

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5216
COMPANY NAME : DATASONIC GROUP BERHAD
FINANCIAL YEAR : March 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board") of Datasonic Group Berhad ("the Company") determines the vision, mission, strategy and structure of the Company and its subsidiaries ("the Group") and exercise accountability to shareholders and is responsible to the relevant stakeholders.</p> <p>In discharging its duties and responsibilities, the Board has established and delegated the authority to the Board Committees, namely, the Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC"), Risk Management Committee ("RMC") and Employees' Share Option Scheme Committee ("ESOSC"), to monitor and evaluate the implementation of policies, strategies and business plans, internal control systems and risk management and implementation and administering of the Employees' Share Option Scheme.</p> <p>The Chairmen of the respective Board Committees will update or report the proceedings of the Board Committee meetings to the Board.</p> <p>The Board is headed by an Executive Chairman who is the Founder of the Company and provides his services on a pro-bono basis.</p> <p>The Executive Chairman and Executive Directors are responsible for setting, managing and executing the strategies of the Group, including but not limited to running the operations of the Group under the oversight of the Board and keeping the Board informed of the status of the Group's operations.</p> <p>In the absence of a Managing Director, the Executive Directors are responsible for the day-to-day operations, organisational effectiveness and implementation of the Board's policies, directives, strategies and decisions for key areas such as finance, sales and operations.</p>

	<p>The Board of the respective operating subsidiaries have been tasked to oversee the operations and management of the subsidiaries. The operating subsidiaries will convene quarterly Board meeting to discuss the status of the existing business activities, new development, corporate proposals and challenges encountered. The Heads of the operating subsidiaries will be invited to attend the holding company Board meeting from time to time and update the Board on the status of the Group's operations.</p> <p>The operating subsidiaries have their own Executive Directors who report to the Group Executive Directors and in the case of the largest operating subsidiary, Datasonic Technologies Sdn Bhd is headed by a Managing Director.</p> <p>The Executive Chairman and Executive Directors attend all Board meetings and ensured that the Board is provided with sufficient accurate information on a timely basis in regard to the Group, its operations, business and affairs, and in particular with respect to the Group's corporate performance, financial condition, operations and prospects, so as to reasonably position the Board to fulfil its governance responsibilities.</p> <p>The respective roles and responsibilities of the Board, Board Committees, individual Directors and Management and issues and decisions reserved for the Board are set out in the Company's Board Charter, which is published on the Company's website at www.datasonic.com.my.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is led by Datuk Haji Abu Hanifah bin Noordin ("Datuk Haji Abu Hanifah") who was appointed as an Executive Chairman of the Company on 29 September 2022. Although Datuk Haji Abu Hanifah is an Executive Chairman, his influence on the Board's deliberation is balanced by the majority of Independent Non-Executive Directors on the Board many of whom are retired top ranking civil servants. The Executive Chairman holds a vital role in fostering a good and standard governance practices within the Company.</p> <p>The Executive Chairman is the founder of the Company and a significant shareholder of the Company. He was also the person who started the business of the Company and listed the Company in 2012 and assumed the position of the first Managing Director of the Company until his retirement in 2020. He rejoins the Company on a pro bono basis, there is the advantage of shareholder leadership and a natural alignment of interests.</p> <p>The key roles and responsibilities of the Executive Chairman include:</p> <ol style="list-style-type: none">1) The Executive Chairman provides strong leadership skills and is responsible for instilling good corporate governance practices and overall effectiveness of the Board and individual Directors. He ensures that all key and appropriate issues are discussed by the Board in a timely manner.2) The Executive Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company, through the supports from Executive Directors and Senior Management of the Company.3) The Executive Chairman acts as the communicator for Board decisions where appropriate. The Executive Chairman ensures the Board is effective in its task of setting and implementing the Group's directions and strategies.4) The Executive Chairman provides leadership in corporate services, restructuring, strategies, stakeholder relationships, human capital and development.

	<p>5) The Executive Chairman is also promoting a healthy working relationship with the Executive Directors and Senior Management by providing the necessary support and advice.</p> <p>6) The Executive Chairman regularly reviews progress on important initiatives and significant issues faced by the Company and undertakes the primary responsibility for organising meetings to receive diverse opinions and views in the Board deliberations.</p> <p>7) The Executive Chairman participates in all the subsidiaries Board and project team meetings, and encourages the Head of Project Teams and Chief of Special Projects to provide and disclose on status of the existing business activities, new development, corporate proposals and challenges encountered for deliberations.</p> <p>8) The Executive Chairman sets the Board agenda and reviews minutes of Board meetings prior to circulation to the Board members. The Chairman leads the Board meeting and encourages participation and contribution from the Board members.</p> <p>The roles and responsibilities of the Chairman of the Board have been set out in the Company's Board Charter, which is published on the Company's website at www.datasonic.com.my.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Executive Chairman of the Company is Datuk Haji Abu Hanifah and he holds this position on a pro-bono basis.</p> <p>The position of the Managing Director is currently vacant. The role and responsibility of the Managing Director are overseen by the Executive Directors.</p> <p>The Board ensures that the roles of the Executive Chairman and the Executive Directors are distinct and separate ensures there is a balance of power and authority.</p> <p>The clear distinction between the roles and responsibilities of the Executive Chairman and Executive Directors also to ensures that no individual has unfettered decision making power.</p> <p>The Board is of the opinion that the current positions of the Executive Chairman and Executive Directors, each with separate distinct roles and accountabilities, are adequate to provide the necessary stewardships and division of responsibilities for the Company.</p> <p>The division of roles between the Chairman and Executive Directors are clearly defined in the Company's Board Charter, which is published on the Company's website at www.datasonic.com.my.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Applied
Explanation on application of the practice	: The Chairman of the Board is not a member of the AC, NRC, RMC and ESOSC nor he participated in any of these committees' meetings to ensure there is check and balance and objective review by the Board.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by suitably professionally qualified and experienced Company Secretaries. The Company Secretaries are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are registered with the Companies Commission of Malaysia under Section 241 of the Companies Act, 2016.</p> <p>During the year, the Board has appointed an additional Company Secretary to strengthen the Company Secretarial Department to provide the necessary secretarial support to the Board.</p> <p>The Company Secretaries are kept abreast of the regulatory changes and corporate governance development, and have attended various continuous professional development training programmes relevant to their roles as Company Secretaries during the year under review.</p> <p>The Board members have unrestricted access to the advice of the Company Secretaries on governance matters, board policies and procedures as well as pertinent regulatory requirements, to enable them to discharge their duties and responsibilities effectively. The Board is regularly updated by the Company Secretaries on amendments to the regulatory requirements and practices from time to time.</p> <p>The roles and key responsibilities of the Company Secretaries are set out in the Company's Board Charter which is published on the Company's website at www.datasonic.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 1.6

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Partial departure given that the meeting materials were occasionally circulated less than five (5) business days in advance of the Board or Board Committees meetings.</p> <p>The notice of meetings and meeting materials with the relevant and adequate information are distributed at least seven (7) days and four (4) business days respectively in advance, to allow the respective Board and Board Committees members’ sufficient time to review and analyse the materials.</p> <p>All proceedings of meetings including issues raised, deliberations and decisions of the Board are properly minuted and filed in the statutory records of the Company by the Company Secretaries.</p> <p>The Company Secretaries will communicate the Board’s decisions or recommendations to the relevant management via circulation of draft minutes of meetings in a timely manner upon conclusion of the meetings for appropriate actions to be taken.</p> <p>The Company Secretaries will ensure the meeting materials are distributed electronically and uploaded onto an Application as soon as practicable upon receipt of the same from the Management. The Board and Board Committees members are able to access meeting materials and relevant information in a timely and efficient manner, thus improving Board performance and overall effectiveness of decision-making.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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.</p> <p>The Board Charter also sets out the respective roles and responsibilities of the Board, Board Committees, Senior Management, issues and decisions reserved for the Board.</p> <p>The Board will periodically review the Board Charter to ensure it remains relevant and consistent with the Board's objectives and responsibilities, and all relevant standards of corporate governance.</p> <p>The Board Charter is published on the Company's website at www.datasonic.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established the Anti-Corruption and Anti-Bribery ("ABAC") Policy and the Code of Conduct and Ethics for Directors (Executive and Non-Executive Directors) as part of the Company's commitment against all forms of bribery and corruption at all levels as well as to promote good business conduct and maintain a healthy corporate culture.</p> <p>The ABAC Policy applies to all activities and address business conduct and ethics to support the Group's core values.</p> <p>The Code of Conduct and Ethics for Directors (Executive and Non-Executive Directors) describes the standards of business undertaking and ethical behaviour for Directors in the performance and exercise of their duties and responsibilities as Directors of the Company or when representing the Company.</p> <p>In May 2022, the ABAC Policy and Whistleblowing ("WB") Policy of the Group were reviewed by an external legal consultant in its totality and tested the provisions therein to the provisions of Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act, 2009 and the Guidelines on Adequate Procedures ("GAP") issued by the Minister pursuant to Subsection (5) of Section 17A of the MACC Act, 2009. 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 GAP.</p> <p>The Group's Employee Handbook governs the terms and conditions of employment and the standards of ethics and good conduct expected of the Executive Directors and employees. The Code of Conduct and Ethics and the Group' Employee Handbook that set out sound principles and standards of good practices to be observed by all the employees.</p>

	<p>In April 2023, the Human Capital Department has undertaken a review of the Group's Employee Handbook and it has been revised with a number of improvements to the benefits, maternity and paternity leave entitlements in line with the amendments to the Employment Act, 1955. The Employee Handbook was subsequently circulated to all the employees for their information and retention.</p> <p>The ABAC Policy, Code of Conduct and Ethics for Directors and WB Policy are published on the Company's website at www.datasonic.com.my.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The WB Policy established by the Board applies to all the 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 conduct, 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 Group and/or compromise the interests of the shareholders, clients and the public without fear of reprisal, victimisation, harassment or subsequent discrimination. The WB Policy provides a proper and secured avenue for employees and members of the public to report any improper conduct without fear of adverse consequences.</p> <p>During the year under review, there were no whistleblowing cases reported.</p> <p>The WB Policy is published on the Company's website at www.datasonic.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to embedding sustainability into business strategies and operations. A holistic business management approach is taken, which considers every aspect of Economic, Environmental and Social (“EES”) risks and opportunities. These considerations, alongside financial implications, generate long-term benefits and business continuity.</p> <p>The Executive Directors and Key Management Team oversee the implementation of the Group’s sustainability approach, practices and performance according to EES criteria.</p> <p>In May 2023, the Board has adopted the Sustainability Policy for the purpose of communicating to employees, customers, shareholders 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 the long-term performance and resilience.</p> <p>The Executive Directors ensure that effective implementation of the Group’s sustainability strategies and plans.</p> <p>Sustainability related strategies and information are collated from the respective business units and divisions, reviewed and presented to the Executive Directors and for the Executive Directors to report key matters to the Board for further deliberation. This approach ensures that the Group’s Core Philosophy of providing integrated information communication technology (ICT) solutions continues to contribute towards the nation-building.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Sustainability is an integral part of the Group's business strategy. The Group have identified five (5) strategic areas of sustainability linked to the United Nations Sustainable Development goals. This allows the Group to work towards reaching the sustainability goals while contributing to the global collective effort for the betterment of the EES.</p> <p>The Group's stakeholders have been grouped under six (6) major categories according to the AA1000 Stakeholder Engagement Standards. The fitness of stakeholder classification and issues of concern are reviewed and adjusted through the identification process of annual stakeholder issues.</p> <p>The Sustainability Statement which forms part of the Annual Report discloses the detailed governance processes, sustainability strategies, stakeholder engagement, priorities and performance against targets and international standards, serves as the communication tool of the Group's sustainability reporting.</p> <p>The descriptions of the Group's stakeholder group, expectation and interests, engagement approaches and frequency of engagement are set out in the Sustainability Statement of the 2023 Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board keeps itself abreast with the sustainability issues which are relevant to the Company and its business by attending training programmes that covers the areas of sustainability which are organised internally for the Board. The details of training programmes attended by the Directors during the year are set out in the Corporate Governance Overview Statement of the 2023 Annual Report.</p> <p>In March 2023, the Company organised an in-house 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", to ensure the Board and Management have sufficient understanding of sustainability issues that are relevant to the Company and its business.</p> <p>The Company Secretaries constantly keeps the Board updated with the latest news related to sustainability practices and issues.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The relevant sustainability related performance measures and questions have been incorporated into the evaluation form for the effectiveness of the Board and Board Committees, and Director’s Self-Assessment.</p> <p>In May 2023, the NRC undertook an evaluation of the performance of the Board in addressing the Company’s material sustainability risks and opportunities.</p> <p>The Board concurred the sustainability and ESG practices and the matters will remain one of the areas that requires continuous improvement.</p> <p>The Board reviews the Group’s sustainability performance as a whole and accountable for addressing sustainability risks and opportunities through the Company’s monitoring and reporting process.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application	: Not Adopted
Explanation on adoption of the practice	:

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is guided by the Board Charter, Director's Fit and Proper Policy, Gender Diversity Policy, and Terms of Reference of NRC in reviewing the composition of the Board and Board Committees. The NRC also ensures that the composition of the Board and Board Committees adhere to the Main Market Listing Requirements of Bursa Malaysia.</p> <p>In May 2022, the Board has adopted the Director's Fit and Proper policy which set out the fit and proper criteria for the appointment, election and re-election of Directors of the Company and its subsidiaries and to ensure that only individuals of high caliber who possess the right character, experience, expertise, integrity, track record and qualifications are appointed on the Board of the Group.</p> <p>In the absence of a functioning NRC, the Board at additional Board meetings held on 14 September 2022 has taken appropriate action to review and assess the candidates for the proposed appointment of additional Directors, in response to the shareholders' nomination. The Board subsequently approved the appointment of the following additional Directors:-</p> <ul style="list-style-type: none">• Datuk Haji Abu Hanifah bin Noordin as Deputy Executive Chairman and Chief Executive Officer;• Mr Chew Chi Hong as Executive Director;• Datuk Mohd Khalil bin Kader Mohd as Independent Non-Executive Director; and• Dato' Roseleen binti Buyong as Non-Independent Non-Executive Director. <p>On 29 September 2022, the Board approved the recommendation of the NRC for the appointment/re-designation/resignation of the following Directors:-</p> <ul style="list-style-type: none">• 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;

- Re-designation of Datuk Haji Abu Hanifah bin Noordin from Deputy Executive Chairman and Chief Executive Officer to Executive Chairman; and
- Resignation of Encik Wan Zalizan bin Wan Jusoh as Executive Director.

On 12 October 2022, the Board approved the recommendation of the NRC for the appointment/re-designation of the following Directors:-

- Appointment of Tan Sri Borhan bin Dolah as Independent Non-Executive Director;
- Appointment of Datin Normaliza binti Kairon as Independent Non-Executive Director; and
- Re-designation of Encik Safian bin Mohd Yunus from Executive Director to Non-Independent Non-Executive Director.

In May 2023, the NRC reviewed the tenure of each Director and recommended that the Independent Directors, namely, Dato' Wan Mohd Safiain bin Wan Hasan, Dato' Wan Ibrahim bin Wan Ahmad and Mr Yee Kim Shing @ Yew Kim Sing to 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 where all long serving independent directors of more than twelve (12) years must resign or be re-designated as Non-Independent Directors.

In May 2023, the NRC reviewed and assessed the diversity in skills, experience, age, cultural background and gender of the Directors and Senior Management. Based on the assessment, the NRC opined that the current Board members and senior management during the financial year ended have an appropriate mix of skills, knowledge and experience from diverse professional backgrounds which collectively fit the Group's objectives and strategic goals.

The Board through the NRC had assessed the performance, contributions, independence, fitness and propriety of each Director who is standing for re-election at the Fifteenth Annual General Meeting ("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 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-

	<p>election of the Directors in accordance with Clauses 156 and 165 of the Constitution of the Company. The Directors retiring in accordance with Clauses 156 and 165 of the Constitution of the Company are as follows:-</p> <p><u>Clause 165 of the Constitution of the Company</u></p> <ul style="list-style-type: none"> • Dato' Ibrahim bin Abdullah; and • Encik Safian bin Mohd Yunus. <p><u>Clause 156 of the Constitution of the Company</u></p> <ul style="list-style-type: none"> • 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. <p>The Board agreed with the recommendation of NRC to re-elect the eligible Directors who are standing for re-election at the Fifteenth AGM of the Company.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>As at 31 March 2023, the Board comprises of fifteen (15) members, including nine (9) Independent Non-Executive Directors (“INED”), three (3) Executive Directors and three (3) Non-Independent Non-Executive Directors (“NINED”). The INED made up of 60% of the total Board members. Accordingly, the current composition complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which requires a minimum of two (2) or one-third (1/3) of the Board, whichever is higher to be Independent Directors.</p> <p>The strong representation of the Independent Directors ensures objective and impartial review and decision-making processes. The INED do not participate in the day-to-day management of the Company. The INED engage with senior management of the Company, external and internal auditors as and when required to address matters concerning the management and the oversight of the Company’s business and operations.</p> <p>All the Directors had given confirmation on a half yearly basis, as to whether they have any family relationship with any director and/or major shareholder of the Company and their directorship/shareholding in other company to enable the Board to assess the Directors’ independence as and when any new interest or relationship develops.</p> <p>For the year under review, the Board through the NRC has received affirmation from all the INEDs of their independence based on the criteria as prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board through the NRC evaluated the independence of the Independent Directors annually through the confirmation in writing received from them. Accordingly, the NRC was satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company.</p> <p>In year 2022, the Company had obtained the shareholders' approval at the Fourteenth AGM through a two-tier voting process for Dato' Wan Mohd Safiain bin Wan Hasan, Dato' Wan Ibrahim bin Wan Ahmad and Mr Yee Kim Shing @ Yew Kim Sing who have served the Board for a cumulative term of more than nine (9) years to be retained Independent Non-Executive Directors of the Company.</p> <p>Save for Dato' Wan Mohd Safiain bin Wan Hasan, Dato' Wan Ibrahim bin Wan Ahmad and Mr Yee Kim Shing @ Yew Kim Sing who will attain a cumulative term of twelve (12) years on 27 June 2023, none of the Independent Directors have served on the Board for a cumulative term of more than nine (9) years.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

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

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	Please provide an explanation on the adoption.

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In the process of identifying, evaluating, selecting and recommending to the Board the candidate to be appointed as a Director of the Company, the NRC considers the candidate's ability to discharge such responsibilities/function as expected from the Executive Director or Independent Non-Executive Director ("INED"). In the case of the appointment of an INED; the candidate's fit and proper criteria, competencies, commitment, contribution and performance, skills, knowledge, expertise and experience, professionalism, age, cultural, backgrounds, leadership qualities and integrity.</p> <p>The NRC has conducted an annual review on the diversity in skills, experience, age, cultural background and gender of the Directors and Key Senior Management. The Board is of the view that the current Board members and Key Senior Management have an appropriate mix of skills, knowledge, experience, age, ethnicity and gender with diverse professional backgrounds, a wide range of experience and expertise in security; information technology and engineering; project development; corporate management/business; finance/taxation; accounting/auditing; and legal. This provides a collective range of skills, expertise and experience that fit the Group's objectives and strategic goals.</p> <p>The appointment of Key Senior Management is also based on criteria of skill, experience and leadership qualities, driven by their respective job descriptions.</p> <p>In line with Paragraph 15.06 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, none of the Directors hold more than five (5) directorships in listed companies to enable Directors to have sufficient time to focus their commitment, resources, time on the affairs of the Company and serve the Board effectively.</p> <p>In the absence of a functioning NRC, the Board at the additional Board meetings held on 14 September 2022 has taken appropriate action to review and assess the candidates for the</p>

	<p>proposed appointment of additional Directors, in response to the shareholders' nomination.</p> <p>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:-</p> <ul style="list-style-type: none"> • Datuk Haji Abu Hanifah bin Noordin as Deputy Executive Chairman and Chief Executive Officer; • Mr Chew Chi Hong as Executive Director; • Datuk Mohd Khalil bin Kader Mohd as Independent Non-Executive Director; and • Dato' Roseleen binti Buyong as Non-Independent Non-Executive Director. <p>In 29 September 2022 and 12 October 2022, the NRC reviewed the suitability of the candidates who are sourced from internal sources for the appointment of INEDs, with reference to the criteria as set out in the Board Charter. The candidates who have been identified are required to make the fit and proper declaration. The NRC conducted the fit and proper assessment of the candidates. The NRC also reviewed the individual bankruptcy status of the respective candidates. The Board approved the recommendation of the NRC on the appointment of the following INEDs:-</p> <ul style="list-style-type: none"> • 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. <p>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 31 March 2023 is appropriate and adequate to effectively govern the Group's activities.</p>
<p>xplanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	

Timeframe	:		
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Intended Outcome

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

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>During the year under review, the Board had approved the appointment of the following persons as Directors of the Company based on the recommendation from the shareholders:-</p> <ul style="list-style-type: none">• Appointment of Datuk Haji Abu Hanifah bin Noordin as Deputy Executive Chairman and Chief Executive Officer on 14 September 2022;• Appointment of 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;• 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;• Appointment of Tan Sri Borhan bin Dolah as Independent Non-Executive Director on 12 October 2022; and• Appointment of Datin Normaliza binti Kairon as Independent Non-Executive Director on 12 October 2022. <p>In identifying a suitable candidate for appointment of Director with the right expertise, skills, competencies, legal standing, fitness and propriety and calibre suited to the needs of the Company, the Board generally take into account recommendations from the Directors, management, shareholders and various other sources. If necessary, the Board may source the suitable candidate from a Directors' registry and open advertisements or the use of independent search firms.</p>

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

Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The information on the appointment and re-appointment of Director(s) is available to the shareholders on the Company's website and Bursa Malaysia Securities Berhad's website.</p> <p>The Company will release an immediate announcement to Bursa Malaysia in accordance with the prescribed format whenever there is an appointment of new Director. The re-election of Director will be set out in the notice of AGM and announcement to Bursa Malaysia. The shareholders would be able to make an informed decision on the re-election of the retiring Directors at the AGM.</p> <p>The performance, contributions, independence, fitness and propriety of each Director who is standing for re-election had been assessed by the NRC through 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.</p> <p>In May 2023, the Board endorsed the NRC's recommendation for the following Directors to be considered for re-election pursuant to Clauses 156 and 165 of the Company's Constitution at the forthcoming Fifteenth AGM: -</p> <p><u>Clause 156 of the Company's Constitution</u></p> <ul style="list-style-type: none">i) Datuk Haji Abu Hanifah bin Noordin;ii) Mr Chew Chi Hong;iii) Tan Sri Ahmad Zaki Ansore bin Mohd Yusof;iv) Tan Sri Borhan bin Dolah;v) Tan Sri Dato' Seri Dr Khalid bin Abu Bakar;vi) CP(R) Datuk Mohd Khalil bin Kader Mohd;vii) Datin Normaliza binti Kairon; and

	<p>viii) Dato' Roseleen binti Buyong.</p> <p><u>Clause 165 of the Company's Constitution</u></p> <p>i) Dato' Ibrahim bin Abdullah; and ii) Encik Safian bin Mohd Yunus.</p> <p>The profile of retiring Directors are published in the 2023 Annual Report, which includes their age, gender, date of appointment, year of service, directorships in other companies, qualification, working experience, any conflict of interest with the Company and shareholdings in the Company, if any.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is chaired by Dato' Wan Ibrahim bin Wan Ahmad who is an Independent Non-Executive Director of the Company.</p> <p>The Board had elected the members of the NRC from amongst themselves and comprises of majority of Independent Directors, namely:-</p> <p><u>Chairman</u></p> <p>Dato' Wan Ibrahim bin Wan Ahmad (Independent Non-Executive Director)</p> <p><u>Members</u></p> <p>Dato' Ibrahim bin Abdullah (Independent Non-Executive Director) Dato' Roseleen binti Buyong (Non-Independent Non-Executive Director)</p> <p>The profile of the NRC members is available in the Company's Annual Report 2023.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As at 31 March 2023, the Company has two (2) women Directors, Dato' Roseleen binti Buyong and Datin Normaliza binti Kairon out of fifteen (15) Directors, representing 13% female representation on the Board.</p> <p>The Group acknowledges and recognises the benefits arising from a diversified boardroom and workforce including gender diversity. The Group encourages diversity in the composition of its Board and in employment by ensuring that the Group has an appropriate mix of skills and talent to conduct the business of the Company.</p> <p>In addition, the Company had established a policy on Gender Diversity Policy which is published on the Company's website at www.datasonic.com.my. that provides a framework for the Group.</p> <p>The Board through the NRC will take steps to ensure that women candidates are sought as part of its recruitment exercise with the aim of eventually to achieve the target of 30% female representation on the Board.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	The Board adopted a policy of Gender Diversity in supporting the diversity at the Board level and in the best interest of the Company. The Gender Diversity Policy is disclosed in the Annual Report 2023 and published on the Company's website at www.datasonic.com.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries facilitated the NRC in carrying out the annual evaluation of the effectiveness of the Board, Board Committees and individual Directors based on questionnaires tailor-made for the Company incorporating the following: -</p> <ul style="list-style-type: none">• Board mix and composition;• Quality of information and decision making;• Boardroom activities;• Board's relationship with the management;• Performance evaluation on Board Committees;• Directors' self-assessment; and• Performance of the Board in addressing the Company's material sustainability risks and opportunities. <p>In May 2023, the NRC reviewed the results of the evaluation exercise and considered the comments given by the Board and Board Committees members and the suggested areas for continuous improvement. The NRC agreed that the Board, Board Committees and each individual Director have performed well and effectively during the year under review. The overall results of the evaluation exercise were satisfactory with the rating ranging from the lowest of 2.77 points to the highest of 4.95 points, on a 5-point rating scale. Based on the NRC's recommendation, the results of the annual evaluation and the areas for continuous improvement were deliberated and adopted by the Board.</p> <p>In May 2023, the NRC also reviewed and assessed the terms of office and performance of the AC and its members to determine whether the AC and its members have carried out their duties in accordance with their Terms of Reference. The average rating for the performance of the AC as a whole is 4.44 points whilst the AC members rating was ranging from 3.81 points to 5.0 points. The results of the assessment were tabled to and duly adopted by the Board.</p>

	<p>The Directors were also given the opportunity to highlight key areas of priority and/or provide recommendation which they believe the Board should focus on as well as the necessary expertise and knowledge required from the Board in supporting and providing leadership and guidance to the management in executing and engaging in relevant activities.</p> <p>The Board will consider to engage an independent expert to facilitate the annual evaluation process of the Board and Board Committees when the need arises.</p>			
Explanation for departure	:			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
Measure	:			
Timeframe	:	<table border="1" style="width: 100%; height: 100%;"> <tr> <td data-bbox="964 877 1127 963"></td> <td data-bbox="1127 877 1385 963"></td> </tr> </table>		

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's Remuneration Framework is designed to increase the motivation level and productivity of the Group's employees and ensures that the salary levels are commensurate to the individual staff performance level. The Remuneration Framework will be reviewed and updated periodically.</p> <p>This framework, under the oversight of the NRC, outlines the basis and principles that guide the determination of remuneration for the Directors and employees of the Group. The NRC will consider various factors to ensure that the remuneration is aligned with the Company's objectives and supports the recruitment of the top talent candidates.</p> <p>The Remuneration Framework is published on the Company's website at www.datasonic.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC comprising exclusively of Non-Executive Directors is responsible to review and recommend the remuneration of the Board and senior management for the approval by the Board. The NRC ensures the remuneration packages are designed to attract, retain and motivate the Directors.</p> <p>Further to that, the NRC reviews and recommends the remuneration of the Directors to ensure that it is aligned to the market and reflecting the experience and expertise that commensurate with the duties and responsibilities.</p> <p>The authority and the duties and responsibilities of the NRC are set out in its Terms of Reference which is published on the Company's website at www.datasonic.com.my.</p> <p>In September 2022 and October 2022, the NRC reviewed and recommended to the Board for approval the proposed payment of Director's remuneration, Directors' fees and benefits and Board Committees members' fee for the following newly appointed Directors and Board Committees members:-</p> <ul style="list-style-type: none">i) CP(R) Datuk Mohd Khalil bin Kader Mohd appointed as Independent Non-Executive Director and member of Risk Management Committee;ii) Dato' Roseleen binti Buyong appointed as Non-Independent Non-Executive Director and member of Nomination and Remuneration Committee and Risk Management Committee;iii) Mr Chew Chi Hong appointed as Executive Director;iv) Tan Sri Dato' Seri Dr Khalid bin Abu Bakar appointed as Independent Non-Executive Director;v) Tan Sri Ahmad Zaki Ansore bin Mohd Yusof appointed as Independent Non-Executive Director;

	<p>vi) Tan Sri Borhan bin Dolah appointed as Independent Non-Executive Director; and</p> <p>vii) Datin Normaliza binti Kairon appointed as Independent Non-Executive Director and Audit Committee.</p> <p>In October 2022, the NRC reviewed and recommended to the Board for approval of the Director's fee and benefit payable to Encik Safian bin Mohd Yunus upon his redesignation from Executive Director to Non-Independent Non-Executive Director of the Company.</p> <p>In May 2023, the Board approved the NRC's recommendation for the Company to seek the shareholders' approval at the Fifteenth AGM for the Directors' fees and benefits payable to the Non-Executive Directors of the Company.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The detailed disclosure of the remuneration breakdown of individual Directors including fees and other benefits received from the Company and the Group for the financial year ended 31 March 2023 are disclosed in the Corporate Governance Overview Statement of the 2023 Annual Report.</p> <p>The Executive Chairman serves the Board on a pro bono basis and he does not receive any remuneration.</p> <p>The detailed disclosure on a named basis for the remuneration of individual Directors is set out in the table below.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Haji Abu Hanifah bin Noordin	Executive Director		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Dato' Wan Mohd Safian bin Wan Hasan	Independent Director	102,000	18,000	Input info here	Input info here	Input info here	Input info here	120,000	36,050	Input info here	Input info here	Input info here	Input info here	Input info here	156,050
3	Dato' Wan Ibrahim bin Wan Ahmad	Independent Director	87,466.67	17,000	Input info here	Input info here	Input info here	Input info here	104,466.67	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	104,466.67
4	Chew Chi Hong	Executive Director		Input info here	289,204.84	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	289,204.84
5	Dato' Ibrahim bin Abdullah	Independent Director	84,000	16,000	Input info here	Input info here	Input info here	Input info here	100,000	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	100,000
6	Yee Kim Shing @ Yew Kim Sing	Independent Director	120,000	17,000	Input info here	Input info here	Input info here	Input info here	137,000	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	137,000
7	Tan Sri Ahmad Zaki Ansore bin Mohd Yusof	Independent Director	36,400	4,000	Input info here	Input info here	Input info here	Input info here	40,400	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	40,400
8	Azrul bin Yahaya	Non-Executive Non-Independent Director	84,000	17,000	Input info here	Input info here	Input info here	Input info here	101,000	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	101,000
9	Tan Sri Dato' Seri Dr Khalid bin Abu Bakar	Executive Director	36,400	2,000	Input info here	Input info here	Input info here	Input info here	38,400	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	38,400
10	Chia Kok Khuang	Executive Director	Input info here	Input info here	627,020.60	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	627,020.60

11	Safian bin Mohd Yunus	Non-Executive Non-Independent Director	33,870.97	Input info here	458,217.98	Input info here	Input info here	Input info here	492,088.95	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	492,088.95
12	Tan Sri Borhan bin Dolah	Independent Director	33,870.97	2,000	Input info here	Input info here	Input info here	Input info here	35,870.97	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	35,870.97
13	Datuk Mohd Khalil bin Kader Mohd	Independent Director	45,966.67	6,000	Input info here	Input info here	Input info here	Input info here	51,966.67	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	51,966.67
14	Datin Normaliza binti Kairon	Independent Director	39,516.13	5,000	Input info here	Input info here	Input info here	Input info here	44,516.13	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	44,516.13
15	Dato' Roseleen binti Buyong	Non-Executive Non-Independent Director	52,533.33	8000	Input info here	Input info here	Input info here	Input info here	60,533.33	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	60,533.33

Intended Outcome

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

Practice 8.2

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

Application	:	Departure													
Explanation on application of the practice	:														
Explanation for departure	:	<p>The Company has disclosed the top 6 Key Senior Management's remuneration component in bands of RM50,000 but not on named basis due to confidentiality and sensitivity of each remuneration package and to avoid negative implications such as invasion of privacy of the senior management</p> <p>The Board will continuously review the requirement and the appropriateness of such disclosure where necessary.</p>													
		<p>The remuneration of the 6 Key Senior Management of the Company for the financial year ended 31 March 2023 in the bands of RM50,000 are as follows:-</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Range Remuneration per annum</th> <th style="text-align: right;">Number of Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM50,000 - RM100,000</td> <td style="text-align: right;">1</td> </tr> <tr> <td>RM200,000 - RM250,000</td> <td style="text-align: right;">2</td> </tr> <tr> <td>RM250,001 - RM300,000</td> <td style="text-align: right;">2</td> </tr> <tr> <td>RM450,000 – RM500,000</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">6</td> </tr> </tbody> </table>		Range Remuneration per annum	Number of Senior Management	RM50,000 - RM100,000	1	RM200,000 - RM250,000	2	RM250,001 - RM300,000	2	RM450,000 – RM500,000	1	Total	6
Range Remuneration per annum	Number of Senior Management														
RM50,000 - RM100,000	1														
RM200,000 - RM250,000	2														
RM250,001 - RM300,000	2														
RM450,000 – RM500,000	1														
Total	6														
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>															
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.													
Timeframe	:	Choose an item.													

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the AC and the Chairman of the Board are held by two (2) distinct individuals which allows the Board to objectively review the AC's findings and recommendations.</p> <p>The AC is led by Mr Yee Kim Shing @ Yew Kim Sing who is an Independent Non-Executive Director whilst the Executive Chairman of the Board is Datuk Haji Abu Hanifah bin Noordin.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The requirement of a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC had been included in the Term of Reference of the AC.</p> <p>At the present, none of the AC members were former key audit partners.</p> <p>The Terms of Reference of the AC is published on the Company's website at www.datasonic.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC has established the External Auditors Assessment Policy to assess the suitability, objectivity and independence of the external auditor. The Board through the AC, maintains an appropriate, formal and transparent relationships with both Internal and External Auditors.</p> <p>The AC conducted an annual assessment of the suitability and independence of the External Auditors, Messrs. Crowe Malaysia PLT in respect of the financial year under review. The AC was satisfied with the performance and independence of the External Auditors as well as the fulfillment of criteria based on several factors, which includes, inter-alia, the quality processes/performance based on international auditing standards or practices, adequacy of the firm's expertise and its resources to carry out the audit work, as set out in the External Auditors Assessment Policy.</p> <p>During the financial year, in May 2023, AC had private meeting with the External Auditors without the presence of the Executive Board Members and Management to discuss on audit matters and other related operational matters of the Group.</p> <p>The External Auditors confirmed their independence on an annual basis through their audit engagement in accordance with their firm's requirements and with the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants.</p> <p>Based on the outcome of the annual assessment of External Auditors and the AC's recommendation, the Board is in a position to recommend for the shareholders' approval, the re-appointment of Messrs. Crowe Malaysia PLT as auditors of the Company at the forthcoming Fifteenth AGM.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board regards the members of AC collectively are financially literate and able to understand matters under the purview of the AC which includes the financial reporting process. The AC assists the Board in its oversight over management in the implementation and monitoring of financial reporting, risk management and internal control systems.</p> <p>During the year under review, the AC members had been briefed on matters pertaining to the regulatory/statutory requirements issued by regulatory authorities as part of discussion and self-awareness during the AC meetings.</p> <p>In addition, to keep abreast of the relevant developments in accounting and auditing standards, the AC is regularly briefed by the External Auditors on key changes in accounting standards, practices and rules.</p> <p>The trainings attended by the AC members during the year under review are set out in the Corporate Governance Overview Statement of the 2023 Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by the Risk Management Committee (“RMC”) in overseeing risk management and internal control policies and procedures in order to manage the overall risk exposure of the Group.</p> <p>The Statement on Risk Management and Internal Control set out in the 2023 Annual Report outlines the main features of the Group’s risk management and internal control system for the financial year ended 31 March 2023.</p> <p>The Terms of Reference of the RMC is published on the Company’s website at www.datasonic.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The key features of the Group's risk management and internal control framework, and the adequacy and effectiveness of the framework are set out in the Statement on Risk Management and Internal Control of the 2023 Annual Report which was reviewed by the External Auditors, Audit Committee and the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The RMC comprises of three (3) members, majority of whom are Independent Non-Executive Directors. The RMC oversees the Group's risk management framework and policies in compliance with all applicable laws, rules, regulations, directives and guidelines in order to manage the overall risk exposure and threats of the Group.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's Internal Audit function is independent from the operations of the respective operating units. The internal audit function is led by the Chief Internal Auditor who reports directly and functionally on audit issues to the AC whilst the administrative matters are dealt with by the Executive Chairman.</p> <p>The Internal Audit Department ("IAD") reviews the adequacy and effectiveness of the system of risk management and internal controls implemented by the Group. The IAD provides reasonable assurance to the AC that there is no material deficiency in the internal control of the Group. The result of audits as narrated in the audit reports are deliberated in AC meetings attended by the Head of IAD.</p> <p>The detailed activities performed by IAD are set out in the AC Report of the 2023 Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit work which formed part of the internal audit function is governed by the Internal Auditor Charter.</p> <p>The IAD is made up of 4 personnel headed by the Chief Internal Auditor, Encik Norirman bin Nordin who holds a Bachelor’s (Hons) in Accounting and Finance with over 14 years of experience in corporate governance, risk, compliance and professional experiences across diverse corporate industries.</p> <p>All internal audit personnel are free from any relationship or conflicts of interest that may impact their objectivity and independence.</p> <p>The internal audit function conduct auditing in a manner that meet the requirements of the Institute of Internal Auditors’ International Standards for the Professional Practice of Internal Auditing.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board believes a consistent and meaningful communication with the shareholders/stakeholders through various platform will keep the investment community abreast of the Company's strategic progress, financial performance, latest interest and business engagements considered mutually beneficial to all parties.</p> <p>The Board has put in place the corporate information of the Company and is accessible to the shareholders and investors at the Company's website at www.datasonic.com.my. The Investor Relations section which provides all the relevant information on the Company's shares, financial information, announcements made by the Company to Bursa Malaysia Securities Berhad, latest media news on the Company as well as the Directors' and Key Senior Management profile, Board Charter, Terms of Reference of the Board Committees, Corporate Disclosure Policy and Procedures, Code of Conduct and Ethics for Directors, Whistleblowing System Policy, Shareholders Communication Policy, Gender Diversity Policy, External Auditors Assessment Policy, Anti-Bribery and Anti-Corruption Policy, Corporate Governance Report, Remuneration Framework, Directors' Fit and Proper Policy and Sustainability Policy.</p> <p>The Company has continuously leveraged on information technology for broader and effective dissemination of information to the shareholders and investors. The contact details of the Investor Relations can be found at the Company's website.</p> <p>The Company also embraces the social media, apart from the Company's website as crucial communication channel with the shareholders/stakeholders of the Company as these channels allow an immediate and easy access of any information as well as providing a supportive platform to receive responses, if any from interested party.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The notice of Fourteenth AGM of the Company was issued on 29 July 2022 for the AGM held on 14 September 2022, giving shareholders more than twenty-eight (28) clear days' notice prior to the AGM date.</p> <p>The Notice of AGM which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper. The notes to the Notice of AGM also provide detailed explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.</p> <p>For the Fifteenth AGM of the Company to be held in year 2023, the Company will also give at least twenty-eight (28) days' notice to the shareholders prior to the AGM. In view of that, the shareholders will have sufficient time to review the proposed resolutions tabled at the AGM, and to make necessary inquiries where necessary in the decision making process.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>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.</p> <p>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 not seeking for re-election and 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.</p> <p>The shareholders present at the Fourteenth AGM were invited to ask questions about the resolutions proposed at the AGM as well as matters relating to the Group's businesses before putting them to vote by poll.</p> <p>The Company's responses to questions submitted by the Minority Shareholders Watch Group were shared with the shareholders during the AGM.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Fourteenth AGM of the Company was conducted through live streaming and online remote voting via the Remote Participation and Voting facilities, which is in compliance with Section 327 (1) and (2) of the Companies Act, 2016 and Clause 106 of the Company’s Constitution.</p> <p>The Board is committed to ensuring proper and adequate protection of personal data of all its shareholders within its control in compliance with the Personal Data Protection Act, 2010.</p> <p>The Company has undertaken all the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats and risk.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman ensures that general meetings serve as part of the Company's commitment for continuous and meaningful engagement between the Board, senior management and shareholders.</p> <p>The Chief Financial Officer and representatives of Messrs. Crowe Malaysia PLT also attended in the Fourteenth AGM.</p> <p>During the Fourteenth AGM, the Chairman provided sufficient opportunities to shareholders to pose questions relating to the affairs of the Company during the Questions and Answers session in order to maximise shareholders participation</p> <p>The shareholders were given the opportunity to submit questions prior to the Fourteenth AGM electronically by emailing to eservices@sshshb.com.my or pose questions via real time submission of typed text through a text box within SS e-Portal before the start or during the live streaming. The Managing Director addressed the questions submitted by the shareholders via the RPV facilities and email.</p> <p>The shareholders and investors may also forward all investor relations related inquiries to the Company's dedicated email address at kai@capitalfront.biz.</p> <p>The Company's corporate website at www.datasonic.com.my provides additional channels for stakeholders to provide feedback, raise inquiries, recommendations, complaints and indirectly engage with the Company.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: During the Fourteenth AGM, the Company has appointed SS E Solutions Sdn Bhd (“SSES B”) as the service provider of Remote Participation and Voting (“RPV”) facilities via the Securities Services e-Portal (“SSeP”). SSeP is SSES B’s all-in solution for facilitating RPV at meetings. At the Fourteenth AGM, the Chairman informed the meeting that with the RPV facilities, shareholders may exercise the rights as shareholders of the Company to pose questions to the Board and vote remotely at the Meeting. This platform provides the shareholders with the ability to participate in the meeting remotely, cast their votes on all resolutions in a real-time, and engage in two-way communication with the Board and Senior Management team through the posted questions via the RPV. To ensure effective communication with the shareholders at the fully virtual general meeting, questions posed by shareholders were read out by the Chairman before being answered by the Managing Director.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

Timeframe	:		
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Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Minutes of the Fourteenth AGM (including all the questions raised at the AGM and the answers thereto) is available on the Company's website at www.datasonic.com.my no later than thirty (30) business days after the AGM. The minutes serve as a valuable medium of communication for stakeholders, providing a comprehensive understanding of the matters as discussed and actions taken at the Fourteenth AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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