	-
13.	Dato' Wan Ibrahim bin Wan Ahmad	-	-	-	-
14.	Safian bin Mohd Yunus	-	-	-	-
15.	Yee Kim Shing @ Yew Kim Sing	-	-	-	-

Note:-

^(a) Indirect interest held through spouse and child.^(b) Indirect interest held through spouse.

STATISTICS OF WARRANTHOLDINGS

AS AT 2 JUNE 2023 (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.	Chew Ben Ben	129,220,900	9.57
3.	Gerbang Subur Sdn Bhd	88,660,000	6.57
4.	Popi Riandani binti Dody Muchtar	53,519,460	3.96
5.	Liu, Xin	49,662,200	3.68
6.	Maybank Nominees (Tempatan) Sdn Bhd Yeoh Siok Choo	36,509,300	2.70
7.	Chu Ben Ting @ Chew Ah Teen	28,000,000	2.07
8.	Chew Teck Choon	23,500,000	1.74
9.	Chew Ben Ben	20,400,000	1.51
10.	Ong Kim Leng	17,918,400	1.33
11.	Goh Kuan Eng	12,529,800	0.93
12.	HLIB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong Kim Leng</i>	12,463,900	0.92
13.	Cartaban Nominees (Tempatan) Sdn Bhd <i>Exempt an For LGT Bank AG (Local)</i>	11,565,100	0.86
14.	Ong Cheng An	10,834,200	0.80
15.	M & A Nominee (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chew Ben Ben (M&A)</i>	10,718,000	0.79
16.	Muhammad 'Izzat Afiq bin Zainuddin	10,404,600	0.77
17.	Ong Kim Leng	9,210,000	0.68
18.	Muhammad bin Zainal	9,000,000	0.67
19.	UOBM Nominees (Tempatan) Sdn Bhd <i>United Overseas Bank Nominees (Pte) Ltd for Tan You Tiong</i>	8,500,000	0.63
20.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ng Chin Teck (E-Tai)</i>	8,283,100	0.61
21.	Tham Choon Sarn	8,249,100	0.61
22.	Tham Choon Sarn	7,799,500	0.58
23.	Lim Lay Hiang	7,630,000	0.57
24.	Jersey Chong Xin Ling	7,512,700	0.56
25.	Lee Kim Leng	7,413,800	0.55
26.	Mohamed Hashim bin Mohd Ali (Gen Rtd Tun)	7,255,000	0.54
27.	Ooi Keat Seen	7,000,000	0.52
28.	Ng Tea Hoo @ Hwang Chow Herk	6,900,000	0.51
29.	Kenanga Nominees (Asing) Sdn Bhd <i>Exempt an for Phillip Securities Pte Ltd (Client Account)</i>	6,862,100	0.51
30.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan You Tiong</i>	6,859,800	0.51
Total		754,630,960	55.90

NOTICE OF FIFTEENTH

Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifteenth 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 using Remote Participation and Voting (“RPV”) facilities via <https://sshsb.net.my/> from the broadcast venue at Conference Room, Level 6, Bangunan Setia 1, No. 15, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia (“Broadcast Venue”) on Wednesday, 2 August 2023 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 2023 together with the Reports of the Directors and Auditors thereon.
(Please refer to Explanatory Note A)
2. To approve the increase of Directors’ fees payable to the Non-Executive Directors of the Company up to an amount of RM1,500,000 for the period from the Fifteenth AGM until the next AGM of the Company, to be payable on a monthly basis in arrears.
(Please refer to Explanatory Note B)
3. To approve the increase of Directors’ benefits payable to the Non-Executive Directors of the Company up to an amount of RM300,000 for the period from the Fifteenth AGM until the next AGM of the Company.
(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) Dato’ Ibrahim bin Abdullah
 - b) Encik Safian bin Mohd Yunus
 (Please refer to Explanatory Note C)
5. To re-elect the following Directors who retire in accordance with Clause 156 of the Constitution of the Company and being eligible, have offered themselves for re-election:-
 - a) Datuk Haji Abu Hanifah bin Noordin
 - b) Mr Chew Chi Hong
 - c) Tan Sri Ahmad Zaki Ansore bin Mohd Yusof
 - d) Tan Sri Borhan bin Dolah
 - e) Tan Sri Dato’ Seri Dr Khalid bin Abu Bakar
 - f) CP (R) Datuk Mohd Khalil bin Kader Mohd
 - g) Datin Normaliza binti Kairon
 - h) Dato’ Roseleen binti Buyong
 (Please refer to Explanatory Note C)
6. 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.
(Please refer to Explanatory Note D)

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3
Ordinary Resolution 4

Ordinary Resolution 5
Ordinary Resolution 6
Ordinary Resolution 7
Ordinary Resolution 8
Ordinary Resolution 9
Ordinary Resolution 10
Ordinary Resolution 11
Ordinary Resolution 12

Ordinary Resolution 13

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolutions:-

7. 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 (“the Act”) 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 total number of issued shares of the Company (excluding treasury shares) (“New Shares”) 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 New 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.

THAT pursuant to Section 85 of the Act to be read together with Clause 31 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all New Shares issued from the exercise of the authority granted pursuant to Sections 75 and 76 of the Act.”

(Please refer to Explanatory Note E)

Ordinary Resolution 14

8. 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 3 July 2023.

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

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:-

- 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."

(Please refer to Explanatory Note F)

Ordinary Resolution 15

9. Ordinary Resolution

Proposed allocation of Employees' Share Option Scheme Options to Datuk Haji Abu Hanifah bin Noordin

"THAT pursuant to the Employees' Share Option Scheme ("ESOS") of the Company approved by the shareholders of the Company at the Extraordinary General Meeting held on 20 February 2020, approval be and is hereby given to the ESOS Committee from time to time throughout the duration of the ESOS, to offer and grant ESOS Options to Datuk Haji Abu Hanifah bin Noordin, being the Executive Chairman of the Company, provided that not more than 10% of the ESOS Options shall be allocated to him if he is a Director of the Company and/or he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws."

(Please refer to Explanatory Note G)

Ordinary Resolution 16

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

10. Ordinary Resolution

Proposed allocation of Employees' Share Option Scheme Options to Mr Chew Chi Hong

"THAT pursuant to the ESOS of the Company approved by the shareholders of the Company at the Extraordinary General Meeting held on 20 February 2020, approval be and is hereby given to the ESOS Committee from time to time throughout the duration of the ESOS, to offer and grant ESOS Options to Mr Chew Chi Hong, being the Executive Director of the Company, provided that not more than 10% of the ESOS Options shall be allocated to him if he is a Director of the Company and/or he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws."

(Please refer to Explanatory Note G)

Ordinary Resolution 17

11. Ordinary Resolution

Proposed allocation of Employees' Share Option Scheme Options to Encik Azrul bin Yahaya

"THAT pursuant to the ESOS of the Company approved by the shareholders of the Company at the Extraordinary General Meeting held on 20 February 2020, approval be and is hereby given to the ESOS Committee from time to time throughout the duration of the ESOS, to offer and grant ESOS Options to Encik Azrul bin Yahaya, being the Non-Independent Non-Executive Director of the Company, provided that not more than 10% of the ESOS Options shall be allocated to him if he is a Director of the Company and/or he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws."

(Please refer to Explanatory Note G)

Ordinary Resolution 18

12. Ordinary Resolution

Proposed allocation of Employees' Share Option Scheme Options to Tan Sri Ahmad Zaki Ansore bin Mohd Yusof

"THAT pursuant to the ESOS of the Company approved by the shareholders of the Company at the Extraordinary General Meeting held on 20 February 2020, approval be and is hereby given to the ESOS Committee from time to time throughout the duration of the ESOS, to offer and grant ESOS Options to Tan Sri Ahmad Zaki Ansore bin Mohd Yusof, being the Independent Non-Executive Director of the Company, provided that not more than 10% of the ESOS Options shall be allocated to him if he is a Director of the Company and/or he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws."

(Please refer to Explanatory Note G)

Ordinary Resolution 19

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

13. Ordinary Resolution

Proposed allocation of Employees' Share Option Scheme Options to Tan Sri Borhan bin Dolah

"THAT pursuant to the ESOS of the Company approved by the shareholders of the Company at the Extraordinary General Meeting held on 20 February 2020, approval be and is hereby given to the ESOS Committee from time to time throughout the duration of the ESOS, to offer and grant ESOS Options to Tan Sri Borhan bin Dolah, being the Independent Non-Executive Director of the Company, provided that not more than 10% of the ESOS Options shall be allocated to him if he is a Director of the Company and/or he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws."

(Please refer to Explanatory Note G)

Ordinary Resolution 20

14. Ordinary Resolution

Proposed allocation of Employees' Share Option Scheme Options to Tan Sri Dato' Seri Dr Khalid bin Abu Bakar

"THAT pursuant to the ESOS of the Company approved by the shareholders of the Company at the Extraordinary General Meeting held on 20 February 2020, approval be and is hereby given to the ESOS Committee from time to time throughout the duration of the ESOS, to offer and grant ESOS Options to Tan Sri Dato' Seri Dr Khalid bin Abu Bakar, being the Independent Non-Executive Director of the Company, provided that not more than 10% of the ESOS Options shall be allocated to him if he is a Director of the Company and/or he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws."

(Please refer to Explanatory Note G)

Ordinary Resolution 21

15. Ordinary Resolution

Proposed allocation of Employees' Share Option Scheme Options to CP (R) Datuk Mohd Khalil bin Kader Mohd

"THAT pursuant to the ESOS of the Company approved by the shareholders of the Company at the Extraordinary General Meeting held on 20 February 2020, approval be and is hereby given to the ESOS Committee from time to time throughout the duration of the ESOS, to offer and grant ESOS Options to CP (R) Datuk Mohd Khalil bin Kader Mohd, being the Independent Non-Executive Director of the Company, provided that not more than 10% of the ESOS Options shall be allocated to him if he is a Director of the Company and/or he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws."

(Please refer to Explanatory Note G)

Ordinary Resolution 22

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

16. Ordinary Resolution

Proposed allocation of Employees' Share Option Scheme Options to Datin Normaliza binti Kairon

"THAT pursuant to the ESOS of the Company approved by the shareholders of the Company at the Extraordinary General Meeting held on 20 February 2020, approval be and is hereby given to the ESOS Committee from time to time throughout the duration of the ESOS, to offer and grant ESOS Options to Datin Normaliza binti Kairon, being the Independent Non-Executive Director of the Company, provided that not more than 10% of the ESOS Options shall be allocated to her if she is a Director of the Company and/or she, either singly or collectively through persons connected to her, holds 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws."

(Please refer to Explanatory Note G)

Ordinary Resolution 23

17. Ordinary Resolution

Proposed allocation of Employees' Share Option Scheme Options to Dato' Roseleen binti Buyong

"THAT pursuant to the ESOS of the Company approved by the shareholders of the Company at the Extraordinary General Meeting held on 20 February 2020, approval be and is hereby given to the ESOS Committee from time to time throughout the duration of the ESOS, to offer and grant ESOS Options to Dato' Roseleen binti Buyong, being the Non-Independent Non-Executive Director of the Company, provided that not more than 10% of the ESOS Options shall be allocated to her if she is a Director of the Company and/or she, either singly or collectively through persons connected to her, holds 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws."

(Please refer to Explanatory Note G)

Ordinary Resolution 24

18. 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 PC Registration No.: 202008001346
LEE JIN FOONG (MAICSA 7077841) SSM PC Registration No.: 202308000123
Company Secretaries

Kuala Lumpur
3 July 2023

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

NOTES:

- (1) The Company's Fifteenth 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 Fifteenth 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. Shareholders/Proxy(ies)/Corporate Representative(s) will not be allowed to be physically present nor admitted at the Broadcast Venue on the day of the Fifteenth 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 Fifteenth 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 (36869-T)) 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 Fifteenth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 26 July 2023. Only depositors whose names appear on the Record of Depositors as at 26 July 2023 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.

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

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 Directors' fees and benefits payable to Non-Executive Directors ("NED") of the Company was last reviewed and approved at the Ninth AGM held on 13 September 2017.

In June 2023, the Nomination and Remuneration Committee ("NRC") had conducted a review of the Directors' fees and benefits payable to the NED as part of a periodical review to ensure the Group remains competitive against its peers and with the heightened responsibilities, expertise, time commitment and accountabilities required for Directors as per current requirements under the Companies Act, 2016, Main Market Listing Requirements of Bursa Malaysia, Capital Markets & Services Act, 2007 and Malaysian Code on Corporate Governance.

The proposed increase of Directors' fees and benefits takes into account any future increases in NED, increase in the number of NED serving the Board Committees or the introduction of new Board Committees requiring the participation of NED or the appointment of additional women NED in line with the Malaysian Code on Corporate Governance on gender diversity. The proposed increase of Directors' fees is in accordance with Clause 181 of the Constitution of the Company. The Board of Directors' ("the Board") subsequently approved the NRC's recommendation for the increase of the Directors' fees and benefits payable to the NED of the Company up to an amount of RM1,500,000 and RM300,000 respectively for the period from the Fifteenth AGM until the next AGM of the Company, to be paid monthly in arrears.

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 and Board Committees and the number of scheduled Board and Board Committees meetings for the period from the Fifteenth AGM until the next AGM of the Company.

The existing and proposed Directors' fees and benefits payable to NED of the Company are as follows:-

No.	Description	Existing	Proposed
1.	Directors' fees	Up to RM1,100,000	Up to RM1,500,000
2.	Directors' benefits	Up to RM200,000	Up to RM300,000

The proposed Ordinary Resolutions 1 and 2, if passed, will allow payment of Directors' fees and benefits to NED of the Company on a monthly basis and/or as and when incurred within the stipulated period.

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

C) Ordinary Resolutions 3 to 12 - Re-election of Directors who retire in accordance with Clauses 156 and 165 of the Constitution of the Company

Clause 156 of the Constitution of the Company provides that the Board of the Company can appoint a person as an additional Director or as a replacement for another Director and the Director appointed shall hold office until the next following AGM after the appointment unless elected or re-elected in the AGM.

Clause 165 of the Constitution of the Company provides that one-third (1/3) of the Directors of the Company at the date of the notice convening the AGM or if the total number of the Directors is not three (3) or a multiple of it, the number nearest to one-third (1/3) shall retire by rotation at the AGM and be eligible for re-election.

The proposed Ordinary Resolutions 3 and 4 under Agenda 4 and Ordinary Resolutions 5 to 12 under Agenda 5 as set out in the Notice of Fifteenth AGM are to seek the shareholders' approval on the re-election of Directors who are standing for re-election in accordance with Clauses 165 and 156 of the Constitution of the Company and being eligible, have offered themselves for re-election.

The NRC had assessed the performance, contributions, independence, fitness and propriety of each Director who is standing for re-election at the Fifteenth AGM, taking into consideration the results of the evaluation on the effectiveness of the Board, Board Committees and Directors' self-assessment conducted for the financial year 2023; 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; and contribution to the Board's deliberation through their skills, knowledge, expertise and experience. The NRC also carried out fit and proper assessment based on the fit and proper declaration submitted by each of the retiring Director.

Based on the outcome of the self-independent assessment, the NRC was satisfied that the Independent Directors, namely, Tan Sri Ahmad Zaki Ansore bin Mohd Yusof, Tan Sri Borhan bin Dolah, Tan Sri Dato' Seri Dr Khalid bin Abu Bakar, Dato' Ibrahim bin Abdullah, CP (R) Datuk Mohd Khalil bin Kader Mohd and Datin Normaliza binti Kairon have complied with the independence criteria as set out in the Main Market Listing Requirements of Bursa Malaysia and continue to bring independent and objective judgment to the Board deliberations.

Based on the assessment, the NRC was satisfied with the performance and contributions of the Directors who are standing for re-election and recommended to the Board the proposed re-election of the Directors in accordance with Clauses 156 and 165 of the Constitution of the Company.

i) Dato' Ibrahim bin Abdullah who retired in accordance with Clause 165

Dato' Ibrahim was appointed as Independent Non-Executive Director of the Company on 5 February 2020.

Dato' Ibrahim has the appropriate mix of skills, knowledge and experience in security, project development, corporate management/business, accounting/auditing and human capital. He has contributed effectively to the Board's and Board Committee's deliberations.

ii) Encik Safian bin Mohd Yunus who retired in accordance with Clause 165

Encik Safian was appointed as Executive Director of the Company on 29 March 2021 and subsequently redesignated as Non-Independent Non-Executive Director on 12 October 2022.

Encik Safian has the appropriate mix of skills, knowledge and experience in IT/engineering, project development, corporate management/business, and finance/taxation. He has contributed effectively to the Board's deliberations.

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

iii) **Datuk Haji Abu Hanifah bin Noordin who retired in accordance with Clause 156**

Datuk Haji Abu Hanifah was appointed as the Executive Deputy Chairman and Chief Executive Officer of the Company on 14 September 2022 and subsequently redesignated as Executive Chairman on 29 September 2022.

Datuk Haji Abu Hanifah has the appropriate mix of skills, knowledge and experience in security, IT/engineering, project development, corporate management/business, finance/taxation, accounting/auditing, human capital and legal.

Datuk Haji Abu Hanifah is the founder and a significant shareholder of the Company and provides his services on a pro-bono basis. He demonstrates sound leadership skills and leads the Board meeting and encourages participation and contribution from the Board members.

iv) **Mr Chew Chi Hong who retired in accordance with Clause 156**

Mr Chew was appointed as Executive Director of the Company on 14 September 2022.

Mr Chew has the appropriate mix of skills, knowledge and experience in security, IT/engineering, project development, corporate management/business, finance/taxation, accounting/auditing and human capital.

Mr Chew is responsible for setting, managing and executing the strategies of the Group, including but not limited to running the operations of the Group.

v) **Tan Sri Ahmad Zaki Ansore bin Mohd Yusof who retired in accordance with Clause 156**

Tan Sri Ahmad Zaki Ansore was appointed as Independent Non-Executive Director of the Company on 29 September 2022.

Tan Sri Ahmad Zaki Ansore has the appropriate mix of skills, knowledge and experience in project development and corporate management/business. He has contributed effectively to the Board's deliberations.

vi) **Tan Sri Borhan bin Dolah who retired in accordance with Clause 156**

Tan Sri Borhan was appointed as Independent Non-Executive Director of the Company on 12 October 2022.

Tan Sri Borhan has the appropriate mix of skills, knowledge and experience in project development, corporate management/business, finance/taxation, and human capital. He has contributed effectively to the Board's deliberations.

vii) **Tan Sri Dato' Seri Dr Khalid bin Abu Bakar who retired in accordance with Clause 156**

Tan Sri Dato' Seri Dr Khalid was appointed as Independent Non-Executive Director of the Company on 29 September 2022.

Tan Sri Dato' Seri Dr Khalid has the appropriate mix of skills, knowledge and experience in security, project development and human capital. He has contributed effectively to the Board's deliberations.

viii) **CP (R) Datuk Mohd Khalil bin Kader Mohd who retired in accordance with Clause 156**

CP (R) Datuk Mohd Khalil was appointed as Independent Non-Executive Director of the Company on 14 September 2022.

CP (R) Datuk Mohd Khalil has the appropriate mix of skills, knowledge and experience in security, project development, corporate management/business and human capital. He has contributed effectively to the Board's and Board Committee's deliberations.

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

ix) **Datin Normaliza binti Kairon who retired in accordance with Clause 156**

Datin Normaliza was appointed as Independent Non-Executive Director of the Company on 12 October 2022.

Datin Normaliza has the appropriate mix of skills, knowledge and experience in finance/taxation and accounting/auditing. She has demonstrated her objectivity through proactive engagement during the Board's and Board Committee's meetings.

x) **Dato' Roseleen binti Buyong who retired in accordance with Clause 156**

Dato' Roseleen was appointed as Non-Independent Non-Executive Director of the Company on 14 September 2022.

Dato' Roseleen has the appropriate mix of skills, knowledge and experience in project development, corporate management/business and human capital. She has contributed effectively to the Board's and Board Committee's deliberations.

The Board (save for the retiring Directors who had abstained from deliberation and decision on their own eligibility to stand for re-election) approved the recommendation of NRC that the Directors who are retiring in accordance with Clauses 156 and 165 of the Constitution of the Company are eligible to stand for re-election.

The profile of the Directors standing for re-election are set out in the Directors' profile section of the 2023 Annual Report.

D) **Ordinary Resolution 13 – 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 2023 Annual Report.

The Board was satisfied with the effective assessment procedures performed and reported by the AC. Accordingly, the Board approved the AC'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 14 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

Ordinary Resolution 14, 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 Fourteenth AGM held on 14 September 2022 which will lapse at the conclusion of the Fifteenth AGM.

F) **Special Business**

Ordinary Resolution 15 – Proposed Renewal of Share Buy-Back Authority

Ordinary Resolution 15, 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 3 July 2023.



NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

G) Ordinary Resolutions 16, 17, 18, 19, 20, 21, 22, 23 and 24 – Proposed allocation of ESOS Options to Datuk Haji Abu Hanifah bin Noordin, Mr Chew Chi Hong, Encik Azrul bin Yahaya, Tan Sri Ahmad Zaki Ansore bin Mohd Yusof, Tan Sri Borhan bin Dolah, Tan Sri Dato' Seri Dr Khalid bin Abu Bakar, CP (R) Datuk Mohd Khalil bin Kader Mohd, Datin Normaliza binti Kairon and Dato' Roseleen binti Buyong

The establishment of the ESOS of up to 7.5% of the total number of issued ordinary shares in the Company (excluding treasury shares, if any) at any point in time during the duration of the ESOS for the eligible Directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries) was approved by the shareholders of the Company at the Extraordinary General Meeting held on 20 February 2020.

Datuk Haji Abu Hanifah bin Noordin, Mr Chew Chi Hong, Encik Azrul bin Yahaya, Tan Sri Ahmad Zaki Ansore bin Mohd Yusof, Tan Sri Borhan bin Dolah, Tan Sri Dato' Seri Dr Khalid bin Abu Bakar, CP (R) Datuk Mohd Khalil bin Kader Mohd, Datin Normaliza binti Kairon and Dato' Roseleen binti Buyong ("Interested Directors") who were appointed to the Board of Directors in the years 2021/2022 have not been allocated the ESOS Options.

The Interested Directors will abstain from voting in respect of their shareholdings (if any) in the Company on the respective resolutions pertaining to the proposed allocation of ESOS Options to them at the Fifteenth AGM.

The proposed Ordinary Resolutions 16, 17, 18, 19, 20, 21, 22, 23 and 24, if passed, will empower the ESOS Committee from time to time throughout the duration of the ESOS, to offer and grant ESOS Options to Datuk Haji Abu Hanifah bin Noordin, Mr Chew Chi Hong, Encik Azrul bin Yahaya, Tan Sri Ahmad Zaki Ansore bin Mohd Yusof, Tan Sri Borhan bin Dolah, Tan Sri Dato' Seri Dr Khalid bin Abu Bakar, CP (R) Datuk Mohd Khalil bin Kader Mohd, Datin Normaliza binti Kairon and Dato' Roseleen binti Buyong, being the Directors of the Company, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws.

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

There are no individuals who are standing for election as Directors at this forthcoming Fifteenth 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 Fifteenth AGM.

FORM OF PROXY

No. of Ordinary Shares Held	CDS Account No.

*I/We, _____

*NRIC/Passport/Company Registration No. _____

of _____

being a *member/members of DATASONIC GROUP BERHAD ("the Company"), hereby appoint _____

_____ *NRIC/Passport No. _____

of _____

*and/or failing *him/her, _____ *NRIC/Passport No. _____

or failing *him/her, *the Chairman of the Meeting as *my/our proxy to attend, participate and vote for *me/us on *my/our behalf at the Fifteenth Annual General Meeting of the Company to be held and conducted as a virtual meeting through live streaming using Remote Participation and Voting ("RPV") facilities via <https://sshsb.net.my/> from the broadcast venue at Conference Room, Level 6, Bangunan Setia 1, No. 15, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia ("Broadcast Venue") on Wednesday, 2 August 2023 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 increase of Directors' fees payable to the Non-Executive Directors of the Company up to an amount of RM1,500,000 for the period from the Fifteenth AGM until the next AGM of the Company, to be payable on a monthly basis in arrears.		
2.	To approve the increase of Directors' benefits payable to the Non-Executive Directors of the Company up to an amount of RM300,000 for the period from the Fifteenth AGM until the next AGM of the Company.		
3.	To re-elect Dato' Ibrahim bin Abdullah as Director of the Company		
4.	To re-elect Encik Safian bin Mohd Yunus as Director of the Company		
5.	To re-elect Datuk Haji Abu Hanifah bin Noordin as Director of the Company		
6.	To re-elect Mr Chew Chi Hong as Director of the Company		
7.	To re-elect Tan Sri Ahmad Zaki Ansore bin Mohd Yusof as Director of the Company		
8.	To re-elect Tan Sri Borhan bin Dolah as Director of the Company		
9.	To re-elect Tan Sri Dato' Seri Dr Khalid bin Abu Bakar as Director of the Company		
10.	To re-elect CP (R) Datuk Mohd Khalil bin Kader Mohd as Director of the Company		
11.	To re-elect Datin Normaliza binti Kairon as Director of the Company		
12.	To re-elect Dato' Roseleen binti Buyong as Director of the Company		
13.	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		
14.	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016		
15.	Proposed Renewal of Share Buy-Back Authority		
16.	Proposed allocation of Employees' Share Option Scheme Options to Datuk Haji Abu Hanifah bin Noordin		
17.	Proposed allocation of Employees' Share Option Scheme Options to Mr Chew Chi Hong		
18.	Proposed allocation of Employees' Share Option Scheme Options to Encik Azrul bin Yahaya		
19.	Proposed allocation of Employees' Share Option Scheme Options to Tan Sri Ahmad Zaki Ansore bin Mohd Yusof		
20.	Proposed allocation of Employees' Share Option Scheme Options to Tan Sri Borhan bin Dolah		
21.	Proposed allocation of Employees' Share Option Scheme Options to Tan Sri Dato' Seri Dr Khalid bin Abu Bakar		
22.	Proposed allocation of Employees' Share Option Scheme Options to CP (R) Datuk Mohd Khalil bin Kader Mohd		
23.	Proposed allocation of Employees' Share Option Scheme Options to Datin Normaliza binti Kairon		
24.	Proposed allocation of Employees' Share Option Scheme Options to Dato' Roseleen binti Buyong		

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 _____ 2023

Contact No./Email address: _____

Signature of Shareholder or Common Seal

NOTES:

- (1) The Company's Fifteenth 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 Fifteenth 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. Shareholders/Proxy(ies)/Corporate Representative(s) will not be allowed to be physically present nor admitted at the Broadcast Venue on the day of the Fifteenth 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 Fifteenth 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 (36869-T))

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 (36869-T)) 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 Fifteenth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 26 July 2023. Only depositors whose names appear on the Record of Depositors as at 26 July 2023 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.

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 penyenaaran, 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.

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.



DATASONIC GROUP BERHAD
(Registration No. 200801008472 (809759-X))
Incorporated in Malaysia

LEVEL 6, BANGUNAN SETIA 1, NO. 15, LORONG DUNGUN,
DAMANSARA HEIGHTS, 50490 KUALA LUMPUR, MALAYSIA
Tel: +603 2632 9699 | enquiries@datasonic.com.my
Fax: +603 2011 3560 | www.datasonic.com.my